

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

December 5, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 165 (the "District") met in regular session, open to the public, on the 5th day of December 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Alan Bentson	President
David Molina	Vice President
Wayne Green	Secretary
Scott Nilsson	Assistant Secretary
Scott Barr	Assistant Vice President

and all the above were present, thus constituting a quorum.

Also attending the meeting were Rodney Williams, Patricia Williams and Charlie Dilner, residents of the District; Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Lynn Kurtz of Myrtle Cruz, Inc. ("MCI"); Blake Dalton and David Colunga of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Chris Hoffman, Wes Alvey and Donnice Hoffman of H2O Consulting, Inc. ("H2O"); Josh Wailes of Mike Stone Associates, Inc. ("MSA"); David Beyer, Patrick Elliott and Drew Anderson of Storm Water Solutions, LLC ("Storm Water"); Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Robert Oliver of SWA Group; Sherri Greenwood of Forvis Mazars, LLP; Christie Leighton of Best Trash, LLC; Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC; Michael Crouch of Landmark Industries; Sergeant Michael Bilbrey of Harris County Constable's Office Precinct 5; and Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Director Bentson offered any members of the public attending the meeting the opportunity to make a public comment.

Mr. Crouch commented regarding a leak adjustment previously received for a commercial irrigation leak and requested additional relief. Ms. Hoffman confirmed that the District's leak adjustment policy has already been applied and that the remaining fees relate to pass-through of West Harris County Regional Water Authority fees.

Mr. Williams commented regarding a leak adjustment previously received for a leak and requested additional relief. Mr. Alvey confirmed that the District's leak

adjustment policy has already been applied and that the remaining fees relate to pass-through of West Harris County Regional Water Authority fees.

There being no members of the public requesting to make public comment, the Board moved to the next agenda item.

GARBAGE/RECYCLING COLLECTION

Ms. Leighton addressed the board regarding the holiday collection schedule.

MINUTES

The Board considered approving the minutes of November 7, 2024, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

SECURITY REPORT

Sergeant Bilbrey reviewed a report regarding patrol in the District during the month of November 2024, a copy of which is attached.

The Board acknowledged Sergeant Bilbrey’s upcoming retirement and thanked him for his years of service to the District.

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF DEFINED AREA ELECTION, BOND ELECTIONS AND OPERATIONS AND MAINTENANCE TAX ELECTIONS

The Board considered an Order Canvassing Returns and Declaring Results of Defined Area Election, Bond Elections and Operation and Maintenance Tax Elections (“Order”) for Defined Area 3 (“DA3”). Ms. Holoubek reviewed the election returns as certified by the District’s election officials and reported the following results:

		<u>FOR</u>	<u>AGAINST</u>
PROPOSITION A	- Approving the issuance of \$450,750,000 for water, sanitary sewer, and drainage and storm sewer systems and for refunding to serve Defined Area No. 3 (“DA3”) and the levy of taxes sufficient to pay the principal of and interest on the bonds.	2	0
PROPOSITION B	Approving the issuance of \$85,050,000 for recreational facilities and for refunding to serve DA3 and for the levy of taxes sufficient to pay	2	0

the principal of and interest on the bonds.

PROPOSITION C	- Approving the issuance of \$191,550,000 for roads facilities and for refunding to serve DA3 and for the levy of taxes sufficient to pay the principal of and interest on the bonds.	2	0
PROPOSITION E	- Authorizing an operation and maintenance tax for facilities to serve the DA3 authorized by Article XVI, Section 59, of the Texas Constitution, not to exceed one dollar (\$1.50) per one hundred dollars (\$100) Valuation of taxable property	2	0
PROPOSITION I	- Authorizing an operation and maintenance tax for road facilities to serve the DA3 authorized by Article III, Section 52, of the Texas Constitution, not to exceed twenty-five cents (\$0.25) per One hundred dollars (\$100) of assessed valuation of taxable property.	2	0

After review and discussion, Director Molina moved to approve the Order and direct that it be filed appropriately and retained in the District’s official records. Director Barr seconded the motion, which passed unanimously. A certified copy of the Order is attached.

AMENDMENT TO INFORMATION FORM

Ms. Holoubek reviewed the Amendment to the District’s Information Form (the “Amendment”), reflecting the District’s confirmation and bond authorizations for DA3. Following review and discussion, Director Molina moved to (1) authorize execution of the Amendment and (2) direct that the Amendment be filed appropriately and retained in the District’s official records. Director Barr seconded the motion, which passed unanimously.

DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2024A UNLIMITED TAX PARK BONDS

Mr. Jenkins presented and reviewed a developer reimbursement report in connection with the sale of the Series 2024A Unlimited Tax Park Bonds (the “Park Bonds”). Following review and discussion, Director Molina moved to approve the supplemental developer reimbursement report for the Park Bonds and authorize disbursement of funds, subject to receipt of executed receipts from developers receiving reimbursement. Director Barr seconded the motion, which passed unanimously.

SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2024 UNLIMITED TAX BONDS

Mr. Jenkins next presented and reviewed a supplemental developer reimbursement report in connection with the sale of the Series 2024 Unlimited Tax Bonds (the "Bonds"). Following review and discussion, Director Green moved to approve the supplemental developer reimbursement report for the Bonds and authorize disbursement of funds, subject to receipt of executed receipts from developers receiving reimbursement. Director Nilsson seconded the motion, which passed unanimously.

Ms. Greenwood presented and reviewed a supplemental developer reimbursement report in connection with the sale of the Bonds for additional invoices for Marvida, Sections 25-28 and engineering and surveying for the Longenbaugh Road detention pond and a supplemental developer reimbursement report for Avalon at Cypress Channel Crossing. Following review and discussion, Director Molina moved to approve the supplemental reimbursement reports and authorize disbursement of funds, subject to receipt of executed receipts from developers receiving reimbursement. Director Barr seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR BOARD OF DIRECTORS WINTER CONFERENCE

Ms. Holoubek reviewed the District's Travel Reimbursement Guidelines (the "Guidelines") and the Board discussed expenses for the upcoming Association of Water Board Directors winter conference (the "Conference"). Following review and discussion, Director Molina made a motion to authorize up to two nights of lodging at the Conference rate, up to three days of per diem, and up to six meals for any Director attending the Conference, if submitted in accordance with the District's Guidelines. Director Barr seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kurtz reviewed the bookkeeper's report. She discussed current public fund investment markets, reviewed the District's investment report, reviewed budget to actual revenues and expenses and variances. Copies of the bookkeeper's report, investment report, budgets, and a list of bills presented for payment are attached.

Following review and discussion, Director Molina moved to accept the bookkeeper's report and payment of the bills, including approving additional handwritten check no. 2991 in the amount of \$324.68, payable to Putnam Incorporated, approving additional handwritten check no. 2992 in the amount \$742.72, payable to Director Molina, and voiding check no. 2990. Director Barr seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. Rodriguz discussed the tax assessor/collector's report and delinquent tax report, copies of which are attached, reviewed the checks presented for payment from the tax account, reported taxable values for the District and defined areas within the boundaries of the District, reported regarding taxes collected to date and delinquent taxes from previous tax years.

Following discussion and review of the information provided by the District tax assessor collector, Director Molina moved to (1) accept the tax assessor/collector's report and authorize payment of the bills and (2) authorize an update of the District aerial map. Director Barr seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Hoffman reported 41 new residential taps installed during the month of November 2024.

Mr. Alvey reviewed customer appeals, copies of which are attached to these minutes.

Ms. Hoffman next presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills or taxes and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Following review and discussion, Director Molina moved to (1) approve the District operator's report and (2) authorize a leak adjustment presented with customer appeals for account no. 64227. Director Barr seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Mr. Beyer reviewed Storm Water Management Program reports, copies of which are attached, and provided an update regarding the District's asset management plan and permitting of District facilities. He also presented and requested approval of the following proposals:

1. proposal in the amount of \$3,450 to clean out the storm unit in Villas at Canyon Lakes West;
2. proposal in the amount of \$3,562 to clean out the vault and manholes in

- Mirasol; and
3. proposal in the amount of \$2,200 to repair damage caused by ducks in the Canyon Lakes, Section 2 pond.

Following review and discussion, Director Molina moved to approve the report and proposals. Director Barr seconded the motion, which passed unanimously.

PARK MAINTENANCE

Mr. Wailes reviewed a park and landscape management report, a copy of which is attached. Following review and discussion, Director Molina moved to approve the park and landscape management report. Director Barr seconded the motion, which passed unanimously.

KGA/DEFOREST DESIGN, LLC REPORT

Mr. Lindgren reported the status of Marvida Pod A Phase 2 Landscape Improvements and recommended approval of Pay Application No. 7 and Final in the amount of \$19,450, payable to Earth First. After review and discussion, Director Barr moved to (1) accept the landscape architect report from KGA and (2) based upon the recommendation of KGA, approve the pay estimate presented above. Director Green seconded the motion, which was passed by unanimous vote.

SWA GROUP REPORT

Mr. Oliver reviewed a landscape architect report, a copy of which is attached, reported the status of the following projects, and recommended approval of the following pay applications and change order:

1. Avalon at Cypress West – Avalon Landing Lane Phase 2 Landscape; Pay Estimate No. 5 in the amount of \$39,023.10, payable to Earth First Landscape; and Change Order No. 1 adding \$2,575 to the contract total for an additional bore and sleeve and Change Order No. 2 adding \$44,478,79 to the contract total for additional landscape screening;
2. Avalon at Cypress West, Entry Channel Landscape; Pay Estimate No. 5 in the amount of \$82,347.75, payable to Earth First Landscape; and Change Order No. 1 adding \$6,736.10 to the contract total for 2 additional retaining walls; and
3. Avalon at Cypress, Sections 7 and 8 Landscape Improvements; Pay Estimate No. 3 in the amount of \$267,875, payable to Earthcare Management, Inc.

The Board determined that the change orders presented above are beneficial to the District. Following review and discussion, Director Molina moved to (1) approve

SWA's report; (2) approve the pay estimates presented, based upon the recommendation of SWA; and (3) approve the change orders presented in the attached report, based upon the recommendation of SWA and finding that the change orders are beneficial to the District. Director Barr seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached.

Mr. Mullaly next reported that bids were received for construction of Marvida Drainage Phase I Rehabilitation and recommended that the Board award the contract in the amount of \$357,930.14 to Storm Water Solutions. The Board concurred that, in its judgment, Stormwater Solutions, is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects.

Mr. Mullaly next reported that bids were received for Marvida Drainage Phase 2 North Rehabilitation and, upon recommendation of Quiddity Engineering, recommended that the Board award the contract in the amount of \$248,911 to Champions Hydro-Lawn. The Board concurred that, in its judgment, Champions Hydro-Lawn is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects.

Mr. Mullaly next reported that bids were received for paving in Grand Mason, Section 7, and, upon the recommendation of BGE, recommended that the Board award the contract in the amount of \$634,617.20 to Harris Construction Company, LLC. The Board concurred that, in its judgment, Harris Construction Company, LLC is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects.

Mr. Mullaly then reviewed the status of construction projects in the District and presented the following pay applications and change orders:

1. Westgreen Boulevard Street Dedication 6; Pay Estimate No. 6 in the amount of \$36,652.50, payable to Harris Construction Company, LLC;
2. Traffic Signal Installation for West Road Signals; Pay Estimate No. 5 in the amount of \$31,320 and Pay Estimate No. 6 in the amount of \$80,765.10, both payable to Statewide Traffic Signal Company;
3. Grand Mason Detention Phase 3; Pay Estimate No. 3 in the amount of \$161,382.10, payable to DNT Construction, LLC;
4. Water Plant No. 6; Pay Estimate No. 25 and Final in the amount of \$554,312.30, payable to Long & Son, Inc.;

5. Stream and Wetlands Restoration Langham Creek Pond Excavation; Pay Estimate No. 3 in the amount of \$243,302.43, payable to Sterling Site Services;
6. Water Treatment Plant No. 6 2nd waterline connection; Pay Estimate No. 1 in the amount of \$96,202.26, payable to GM Vera's Construction; and
7. West Road Deep Sanitary Sewer Lines to serve Proposed Defined Area No. 3; Pay Estimate No. 1 in the amount of \$54,450, payable to Blazey Construction Services.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award the contracts for construction of water, sewer and drainage, paving and other facilities presented above, based upon the DAC's, BGE's and Quiddity's recommendations and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractors; and (3) based upon the recommendation of Quiddity, BGE and DAC, approve pay estimates listed above. Director Green seconded the motion, which was passed by unanimous vote.

DEEDS, EASEMENTS, ENCROACHMENTS AND OTHER RIGHT OF WAY CROSSINGS

The Board next considered accepting Temporary Access Easement for Grand Mason, Section 11. Following review and discussion, Director Molina moved to accept the temporary access easement, subject to attorney review. Director Barr seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

Mr. Dalton and Mr. Colunga reported regarding development in the District.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

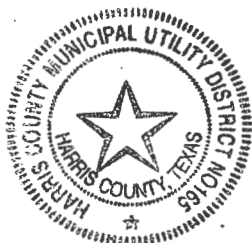
EXECUTIVE SESSION PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT CODE

The Board determined that it was not necessary to convene in executive session.

There being no additional business to consider, the meeting was adjourned.



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Certified Copy of Order Canvassing Returns and Declaring Results of Defined Area
Election, Bond Elections and Operation and Maintenance Tax Elections3
Travel Reimbursement Guidelines.....4
bookkeeper’s report, investment report, budgets, and a list of bills presented for
payment.....4
tax assessor/collector’s report and delinquent tax report5
park and landscape management report.....6
landscape architect report.....6
landscape architect report.....7