

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

May 8, 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 8th day of May 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, except Directors Molina and Green, thus constituting a quorum.

Also attending the meeting were Mustafa Massoud, resident of the District; Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Erin Garcia 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"); Drew Anderson of Storm Water Solutions, LLC ("SWS"); Kelly Gard of KGA/DeForest Design, LLC ("KGA"); Robert Oliver of SWA Group ("SWA"); Jessica Holoubek, Brooke Milbauer 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 comments, the Board moved to the next agenda item.

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

MINUTES

The Board considered approving the minutes of April 3, 2025, regular meeting and the April 17, 2025, special meeting.

Following review and discussion, Director Barr moved to approve the minutes. Director Nilsson seconded the motion, which passed unanimously.

SECURITY REPORT

There was no discussion for this agenda item.

RISK ASSESSMENT PROPOSALS AND INSURANCE POLICY MATTERS

Ms. Holoubek said that the District's consultants are pursuing proposals for additional insurance coverage and working on language for a potential District policy regarding wire transfers. The Board concurred to defer discussion until the June meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia reviewed the bookkeeper's report. She stated that the budget to actual revenues and expenses and variances and the reconciliation of budget comparisons from previous bond anticipation note and bond issues are not available for today's report and that she will be working to prepare these items for the next month's report. Copies of the bookkeeper's report, investment report, and a list of bills presented for payment are attached.

Ms. Milbauer reviewed a draft reimbursement report (the "Report") from the District's auditors, McCall, Gibson, Swedlund Barfoot Ellis PLLC correcting the source of funds used to reimburse Taylor Morrison from the District's Series 2023 Bond Anticipation Note for construction of the Cypress Channel Crossing to serve Avalon at Cypress. A copy of the report is attached to these minutes.

Following review and discussion, Director Barr moved to (1) accept the bookkeeper's report and payment of the bills; and (2) approve the Report and authorize transfer of \$192,850 from the District's surplus road bond capital projects fund account to correct the source of funds used to reimburse Taylor Morrison for a portion of the construction costs of the Cypress Channel Crossing to serve Avalon at Cypress. Director Nilsson seconded the motion, which passed unanimously.

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, reported regarding taxes collected to date and delinquent taxes from previous tax years and reviewed taxpayer appeals received. The Board discussed obtaining estimates of value.

Following discussion and review of the information provided by the District tax assessor collector, Director Barr moved to (1) accept the tax assessor/collector's report and authorize payment of the bills; (2) approve Resolutions Requesting Appraisals of Property and Estimates of Value for the District, Defined Area No. 1 and Defined Area No. 2; and (3) grant the appeals of taxpayers presented to the Board. Director Nilsson seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported 114 new residential taps were installed during the month of April 2025 and recommended that the Board approve the following:

1. Repair of a return-activated sludge pump no. 2 at Wastewater Treatment Plant No. 1 for an estimated amount of \$8,207;
2. Purchase of a shipping container for additional storage at Wastewater Treatment Plant No. 2 for an estimated amount of \$1,966; and
3. Replacement of the 4-channel auto dialer at Lift Station No. 2 for an estimated amount of \$3,825.

Mr. Massoud addressed the Board. The Board discussed Mr. Massoud's customer appeal for waiver of penalty and interests on his account.

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 Nilsson moved to (1) approve the District operator's report; (2) approve repairs, replacements and purchases listed above, as recommended by H2O; (3) waive the late, turn off and letters fees charged to Mr. Massoud's account, waive the application fee required for Mr. Massoud to open a new account and authorize a refund in the amount of \$158.51 to Mr. Massoud; and (4)

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.

The Board concurred to defer discussion of the District's Consumer Confidence Report ("CCR") until June 2025.

ORDER ESTABLISHING RULES AND REGULATIONS CONCERNING DISTRICT DETENTION FACILITIES

Ms. Holoubek reviewed a proposed Order Establishing Rules and Regulations Concerning District Detention Facilities. Following review and discussion, Director Barr moved to approve the Order and authorize ABHR to publish notice regarding adoption of the Order in a newspaper with general circulation within the District. The motion was seconded by Director Bentson and passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Mr. Anderson 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 \$7,800 to clean out storm units CDS4045 and CDS4040.

Following review and discussion, Director Nilsson moved to (1) approve the report; and (2) approve a proposal in the amount of \$7,800 to clean out storm units CDS4045 and CDS4040. 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, and recommended bollard improvements for an estimated cost of \$24,737 in Greenbelt Park. Following review and discussion, Director Barr moved to approve the park and landscape management report, including the improvements proposed. Director Nilsson seconded the motion, which passed unanimously.

KGA/DEFOREST DESIGN, LLC REPORT

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

Mr. Gard also discussed the construction of Bridge Creek Westgreen Phase II Landscape Improvements and recommended that the Board approve Pay Application No. 2 in the amount of \$50,661.14 and Pay Application No. 3 in the amount of \$2,275.29, both payable to Triple E and execute a Certificate of Substantial Completion.

Mr. Gard stated that bids were received for construction of Bridge Creek, Section 10 Landscape Improvements and recommended that the Board award the contract to Triple E. Growers d/b/a Triple Landscapes ("Triple Landscapes") in the amount of \$162,614.25. The Board concurred that, in its judgment, Triple Landscapes 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. Gard also discussed the construction of Bridge Creek, Section 11 Landscape Improvements and recommended that the Board approve Pay Application No. 1 in the amount of \$63,300.95, payable to Stricksapes.

Mr. Gard also discussed the construction of Bridge Creek, Section 12 Landscape Improvements and recommended that the Board approve Pay Application No. 4 in the amount of \$5,530.50, payable to Triple E and Change Order No. 3 with no net change to the contract total adding additional weather days only.

Mr. Gard also discussed the construction of Bridge Creek, Section 13 Landscape Improvements and recommended that the Board approve Pay Application No. 5 in the amount of \$10,380.60, payable to Triple E and Change Order No. 4 with no net change to the contract total adding additional weather days only and execute a Certificate of Substantial Completion.

After review and discussion, Director Barr moved to (1) accept the landscape architect report from KGA; (2) based upon the recommendation of KGA, approve the pay estimates presented above; (3) based upon the recommendation of KGA and finding that the change orders presented are beneficial to the District, approve the change orders presented above; (4) based upon the recommendation of KGA, authorize execution of Certificates of Substantial Completion presented above; and (5) award the contract for construction of Bridge Creek, Section 10 Landscape Improvements to Triple Landscapes in the amount of \$162,614.25, based upon the KGA's recommendation and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Nilsson 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. 10 in the amount of \$562.50, payable to Earth First Landscape;
2. Avalon at Cypress West, Entry Channel Landscape; Pay Estimate No. 10 in the amount of \$1,620, payable to Earth First Landscape; and
3. Avalon at Cypress, Sections 7 and 8 Landscape Improvements; Pay Estimate No. 8 in the amount of \$72,141.79, payable to Earthcare Management, Inc.

Following review and discussion, Director Barr moved to (1) approve SWA's report; and (2) approve the pay estimates presented, based upon the recommendation of SWA. Director Nilsson seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached, and discussed 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. 8 in the amount of \$700,911.90, payable to DNT Construction;
2. Grand Mason, Section 7 paving; Pay Estimate No. 1 in the amount of \$58,172.40, payable to Harris Construction;
3. Stream and Wetlands Restoration Langham Creek Channel Plantings; Pay Estimate No. 2 in the amount of \$78,743.47, payable to RES Environmental Operating Company LLC;
4. Grand Mason, Section 8 water, sewer and drainage; Pay Estimate No. 4 in the amount of \$85,698.89, payable to Gonzalez Construction;
5. Grand Mason, Section 8 paving; Pay Estimate No. 3 in the amount of \$1,011,399.04, payable to Gonzalez Construction;
6. Northwest Corner of West and Mason Road; Pay Estimate No. 1 in the amount of \$878,287.72, payable to Precise Services; and Change Order No. 1 adding \$305,009.23 to the contract total for changes in pavement requirements between bid and final approval;
7. Emergency Generator at Lift Station No. 13; Pay Estimate No. 1 in the amount of \$5,400, payable to McDonald Municipal;
8. West Road Deep Sanitary Sewer Lines to serve future Defined Area No. 3; Pay Estimate No. 5 in the amount of \$352,854.59, payable to Blazey Construction;
9. Westgreen Boulevard Pedestrian Crossing; Pay Estimate No. 1 in the amount of \$16,785, payable to A Group Construction; and
10. Bridge Creek Section 10 water, sewer, and drainage; Pay Estimate No. 2 in the amount of \$117,548.27, payable to Harris Construction Company, LLC;

and Change Order No. 1 adding \$11,760 to the contract total for adjustments to existing storm interceptor structures that were needed to accommodate the current elevation and drainage of the Reserve. .

Upon the recommendation of BGE, Mr. Mullaly also recommended that the Board execute an Owner's Ratification of Plat for the Grand Mason Detention Reserve C and Water Plant.

Following review and discussion, Director Barr moved to (1) approve the engineering report; (2) based upon the recommendation of Quiddity, BGE and DAC, approve pay estimates listed above; (3) 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; and (4) authorize execution of an Owner's Ratification of Plat for the Grand Mason Detention Reserve C and Water Plant. Director Nilsson seconded the motion, which was passed by unanimous vote.

BOND APPLICATION REPORT PROPOSAL

Ms. Holoubek reviewed a proposal from BGE in the amount of \$15,000 to prepare a summary of costs for Series 2025 Defined Area No. 1 Road Bond. Following review and discussion, Director Barr moved to approve the proposal. The motion was seconded by Director Nilsson and passed unanimously.

CAPITAL IMPROVEMENT PLAN

There was no discussion for this agenda item.

DEEDS, EASEMENTS, ENCROACHMENTS AND OTHER RIGHT OF WAY CROSSINGS

The Board next considered accepting water, sewer, and storm easements to serve new development in Grand Mason, including Water Plant No. 7. Following review and discussion, Director Barr moved to accept the easements listed above. Director Nilsson seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

Mr. Dalton reported regarding development in the District.

There was no discussion regarding a Maintenance Agreement with Mason Woods Community Association.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

EXECUTIVE SESSION

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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