

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

September 4, 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 4th day of September 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 Molina, thus constituting a quorum.

Also attending the meeting were 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, Donnice Hoffman and Wes Alvey of H2O Consulting, Inc. ("H2O"); Drew Anderson of Storm Water Solutions, LLC ("SWS"); Robert Oliver of SWA Group ("SWA"); Josh Wailes of Guideline Management Services ("Guideline"); David Wood of Robert W. Baird & Co. Incorporated ("Baird"); Kelly Gard of KGA/DeForest Design, LLC ("KGA"); Frank Turner of EEPB; Ken Farrar of Best Trash, LLC; Sergeant Richard Carpenter of Harris County Constable's Office Precinct 5 ("Precinct 5"); 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 August 7, 2025, regular meeting minutes and August 28, 2025, special meeting minutes. Following review and discussion, Director Nilsson moved to approve the minutes. Director Green seconded the motion, which passed unanimously.

GARBAGE/RECYCLING COLLECTION

Ms. Holoubek and Mr. Farrar discussed with the Board that the contract previously presented to the Board is for 3-year contract extension (the "Contract") that holds contract pricing for 2 years before automatic annual cost of living increases ("CPI") are implemented pursuant to the Contract. Following review and discussion, Director Nilsson moved to approve the contract extension, as discussed. Director Barr seconded the motion, which passed unanimously.

SECURITY REPORT

Sergeant Carpenter discussed security matters in the District. The Board discussed proposals for surveillance equipment. Following discussion, Director Barr moved to authorize purchase and installation of 20 Flock Safety cameras with license plate recognition and 2 regular Flock Safety cameras. Director Nilsson seconded the motion, which passed unanimously.

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

Mr. Wood presented and reviewed the bids received for the sale of the District's \$6,950,000, Series 2025 Defined Area No. 1 Unlimited Tax Road Bonds (the "Bonds"). A summary of the bids received for the Bonds is attached. He stated that the low bid submitted by Samco Capital with a net effective interest rate of 4.824785 % 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 from Samco Capital for the Bonds as submitted. Following review and discussion, Director Green made a motion to award the sale of the Bonds to Samco Capital with a net effective interest rate of 4.824785%. Director Nilsson seconded the motion, which passed 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, Houston, Texas ("Zions"). Ms. Holoubek reviewed the agreement and the provisions by which the paying agent/registrar will handle 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 he/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 Barr 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; (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; and (7) authorize the District auditor to prepare a reimbursement report for distribution of bond funds. Director Nilsson seconded the motion, which passed 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. 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 Barr moved to (1) accept the bookkeeper's report and payment of the bills, including the following checks written after the bookkeeper's report was distributed:

1. Check No. 3403 in the amount of \$240.49, payable to Scott Nilsson;
2. Check No. 3404 in the amount of \$230.49, payable to Scott Barr; and

3. Check No. 1031 in the amount of \$102,296.70, payable to Gael, Inc. for Pay Estimate No. 4 for Lift Station No. 19.

and (2) adopt a budget for the fiscal year ending September 30, 2026, as discussed and amended. 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 Nilsson moved to accept the tax assessor/collector's report and authorize payment of the bills. Director Green seconded the motion, which passed unanimously.

2025 TAX RATE

Mr. Wood reviewed tax rate analyses for the District, Defined Area No. 1, Defined Area No. 2, and Defined Area No. 3.

Following review and discussion, Director Nilsson moved to (1) set the public hearing date for October 2, 2025, and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 2, 2025 in the Houston Business Journal to set the proposed 2025 total tax rate of \$0.82 per \$100 of assessed valuation, with \$0.57 allocated for debt service on water, sewer, and drainage bonds, and \$0.25 allocated for operations and maintenance; (3) authorize the tax assessor/collector to publish notice of the District's meeting on October 2, 2025 in the Houston Business Journal to set the proposed 2025 total tax rate of \$0.68 per \$100 of assessed valuation for debt service in Defined Area No. 1; (4) authorize the tax assessor/collector to publish notice in the Houston Business Journal of the District's meeting on October 2, 2025 to set the proposed 2025 total tax rate of \$0.58 per \$100 of assessed valuation for debt service in Defined Area No. 2; and (5) authorize the tax assessor/collector to publish notice of the District's meeting on October 2, 2025 in the Houston Business Journal to set the proposed 2025 total tax rate of \$0.68 per \$100 of assessed valuation for operation and maintenance in Defined Area No. 3. Director Green seconded the motion, which passed unanimously.

RESOLUTION NOMINATING A CANDIDATE TO FILL A VACANCY ON THE BOARD OF DIRECTORS OF THE HARRIS CENTRAL APPRAISAL DISTRICT

The Board discussed nominating a candidate to serve on the Harris Central Appraisal District Board of Directors to represent conservation and reclamation districts. Following discussion, Director Barr moved to nominate Alan Bentson. Director Green seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported that 47 new residential taps were installed during the month of August 2025, and recommended that the Board authorize the following repairs and maintenance:

1. replace generator radiator at Water Plant No. 2 for an estimated cost of \$33,316.17; and
2. install back up float system at Lift Station No. 16 for an estimated cost of \$4,950.

Mr. Alvey reviewed a proposal for installation of 2 return-activated sludge pumps at Wastewater Treatment Plant No. 1 and recommended that the Board award the contract to NTS in the amount of \$74,764. The Board concurred that, in its judgment, NTS 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. 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 Green moved to (1) approve the District operator's report; (2) approve the replacement and installation above, as recommended; (3) approve the customer appeals presented, in accordance with the District's Rate Order and policies; (4) award the contract for installation of 2 return-activated sludge pumps at Wastewater Treatment Plant No. 1 to NTS in the amount of \$74,764, based upon the operator's recommendation, receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor, and receipt of 2 additional bids; 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 Nilsson seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Mr. Anderson 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 adding a proposed maintenance schedule in the amount of \$18,360 annually to maintain the Kinder Morgan easement behind Water Plant No. 6.

Following review and discussion, Director Nilsson moved to (1) approve the Storm Water Management Program report; (2) approve the proposal presented for maintenance of the Kinder Morgan easement area behind Water Plant No. 6. Director Green 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 Barr moved to approve the park and landscape management report. 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 reported regarding the construction of Mason Woods, Phase 4 Landscape Improvements and recommended that the Board approve payment of Pay Application No. 1 in the amount of \$71,236.49, payable to StrickScapes.

Mr. Gard next discussed the status of construction of Bridge Creek, Section 13 Landscape Improvements and recommended that the Board approve Pay Application No. 7 and Final in the amount of \$28,350, payable to Triple E.

After review and discussion, Director Green moved to (1) accept the landscape architect report from KGA; and (2) based upon the recommendation of KGA, approve the pay estimates presented above. 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 requested authorization to advertise for bids for construction of Avalon at Cypress West, Section Landscape Improvements.

Mr. Oliver reviewed bids for construction of Avalon at Cypress Sections 10 and 12 Landscape Improvements and recommended awarding a contract to Houston Landscapes Unlimited in the amount of \$1,186,812.21. The Board concurred that, in its judgment, Houston Landscapes Unlimited 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.

Following review and discussion, Director Barr moved to (1) approve SWA's report; and (2) award a contract in the amount of \$1,186,812.21 to Houston Landscapes Unlimited, based upon the SWA'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 Green seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached, and requested authorization to design the following projects for bids for construction:

1. Grand Mason Road Street Dedication Section 1 Drainage and Paving; and
2. Traffic Signal Mason Road at West Road.

Mr. Mullaly reviewed bids for construction of sanitary and waterlines along Mason Road and recommended awarding a contract to Blazey Construction ("Blazey") in the amount of \$1,285,912. The Board concurred that, in its judgment, Blazey 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 also reviewed bids for construction of Marvida Street Acceptance - Longenbaugh Road Street Dedication & Reserves and Marvida Terrace Drive Street Dedication, Section 1 and recommended awarding a contract to GMR Total Service, LLC in the amount of \$21,697.60. The Board concurred that, in its judgment, GMR Total Service, LLC 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 reviewed bids for construction of Marvida Street Acceptance - Marvida Terrace Drive Street Dedication, Section 3 and recommended awarding a contract to Beyer Construction, LLC, in the amount of \$20,760. The Board concurred

that, in its judgment, Beyer Construction, LLC, 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 pay applications and change order:

1. Avalon at Cypress West Section 3 water, sewer, and drainage; Pay Estimate No. 1 in the amount of \$675,446.40, payable to Texasite, LLC, to allow connection to existing water system due to conflict with exiting storm sewer;
2. Avalon at Cypress West, Section 4 paving; Pay Estimate No. 3 in the amount of \$54,160.75, payable to Harris Construction;
3. Grand Mason Detention Phase 3; Pay Estimate No. 11 in the amount of \$239,112 and Pay Estimate No. 12 in the amount of \$229,305.78, both payable to DNT Construction;
4. Grand Mason Detention Phase 4; Pay Estimate No. 2 in the amount of \$370,992.52, payable to Lonnie Lischka Company;
5. Grand Mason, Section 8 paving; Pay Estimate No. 7 and Final in the amount of \$29,360, payable to Gonzalez Construction;
6. Avalon at Cypress West Mason Road North; Pay Estimate No. 7 in the amount of \$24,478, payable to Unitas Construction;
7. Amhurst Water Line Replacement; Pay Estimate No. 9 in the amount of \$129,609, payable to Underground Construction Solutions;
8. Lift Station No. 19; Pay Estimate No. 3 in the amount of \$117,225 and Pay Estimate no. 4 in the amount of \$102,296.70, both payable to Gael, Inc.;
9. Bridge Creek, Section 10 water, sewer, and drainage; Pay Estimate No. 5 and Final in the amount of \$33,732, payable to Gonzalez Construction; and
10. Bridge Creek, Section 13 water, sewer, and drainage; Pay Estimate No. 5 and Final in the amount of \$7,353.51, payable to R Construction; and Change Order No. 2 deducting \$16,750.25 from the contract total for final quantity adjustment.

The Board also reviewed a proposal from BGE in the amount of \$70,000 for the preparation of a bond application for parks bonds in Defined Area No. 1.

Following review and discussion, Director Nilsson 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; (4) based upon the recommendation of Quiddity, BGE and DAC, and finding that the change order is beneficial to the District, approve the change order listed above; and (5) approve the proposal from BGE for preparation of a bond application for park bonds in Defined Area No. 1. Director Green seconded the motion, which was passed by unanimous vote.

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 presented a Special Warranty Deed from WLH Communities-Texas LLC conveying landscaping reserves to the District. Following review and discussion, Director Nilsson moved to accept the deed. The motion was seconded by Director Green and 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

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

ANNUAL REPORT TO BOND REVIEW BOARD

Ms. Holoubek presented a memorandum regarding the required submission of an annual report to the Bond Review Board containing certain information about the District's voter-approved but unissued bonds, a copy of which is attached, and stated that ABHR will work with the District's consultants to prepare and submit the annual report by the September 30th deadline.

BOOKKEEPING SERVICES AGREEMENT

The Board discussed bookkeeping services. Following discussion, Director Nilsson moved to terminate the District's agreement with Myrtle Cruz, Inc. effective November 30, 2025. Director Green seconded the motion, which passed unanimously.

NEXT MEETING DATE AND AGENDA ITEMS

The Board concurred to meet next on Thursday, October 2, 2025. There being no additional business to consider, the meeting was adjourned.



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Secretary, Board of Directors

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