

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

February 6, 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 6<sup>th</sup> day of February 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"); Patty Rodriguez 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 ("SWS"); Tyler Lindgren of KGA/DeForest Design, LLC ("KGA"); Brian Toldan of McCall Gibson Swedlund Barfoot Ellis PLLC ("McCall"); David Wood of Robert W. Baird & Co. Incorporated ("Baird"); Robert Oliver of SWA Group ("SWA"); Sergeant Mike Flores of Harris County Constable's Office Precinct 5 ("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.

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

Sergeant Flores discussed patrol in the District during the month of January 2025, and presented patrol reports, copies of which are attached.

## MINUTES

The Board considered approving the minutes of January 9, 2025, regular meeting. Following review and discussion, Director Barr moved to approve the minutes. Director Green seconded the motion, which passed unanimously.

## SERIES 2025 UNLIMITED TAX BONDS

Mr. Wood presented and reviewed the bids received for the sale of the District's \$58,400,000, Series 2025 Unlimited Tax Bonds (the "Bonds"). A summary of the bids received for the Bonds is attached. He stated that the low bid submitted by Raymond James & Associates, Inc. ("Raymond James") with a net effective interest rate of 4.334054% was reviewed and all numbers checked, and everything was found to be correct and consistent with the conditions in the Notice of Sale. Mr. Wood recommended that the District accept the bid of Raymond James for the Bonds as submitted. Following review and discussion, Director Barr made a motion to award the sale of the Bonds to Raymond James with a net effective interest rate of 4.334054%. Director Green seconded the motion, which carried unanimously.

The Board next considered adopting the Resolution Authorizing the Issuance of the District's Bonds (the "Resolution"). Ms. Holoubek presented and reviewed the proposed Resolution with the Board, which included explanation that the documents set forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the Bonds.

The Board next considered execution of the Paying Agent/Registrar Agreement with Zions Bancorporation, National Association ("Zions"). Ms. Holoubek reviewed the agreement and the provisions by which the paying agent/registrar will manage registration, transfer, and payment of the District's Bonds.

The Board next considered approving the Official Statement for the Bonds. Ms. Holoubek explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates, and debt service requirements.

Ms. Holoubek presented and reviewed the Certificate Regarding Provision of Financial Advice certifying that ABHR has not provided financial advice to the Board

concerning the issuance of the Bonds and that the Board has relied on the municipal advisor, Baird, for financial advice.

Ms. Holoubek next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the Board of Directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser.

Ms. Holoubek reviewed an Amendment to the District's Information Form, which she stated reflects the updated total amount of bonds sold by the District and will be filed with the TCEQ and recorded in the official property records of the Harris County Clerk.

Following review and discussion, Director Molina made a motion to (1) adopt the Resolution; (2) approve the Paying Agent/Registrar Agreement; (3) approve the Official Statement; (4) approve the Certificate Regarding Provision of Financial Advice; (5) authorize execution of documents related to the sale and delivery of the Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds; and (6) approve the Amendment to the Information Form and direct that it be filed with the TCEQ and the official property records of the Harris County Clerk. Director Barr seconded the motion, which carried unanimously.

#### AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

Mr. Toldan reviewed a draft audit of the District's financial information for the fiscal year end September 30, 2024, a copy of which is attached to these minutes. Upon a motion made by Director Molina, seconded by Director Barr, the Board voted unanimously to (1) approve the audit and management letter subject to final review and comments; and (2) authorize ABHR to file the audit and filing affidavit with the TCEQ.

#### ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCES

Director Bentson discussed the Association of Water Board Directors winter conference. The Board then considered authorizing attendance at the summer conference. After discussion, Director Molina moved to approve reimbursement of all eligible expenses for Directors who attended the winter conference, which the bookkeeper confirmed were submitted in accordance with the District's guidelines, and to authorize attendance of any interested Directors at the summer conference. Director Barr seconded the motion, which carried unanimously.

Discussion ensued regarding the District's bond authorization and water rates. Following discussion, the Board concurred to request that DAC bring a proposal for preparation of a capital improvement plan to the March 2025 Board meeting for discussion and consideration.

## 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 (1) accept the bookkeeper's report and payment of the bills; (2) void check no. 3055; and (3) approve the additional handwritten checks listed below:

1. check no. 3092 in the amount of \$1,169.77, payable to Director Green for AWBD winter conference expense reimbursement;
2. check no. 3093 in the amount of \$612.27, payable to Director Molina for additional per diems;
3. check no. 3094 in the amount of \$1,974.55, payable to Director Molina for AWBD winter conference expense reimbursement; and
4. check no. 3095 in the amount of \$279,181.37, payable to Wright Solutions for emergency manhole replacement.

Director Barr seconded the motion, which passed unanimously.

## ANNUAL DISCLOSURE STATEMENTS

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of Lynn Kurtz, as the District's bookkeeper, and Mary Jarmon, as the District's investment officer, respectively. Ms. Holoubek explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District, and the disclosure statements will be filed with the Texas Ethics Commission and the District. After review and discussion, Director Molina moved to accept the disclosure statements as presented and to authorize them to be appropriately filed. Director Barr seconded the motion, which passed unanimously.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Holoubek reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

## TAX ASSESSMENT AND COLLECTIONS MATTERS AND DELINQUENT TAX COLLECTION

Ms. Rodriguez 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.

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

#### RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed a tax rate analysis with the Board, copy of which is attached. Ms. Holoubek then presented and reviewed a Resolution Concerning Exemptions from Taxation reflecting that the Board grants a general residential homestead exemption of 10% (but not less than \$5,000) and grants an exemption of \$20,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older. Director Molina moved to adopt the Resolution Concerning Exemptions from Taxation and direct that the Resolution be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported 54 new residential taps installed during the month of January 2025 and requested authorization to coat clarifier no. 1 at the Wastewater Treatment Plant for an estimated cost of \$51,000.

Mr. Alvey reviewed a customer appeal, a copy of which is 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.

Mr. Hoffman next reviewed proposed changes to operational charges for residential tap fees.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; (2) authorize coating of clarifier no. 1 at the Wastewater Treatment Plant for an estimated cost of \$51,000; (3) authorize a leak adjustment presented with the customer appeal presented; (4) approve proposed operations fee

changes for residential taps; and (5) authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of those customers who appeared to make arrangements with the Board for payment of delinquent accounts and direct that the delinquent customer list be filed appropriately and retained in the District's official records. 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 reviewed a proposal in the amount of \$3,350 to remove graffiti from District stormwater facilities. Discussion ensued regarding repair and permitting of the Greenhouse Road Extension, permitting of Marvida Drainage Phase 2 North and schedules for completing and turning over Marvida ponds to the SGII Homeowner's Association.

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. Discussion ensued regarding adding mulch underneath play structures before summer.

#### KGA/DEFOREST DESIGN, LLC REPORT

Mr. Lindgren reviewed a report from KGA, a copy of which is attached to these minutes.

Mr. Lindgren also discussed the status of construction of Bridge Creek, Section 12 Landscape Improvements and recommended that the Board approve Pay Application No. 2 in the amount of \$3,481.20 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. 2 in the amount of \$131,261.93, payable to Triple E and a Change Order with no net change to the contract total and adding 6 days to the time to complete the contract.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) based upon the recommendation of KGA, approve the

pay estimate presented above; and (3) upon the recommendation of KGA and finding that the change order presented is beneficial to the District, approve the change order presented above. Director Barr 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 orders:

1. Avalon at Cypress West - Avalon Landing Lane Phase 2 Landscape; Pay Estimate No. 7 in the amount of \$5,708.21, payable to Earth First Landscape;
2. Avalon at Cypress West, Entry Channel Landscape; Pay Estimate No. 7 in the amount of \$2,250, payable to Earth First Landscape; and
3. Avalon at Cypress, Sections 7 and 8 Landscape Improvements; Pay Estimate No. 5 in the amount of \$82,522.74, payable to Earthcare Management, Inc.; Change Order No. 2 adding \$14,834.17 to the contract total; and Change Order No. 3 adding \$95,879.48 to the contract total.

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) upon the recommendation of SWA and finding that the change orders presented are beneficial to the District, approve the change orders presented above. Director Barr seconded the motion, which passed unanimously.

### ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached, and requested authorization to advertise for bids for construction of water, sewer, drainage and paving to serve Grand Mason Road Street Dedication Section 5.

Mr. Mullaly next reported that bids were received for construction of paving in Bridge Creek, Section 10 and recommended that the Board award the contract in the amount of \$449,668.50 to Harris Construction. The Board concurred that, in its judgment, Harris 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 presented a proposal in the amount of \$4,240 for materials testing from Terracon for Westgreen Boulevard Pedestrian Crossing.

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. 5 in the amount of \$631,389.71, payable to DNT Construction;
2. Grand Mason, Section 8 water, sewer, and drainage; Pay Estimate No. 2 in the amount of \$830,538.12, payable to Gonzalez Construction;
3. Bridge Creek, Section 11; Pay Estimate No. 2 in the amount of \$59,858.02, payable to Hurtado Construction;
4. Traffic Signal Installation for West Road Signals; Pay Estimate No. 7 and Final in the amount of \$79,086.70, payable to Statewide Traffic Signal Company; Change Order No. 2 adding \$5,800 to the contract total for final quantity adjustments; and Certificate of Substantial Completion;
5. Westgreen Boulevard Street Dedication 6; Pay Estimate No. 8 in the amount of \$17,836, payable to Harris Construction Company, LLC;
6. Amhurst Waterline Replacement; Pay Estimate No. 3 in the amount of \$113,778, payable to Underground Construction Solutions; and
7. Stream and Wetland Restoration Langham Creek Channel Pond Excavation; Pay Estimate No. 4 in the amount of \$65,492.08, payable to Sterling Site 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; (3) based upon the recommendation of Quiddity, BGE and DAC, approve pay estimates listed above; and (4) based upon the recommendation of Quiddity, BGE and DAC, and finding that the change orders are beneficial to the District, approve the change orders 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 accepting the following easements:

1. Sanitary Sewer Easement (0.0462 Acre; 0.4203 Acre) conveyed by CILB 2018, LP;
2. Sanitary Sewer Easement (0.0516 Acre; 0.0747 Acre) conveyed by TPG AG EHC III (MTH) Multi State 1, LLC; and
3. Storm Sewer Easement (0.2234 Acre) conveyed by TPG AG EHC III (MTH) Multi State 1, LLC.

Following review and discussion, Director Molina moved to accept the easements listed above. Director Barr seconded the motion, which passed unanimously.



DEVELOPER'S REPORT

Mr. Dalton reported regarding development in the District.

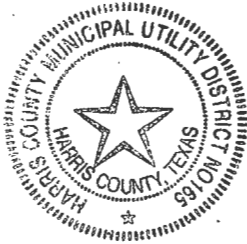
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

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.



A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above a horizontal line.

Secretary, Board of Directors

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