

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

October 2, 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 2nd day of October 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 by phone or in person 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"); David Colunga and 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"); Stephen Eustis of Robert W. Baird & Co. Incorporated ("Baird"); Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Frank Turner and Samantha Kingston of EEPB Company; Sergeant Richard Carpenter of Harris County Constable's Office Precinct 5 ("Precinct 5"); 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 September 4, 2025, regular meeting minutes. Following review and discussion, Director Molina moved to approve

the minutes. Director Barr seconded the motion, which passed unanimously.

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

SECURITY REPORT

Sergeant Carpenter discussed security matters in the District.

DEVELOPER REIMBURSEMENT REPORT AND AUTHORIZE DISTRIBUTION OF BOND PROCEEDS FROM SERIES 2025 DEFINED AREA NO. 1 UNLIMITED TAX ROAD BONDS

Mr. Jenkins reviewed a developer reimbursement report related to the District's Series 2025 Defined Area No. 1 Unlimited Tax Road Bonds. Following review and discussion, Director Molina moved to accept the report and authorize distribution of the bond proceeds following closing of the bonds as directed in the report, subject to receipt of an executed receipt from Taylor Morrison and WLH Communities, Inc. Director Barr 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. Following review and discussion, Director Molina moved to accept the bookkeeper's report and payment of the bills, with the exception of voided check no. 6602. Director Barr 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.

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.

2025 TAX RATE

The Board considered the District's 2025 tax rate. Ms. Rodriguez stated that the notice was published of the public hearing to be held at today's meeting regarding (1) adoption of the District's proposed 2025 total tax rate of \$0.82 for entire District; (2) adoption of the District's proposed 2025 total tax rate of \$0.68 in Defined Area No. 1; (3) adoption of the District's proposed 2025 total tax rate of \$0.58 in Defined Area No. 2; and (4) adoption of the District's proposed 2025 total tax rate of \$0.68 in Defined Area No. 3.

Director Bentson opened the public hearing. There being no comments from the public, Director Bentson closed the public hearing.

Ms. Holoubek presented (1) an Order Levying Taxes reflecting the proposed 2025 tax rate for the District; (2) an Order Levying Taxes reflecting the proposed 2025 tax rate in Defined Area No. 1; (3) an Order Levying Taxes reflecting the proposed 2025 tax rate in Defined Area No. 2; and (4) an Order Levying Taxes reflecting the proposed tax rate in Defined Area No. 3. She then presented an Amendment to Information Form reflecting the tax rates and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County.

After review and discussion, Director Molina moved to: (1) adopt an Order Levying Taxes reflecting a total 2025 tax rate of \$0.82 per \$100 of assessed valuation, comprised of \$0.57 to pay debt service on water, sewer, and drainage bonds and \$0.25 for operations and maintenance; (2) adopt an Order Levying Taxes for Defined Area No. 1 reflecting a total 2025 tax rate of \$0.68 for road debt service; (3) adopt an Order Levying Taxes for Defined Area No. 2 reflecting a total 2025 tax rate of \$0.58, with \$0.435 allocated for debt service on road bonds and \$0.135 allocated for debt service on park bonds; (4) adopt an Order Levying Taxes for Defined Area No. 3 reflecting a total 2025 tax rate of \$0.68 allocated for operation and maintenance; (5) authorize execution of the Amendment to Information Form; and (6) direct that the Orders and Amendment be filed appropriately and retained in the District's official records. Director Barr seconded the motion, which passed by unanimous vote.

RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF THE HARRIS CENTRAL APPRAISAL DISTRICT

There was no discussion for this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported that 64 new residential taps were installed during the month of September 2025 and recommended that the Board authorize the following repairs:

1. replace 2 lift pump check valves at Lift Station No. 10 for an estimated cost of \$13,200; and
2. replace/upgrade the HVAC controls at Wastewater Treatment Plant NO. 1 for an estimated cost of \$9,925.

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 the repairs listed above, as recommended; (3) approve the customer appeals presented, in accordance with the District's Rate Order and policies; 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.

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.

Following review and discussion, Director Molina moved to approve the Storm Water Management Program 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

Ms. Lee reviewed a report from KGA, a copy of which is attached to these minutes. After review and discussion, Director Molina moved to accept the landscape architect report from KGA. 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 Avalon at Cypress, Sections 7 and 8 Landscape Improvements; Pay Estimate No. 10 in the amount of \$3,873.15, payable to Earthcare Management, Inc; and Change Order No. 7 adding \$2,923.50 to the contract total.

Following review and discussion, Director Molina moved to (1) approve SWA's report; (2) approve the pay estimate presented, based upon the recommendation of SWA; and (3) approve the change order presented, based upon the recommendation of SWA and finding that the change order is beneficial to the District. 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 design Grand Mason, Mason Woods Road Street and Dedication storm sewer and paving. He also requested authorization to advertise for bids for construction of the following projects:

1. Water Treatment Plant No. 1 Upgrade;
2. Grand Mason, Section 11 water, sewer, drainage and paving;
3. Grand Mason, Section 12 water, sewer, drainage and paving;
4. Water Plant No. 5 Second Waterline Connection; and
5. Water Plant No. 7 Second Waterline Connection.

Mr. Mullaly reviewed bids for construction of an additional groundwater storage tank and additional hydropneumatics tank at Water Treatment Plant No. 2 and recommended awarding a contract to Long and Son in the amount of \$1,838,275. The Board concurred that, in its judgment, Long and Son is 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 water, sewer, drainage and paving to serve Grand Mason, Section 10 and recommended awarding a contract to Allgood Construction ("Allgood") in the amount of \$2,675,436.23. The Board concurred

that, in its judgment, Allgood 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 water, sewer, drainage and paving to serve Grand Mason, Mason Road Street Dedication, Section 5 and recommended awarding a contract to Unitas Construction ("Unitas"), in the amount of \$4,532,007.40. 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 next discussed the status of the project for construction of Avalon at Cypress Avalon Meadows Cross Street Dedication, Section and recommended that the Board rescind Board's previous award to Park Construction ("Park") because Park is no longer able to award the bid prices and award the contract to fourth lowest bidder, Beyer Construction ("Beyer") in the amount of \$646,977.70. Mr. Mullaly said that Beyer has confirmed that they are able to honor their bid pricing and finish the project within the contract time. The Board concurred that, in its judgment, Beyer, 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 the Cypress West Lift Station No. 20 and recommended awarding a contract to Gael, Inc. ("Gael"), in the amount of \$1,175,086. The Board concurred that, in its judgment, Gael, 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 water, sewer, drainage and paving to serve Bridge Creek Village, Section 1 and recommended awarding a contract to Texas KB Utilities ("Texas KB"), in the amount of \$3,288,000. The Board concurred that, in its judgment, Texas KB, 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 a left turn land on Bridge Creek Terrace Drive and recommended awarding a contract to GMR Total Services ("GMR"), in the amount of \$119,232.10. The Board concurred that, in its judgment, GMR, 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 orders:

1. Avalon at Cypress West Section 3 paving; Pay Estimate No. 1 in the amount of \$156,853.17, payable to Beyer;
2. Avalon at Cypress Meadows Crossing water, sewer and drainage; Pay Estimate No. 1 in the amount of \$981,819.90, payable to Unitas;
3. Grand Mason Detention Phase 3; Pay Estimate No. 13 in the amount of \$43,856.37, payable to DNT Construction;
4. Grand Mason Detention Phase 4; Pay Estimate No. 3 in the amount of \$472,261.59, payable to Lonnie Lischka Company; and Change Order No. 1 adding \$278,761 to the contract total for additional excavation and fill, demucking and removal of fencing, barricades and steel plate street crossing at Mason Road;
5. Avalon at Cypress, Section 10 Paving; Pay Estimate No. 6 and Final in the amount of \$13,769.53, payable to Unitas;
6. Avalon at Cypress West Mason Road North - Reinforced Concrete Paving; Pay Estimate No. 8 and Final in the amount of \$26,618.67, payable to Unitas; and Change Order No. 1 adding \$9,500 to the contract total for additional storm sewer and swales to improve drainage to the water plant;
7. Amhurst Water Line Replacement; Pay Estimate No. 10 in the amount of \$318,150, payable to Underground Construction Solutions;
8. Lift Station No. 19; Pay Estimate No. 5 in the amount of \$61,428.59 payable to Gael, Inc.;
9. Avalon at Cypress, Section 10 water, sewer and drainage; Pay Estimate No. 6 and Final in the amount of \$53,649.74, payable to Unitas; and Change Order No. 1 adding \$34,000 to the contract total for relocation of a water line gate valve; and
10. Westgreen Boulevard Street Dedication Section 6 Drainage and Paving; Pay Estimate No. 9 and Final in the amount of \$13,644.23, payable to Clearwater Utilities; and Change Order No. 2 deducting \$18,553 from the contract total for final quantity adjustments.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) authorize design of Grand Mason, Mason Woods Road Street and Dedication storm sewer and paving; (3) authorize advertise for bids for construction of projects listed above; (4) 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 orders are beneficial to the District, approve the change orders listed above; and (5) rescind the Board's previous award to Park for construction of Avalon at Cypress Avalon Meadows Cross Street Dedication, Section. Director Barr seconded the motion, which was passed by unanimous vote.

UPDATE ON BOND APPLICATION AND USE OF SURPLUS FUNDS

Mr. Keel discussed a revised Bond Application Report in the amount of \$17,900,000 and the Board considered adopting a Resolution to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Projects and Bonds and for Use of Surplus Funds. Ms. Holoubek also reviewed a Resolution Authorizing Application to the TCEQ for Use of Surplus Funds from the District's Series 2025 Unlimited Tax Bonds (the "Series 2025 Bonds") to pay developer interests on project costs included in the Series 2025 Bonds.

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 storm and sewer easements to serve Avalon Highlands Drive. Following review and discussion, Director Molina moved to accept the easements. The motion was seconded by Director Barr and passed unanimously.

DEVELOPER'S REPORT

Mr. Dalton reported regarding development in the District.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

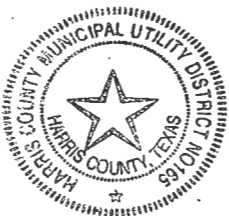
There was no discussion for this agenda item.

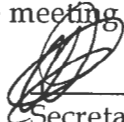
EXECUTIVE SESSION

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

NEXT MEETING DATE AND AGENDA ITEMS

The Board concurred to meet next on Thursday, November 6, 2025. There being no additional business to consider, the meeting was adjourned.





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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