

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

August 7, 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 7th day of August 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 Director Nilsson, thus constituting a quorum.

Also attending the meeting were Maurice Mullaly and David Keel of DAC Services, Inc. (“DAC”); Patty Rodriguez of Bob Leared Interests, Inc. (“BLI”); Erin Garcia of Myrtle Cruz, Inc. (“MCI”); Blake Dalton and David Colunga of Taylor Morrison of Texas, Inc. (“Taylor Morrison”); Chris Hoffman, Donnice Hoffman and Wes Alvey of H2O Consulting, Inc. (“H2O”); David Beyer and Drew Anderson of Storm Water Solutions, LLC (“SWS”); Robert Oliver of SWA Group (“SWA”); Josh Wailes of Guideline Management Services (“GMS”); Stephen Eustis of Robert W. Baird & Co. Incorporated; Kelly Gard of KGA/DeForest Design, LLC (“KGA”); Justin Jenkins of McCall Gibson Swedlund Barfoot Ellis PLLC (“McCall”); 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 comments, the Board moved to the next agenda item.

MINUTES

The Board considered approving the minutes of July 3, 2025, regular meeting. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

GARBAGE/RECYCLING COLLECTION

Ms. Leighton presented and reviewed pricing information for a proposed 3-year contract extension. Following review and discussion, Director Molina moved to approve the contract extension and authorize execution of the contract extension agreement. Director Barr seconded the motion, which passed unanimously.

SECURITY REPORT

Director Bentson discussed security matters in the District.

The Board discussed proposals received for surveillance equipment and recommended installation locations. The Board concurred to defer action until the next Board of Directors meeting.

UNLIMITED TAX ROAD BONDS SERIES 2025 FOR DEFINED AREA NO. 1

Mr. Eustis distributed and reviewed a draft of the Preliminary Official Statement and the Notice of Sale for the Defined Area No. 1 Series 2025 Unlimited Tax Road Bonds (the "Bonds").

Ms. Holoubek discussed the duties of the paying agent/registrar for the Bonds and noted the financial advisor recommends that the Board appoint Zions Bancorporation, National Association, Houston, Texas ("Zions") as the District's paying agent/registrar 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 September 4, 2025.

Mr. Jenkins requested the Board authorize McCall to prepare the developer reimbursement report for amounts to be reimbursed to the developers from the proceeds of the Bonds.

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/registrar for the Bonds; (3) to authorize the District's financial advisor to advertise the sale of the Bonds; and (4) to authorize the auditor to begin preparation of the developer reimbursement report. Director Barr seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia reviewed the bookkeeper's report. She reviewed a budget to actual revenues and expenses and variances and the reconciliation of budget comparisons from previous bond anticipation notes and bond issues. Discussion ensued regarding

surplus bond funds. Copies of the bookkeeper's report, investment report, and a list of bills presented for payment are attached. Ms. Garcia also reviewed a draft budget for the fiscal year ending September 30, 2026.

Following review and discussion, Director Molina moved to accept the bookkeeper's report and payment of the bills. Director Barr seconded the motion, which passed unanimously.

There was no discussion regarding the Bookkeeping Services Agreement.

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 Molina moved to accept the tax assessor/collector's report and authorize payment of the bills. Director Barr seconded the motion, which passed unanimously.

DEVELOPMENT STATUS AND 2025 TAX RATE

There was no discussion for either of this agenda items.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported that 74 new residential taps and 3 commercial taps were installed during the month of July 2025, and recommended that the Board authorize the following repairs and maintenance:

1. take down and inspect clarifier no. 2 at wastewater treatment plant no. 1;
2. clean the bottom of the onsite lift station at wastewater treatment plant no. 1 for an estimated cost of \$8,000;
3. pull and repair booster pump no. 4 at Water Plant No. 5 for an estimated cost of \$22,880; and
4. install back-up float controls at Lift Station No. 7 for an estimated cost of \$3,475.

Mr. Hoffman next reviewed a proposed contract amendment to change the contract rates for residential water taps. He also reviewed proposed changes to the

District Rate Order.

Mr. Hoffman reviewed customer appeals.

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) approve repairs and maintenance, as recommended; (3) approve the customer appeals presented, in accordance with the District's Rate Order and policies; (4) approve the proposed contract amendment; (5) authorize amendment of the Rate Order, as proposed, with an effective date of October 1, 2025; (6) approve an Interlocal Contract Between The Department of Information Resources and the District Relating to the Use of the DIR Shared Services Master Service Agreements; and (7) 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 a Storm Water Management Program report, a copy of which is attached, provided an update regarding the District's asset management plan and permitting of District facilities and reviewed a proposal in the amount of \$39,053 to replace the channel pipe at the Longenbaugh Road detention pond.

Discussion ensued regarding the maintenance of Marvida Phase 2 South Basin Sl.

Following review and discussion, Director Nilsson moved to (1) approve the Storm Water Management Program report; (2) approve the proposal presented for replacement of the channel pipe at the Longenbaugh Road detention pond; and (3) authorize ABHR to place the SG II Owner's Association (the "HOA") on notice that the District intends to mow and back charge the HOA if maintenance is not completed within 30 days. . 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 requested Board approval to refurbish the pergola in Windhaven park for an estimated amount of \$1,783.

Following review and discussion, Director Molina moved to approve the park and landscape management report, including the improvements proposed. Director Barr 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 discussed the status of Bridge Creek Westgreen Phase II Landscape Improvements and recommended that the Board approve Pay Application No. 5 in the amount of \$2,025 and Pay Application No. 6 and Final in the amount of \$19,594.41, both payable to Triple E. He also recommended that the Board approve Change Order No. 3 deducting \$10,000 from the contract total to remove boxes, valve covers and additional grading repairs within right-of-way. He also recommended that the Board authorize execution of a Letter of Final Acceptance.

Mr. Gard also discussed the construction of Bridge Creek, Section 12, Landscape Improvements and recommended that the Board approve Pay Application No. 6 and Final in the amount of \$15,353.30, payable to Triple E.

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 estimates presented above; and (3) based 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.

No action was taken on Bridge Creek, Section 13, Landscape Improvements Pay Application No. 7 and Final.

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 that the Board approve Change Order No. 5 increasing the District's contract Earthcare Management, Inc. in the amount of \$4,303.50 for Avalon at Cypress, Sections 7 and 8 Landscape Improvements.

Following review and discussion, Director Molina moved to (1) approve SWA's report; and (2) based upon the recommendation of SWA and finding that the change

order presented is beneficial to the District, approve the change order 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 the following projects for bids for construction:

1. Bridge Creek Terrace Left Turn Land;
2. Bridge Creek Village, Section 1;
3. Bridge Creek Village, Section 2;
4. additional ground storage tank and hydropneumatics tank at Water Plant No. 2;
5. utilities along Mason Road;
6. Lift Station No. 18; and
7. Lift Station No. 18 force main.

Mr. Mulally next presented the following proposals and recommended approval:

1. a proposal from Ninyo & Moore in the amount of \$258,600 for materials testing for Grand Mason Detention Phase 4; and
2. a proposal from Quiddity for design and construction phase services for Kinder Morgan Easement Grading in the amount of \$30,000.

Mr. Mullaly reviewed bids for construction of water, sewer, drainage and paving in Grand Mason, Section 9 and recommended awarding a contract to Unitas Construction ("Unitas") in the amount of \$3,717,012. The Board concurred that, in its judgment, Unitas 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. Mullaly reviewed bids for construction of Wastewater Treatment Plant No. 2, Phase II and recommended awarding a contract to RP Constructors in the amount of \$6,492,050. The Board concurred that, in its judgment, RP Constructors 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. Mullaly reviewed bids for construction of water, sewer, and drainage in Avalon at Cypress, Section 14 and recommended awarding a contract to Fellers & Clark in the amount of \$815,000. The Board concurred that, in its judgment, Fellers & Clark 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. Mullaly reviewed bids for construction of paving in Avalon at Cypress, Section 14 and recommended awarding a contract to Hurtado Construction

("Hurtado") in the amount of \$793,000. The Board concurred that, in its judgment, Hurtado 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. Mullaly next reported the status of construction projects in the District and presented the following proposal, pay applications and change orders:

1. Grand Mason Detention Phase 4; Pay Estimate No. 1 in the amount of \$723,138.66, payable to Lonnie Lischka Company;
2. Grand Mason Section 7, water, sewer, and drainage; Pay Estimate No. 4 and Final in the amount of \$75,885.05, payable to Gonzalez Construction;
3. Grand Mason, Section 7 paving; Pay Estimate No. 4 and Final in the amount of \$33,445, payable to Harris Construction;
4. Grand Mason, Section 8 paving; Pay Estimate No. 6 in the amount of \$45,228.25, payable to Gonzalez Construction;
5. Northwest Corner of West and Mason Road; Pay Estimate No. 4 in the amount of \$164,177.92, payable to Precise Services;
6. Stream and Wetlands Restoration-Pond Excavation; Pay Estimate No. 7 in the amount of \$76,339.36, payable to Sterling Site Services;
7. Amhurst Water Line Replacement; Pay Estimate No. 7 in the amount of \$135,747 and pay Estimate No. 8 in the amount of \$135,522, both payable to Underground Construction Solutions;
8. West Road Deep Sanitary Sewer Lines to serve proposed Defined Area No. 3; Pay Estimate No. 7 and Final in the amount of \$43,414.80, payable to Blazey Construction;
9. Bridge Creek, Section 10 water, sewer, and drainage; Pay Estimate no. 4 in the amount of \$1,732.50, payable to Gonzalez Construction;
10. Bridge Creek Section 10 paving; Pay Estimate No. 3 in the amount of \$13,873.97, payable to Harris Construction;
11. Bridge Creek Section 12 paving; Pay Estimate No. 3 and Final in the amount of \$79,334.21, payable to Hurtado; Change Order No. 2 adding \$500.32 to the contract total for adjustments to final quantities; a Certificate of Substantial Completion was also submitted for approval;
12. Marvida Drainage Phase 2 North Rehabilitation; Pay Estimate No. 2 and Final in the amount of \$72,131.92; a Final Certificate of Substantial Completion and Certificate of Owner's Acceptance were also presented for Board approval;
13. Avalon at Cypress West Section 3 water, sewer, and drainage; Change Order No. 1 adding \$3,329 to the District's contract with Texasite, LLC to allow connection to existing water system due to conflict with exiting storm sewer;
14. Avalon at Cypress West, Section 4 paving; Pay Estimate No. 2 in the amount of \$380,461.10, payable to Harris Construction. .

15. Avalon at Cypress, Section 10 water, sewer, and drainage; Pay Estimate No. 5 in the amount of \$29,474.61, payable to Unitas;
16. Avalon at Cypress, Section 10 paving; Pay Estimate No. 5 in the amount of \$16,904.30, payable to Unitas;
17. Avalon at Cypress West Avalon Landing Land Dedication water, sewer, and drainage; Pay Estimate No. 3 and Final in the amount of \$28,763.85, payable to Unitas; and
18. Avalon at Cypress West Avalon Landing Land Dedication paving; Pay Estimate No. 3 and Final in the amount of \$13,627.83, payable to Unitas Construction.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award contracts as recommended above, based upon the recommendation of Quiddity, BGE and DAC; (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.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR APPROVAL OF PROJECTS AND BONDS

Mr. Keel discussed a proposed bond issue and the Board considered approving a Resolution Authorizing Application to the TCEQ for Approval of Projects and Bonds and for Use of Surplus Funds in the amount of \$18,850,000 less any applicable surplus funds. The Board concurred to defer discussion until the September Board meeting.

CAPITAL IMPROVEMENT PLAN

Mr. Keel updated the Board on development of a Capital Improvement Plan.

DEEDS, EASEMENTS, ENCROACHMENTS AND OTHER RIGHT OF WAY CROSSINGS

Ms. Holoubek discussed the proposed storm sewer in Bridge Creek that extends underneath the bridge and presented an abandonment of previously conveyed easements and replacement storm sewer easements. Following review and discussion, Director Molina moved to approve abandonment of previously conveyed easements and accept the replacement easements. The motion was seconded by Director Barr and passed unanimously.

DEVELOPER'S REPORT

There was no discussion on this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

EXECUTIVE SESSION

At 8:34 p.m., the Board convened in Executive Session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the District's attorney to discuss contemplated litigation, or a potential settlement offer.

OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 9:00 p.m., the Board reconvened in Open Session. The Board concurred to schedule a special meeting on Thursday, August 28, 2025, at 5:00 p.m. to discuss bookkeeping services.

NEXT MEETING DATE AND AGENDA ITEMS

The Board concurred to meet next on Thursday, September 4, 2025.

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



Secretary, Board of Directors

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