

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

January 9, 2025

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 9th day of January 2025, 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 David Keel and Maurice Mullaly of DAC Services, Inc. ("DAC"); Brenda McLaughlin of Bob Leared Interests, Inc. ("BLI"); Lynn Kurtz of Myrtle Cruz, Inc. ("MCI"); Blake Dalton 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 and Drew Anderson of Storm Water Solutions, LLC ("Storm Water"); Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Daniel Gillham of Tri Pointe Homes Texas Inc.; Stephen Eustis of Robert W. Baird & Co. Incorporated; Robert Oliver of SWA Group; 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.

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

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

SECURITY REPORT

Director Bentson reviewed a report regarding patrol in the District during the month of December 2024, a copy of which is attached, updated the Board on a replacement for Sergeant Michael Bilbrey and reported that a request for restitution for fence damage has been filed with the Harris County District Attorney's office.

MINUTES

The Board considered approving the minutes of December 5, 2024, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board concurred to defer action and discuss this agenda item at the February 6, 2025, Board meeting.

SERIES 2025 UNLIMITED TAX BONDS

Mr. Eustis stated that the District's bond application has been approved by the Texas Commission on Environmental Quality (the "TCEQ"). He discussed the expected timeline of the upcoming bond sale. He then distributed and reviewed a draft of the Preliminary Official Statement and the Notice of Sale for the Series 2025 Unlimited Tax Bonds (the "Bonds").

Ms. Holoubek discussed the duties of the paying agent/registrars for the Bonds and noted the financial advisor recommends that the Board appoint Zions Bancorporation, National Association ("Zions") as the District's paying agent/registrars for the Bonds.

The Board considered authorizing the District's financial advisor to advertise the sale of the Bonds and concurred to hold the bond sale on February 6, 2025.

Following review and discussion, Director Molina made the following motion: (1) to approve the Preliminary Official Statement and Notice of Sale; (2) to appoint Zions as the paying agent/registrars for the Bonds; (3) to authorize the District's financial advisor to advertise the sale of the Bonds; and (4) to authorize the District's auditor to begin preparation of the developer reimbursement report. 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. 3038 in the amount of \$1,237.12, payable to Quiddity and check no. 3039 in the amount of \$1,020.45, payable to Director Molina. Director Barr seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. McLaughlin 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, and reported regarding taxes collected to date and delinquent taxes from previous tax years.

Ms. Holoubek reviewed a Resolution to the Harris Central Appraisal District (the "Appraisal District") requesting that the Appraisal District active Defined Area No. 3.

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) approve a Resolution to the Appraisal District requesting activation of Defined Area No. 3. Director Barr seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported 86 new residential taps and 2 commercial taps installed during the month of December 2024¹ and requested authorization to make the following repairs and/or replacements:

1. replace the door for the bar screen at Wastewater Treatment Plant No. 2 for an estimated cost of \$2,900;
2. replace the impeller on lift pump no. 1 at Lift Station No. 5 for an estimated cost of \$8,842;
3. replace lift pump no. 2 at Lift Station No. 5 for an estimated cost of \$13,323; and
4. repair lift pump no. 2 at Lift Station No. 6 for an estimated cost of \$8,689.

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; (2) authorize repairs and replacements, as requested above; and (3) authorize a leak adjustment presented with customer appeals for account no. 74137. 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.

Following review and discussion, Director Molina moved to approve the report. 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 the following projects and reported that bids were received for construction of Bridge Creek Section 11 Landscape Improvements and recommended that the Board award the contract to the lowest bidder, Strickscapes, Inc., in the amount of \$481,257.89. The Board concurred that, in its judgment, Strickscapes, Inc., was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Lindgren also discussed the status of construction of Bridge Creek, Section 12 Landscape Improvements and recommended that the Board approve Pay Application No. 1 in the amount of \$121,725, payable to Triple E

Mr. Lindgren also discussed the construction of Bridge Creek, Section 13 Landscape Improvements and recommended that the Board approve Pay Application No. 1 in the amount of 102,682.27, payable to Triple E

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) award the contract for landscaping improvements presented above, based upon KGA'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 KGA, approve the pay estimate presented above. Director Barr seconded the motion, which was passed by unanimous vote.

SWA GROUP REPORT AND INTERLOCAL AGREEMENT WITH HARRIS COUNTY FOR MAINTENANCE OF NON-STANDARD ELEMENTS

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. 6 in the amount of \$15,274.80, payable to Earth First Landscape;
2. Avalon at Cypress West, Entry Channel Landscape; Pay Estimate No. 6 in the amount of \$4,500, payable to Earth First Landscape; and
3. Avalon at Cypress, Sections 7 and 8 Landscape Improvements; Pay Estimate No. 4 in the amount of \$162,126.58, payable to Earthcare Management, Inc.

Ms. Holoubek reviewed a proposed Interlocal Agreement with Harris County for maintenance of Non-Standard Elements within the existing right-of-way in the Avalon at Cypress Subdivision & Avalon Cove Lane and Padstow Road and a related letter agreement with the Avalon at Cypress Community Association (the "HOA") to maintain same.

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 Interlocal Agreement with Harris County for maintenance of Non-Standard Elements within the existing right-of-way in the Avalon at Cypress Subdivision & Avalon Cove Lane and Padstow Road and related letter agreement with the HOA. 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 water, sewer and drainage in Bridge Creek, Section 10 and recommended that the Board award the contract in the amount of \$331,389.04 to Gonzalez Construction. The Board concurred that, in its judgment, Gonzalez Construction 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 Westgreen Boulevard Pedestrian Crossing and recommended that the Board award the contract in the amount of \$40,375 to A Group Construction. The Board concurred that, in its judgment, A Group Construction 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. Grand Mason Detention Phase 3; Pay Estimate No. 4 in the amount of \$486,520.38, payable to DNT Construction;
2. Grand Mason, Section 8 water, sewer, and drainage; Pay Estimate No. 1 in the amount of \$769,671.11, payable to Gonzalez Construction;
3. Westgreen Boulevard Street Dedication 6; Pay Estimate No. 7 in the amount of \$53,416.90, payable to Harris Construction Company, LLC;
4. Water Treatment Plant No. 6 2nd waterline connection; Pay Estimate No. 2 in the amount of \$119,300.04, payable to GM Vera's Construction;
5. Amhurst Waterline Replacement; Pay Estimate No. 2 in the amount of \$226,710, payable to Underground Construction Solutions; and
6. West Road Deep Sanitary Sewer Lines to serve Proposed Defined Area No. 3; Pay Estimate No. 2 in the amount of \$13,910.40, 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 Barr seconded the motion, which was passed by unanimous vote.

DEEDS, EASEMENTS, ENCROACHMENTS AND OTHER RIGHT OF WAY CROSSINGS

The Board next considered a Special Warranty Deed for Lift Station No. 16 and a Temporary Access Easement for Grand Mason, Section 11. Following review and

discussion, Director Molina moved to accept the Special Warranty Deed and Temporary Access Easement. Director Barr seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

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

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

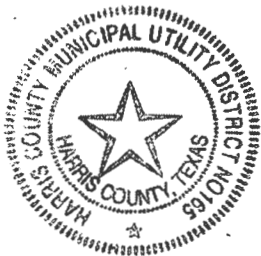
ADOPTION OF COVERED APPLICATIONS POLICY

Ms. Holoubek discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or -leased devices. She stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Ms. Holoubek reviewed the proposed Covered Applications Policy with the Board. After review and discussion, Director Molina moved to adopt a Resolution Adopting Covered Applications Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

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

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