

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

January 8, 2026

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 January, 2026, 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 Paula Hogans, District resident; David Keel and Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); 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"); Kelly Gard of KGA/DeForest Design, LLC ("KGA"); Kevin Berry of EEPB Company; Daniel Gillham of Tri Pointe Homes Texas Inc.; Sergeant Richard Carpenter of Harris County Constable's Office Precinct 5 ("Precinct 5"); Rod Rodine with Texas Groundworks Management; Stephen Eustis of Robert W. Baird & Co. Incorporated ("Baird"); 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.

Mr. Rodine discussed services offered by Texas Groundworks Management.

Mr. Eustis discussed a potential refunding opportunity with the Board, and the Board concurred to place items on the February 2026 agenda.

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 December 4, 2025, regular meeting minutes. Following review and discussion, Director Molina moved to approve the minutes. Director Barr seconded the motion, which passed unanimously.

2026 DIRECTORS ELECTION

Ms. Holoubek discussed procedures related to the 2026 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2026 Directors Election Period.

Ms. Holoubek reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2026 Directors Election.

Ms. Holoubek said that the District may contract with Harris County for the Election (the "Contract").

Following review and discussion, Director Molina moved to (1) adopt a Resolution Designating an Agent of the Secretary of the Board During the 2026 Directors Election Period appointing Jane Miller as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) authorize the Secretary's agent to post the notice as required; and (3) authorize execution of the Contract when received from Harris County. Director Barr seconded the motion, which was approved by unanimous vote.

GARBAGE/RECYCLING COLLECTION

There was no discussion for this agenda item.

SECURITY REPORT

Sergeant Carpenter discussed security matters in the District.

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.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2025

The Board concurred to defer action and discuss this agenda item at the February 5, 2026, Board meeting.

ARBITRAGE REBATE REPORT FOR SERIES 2020 BONDS

Ms. Holoubek next reviewed OmniCap Group LLC's arbitrage rebate and yield restriction calculation for the District's Series 2020 Bonds and said no rebate is due to the Internal Revenue Service.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Berry reviewed the bookkeeper's report and a budget to actual comparison of 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. 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 Kevin Berry and Samantha Kingston, as the District's bookkeeper, and Frank Turner, 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.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR BOARD OF DIRECTORS WINTER CONFERENCE

Ms. Holoubek reviewed the District's Travel Reimbursement Guidelines (the "Guidelines") and the Board discussed expenses for the upcoming Association of Water Board Directors winter conference (the "Conference"). Following review and discussion, Director Molina made a motion to authorize one nights of lodging at the Conference rate, up to 2 days of per diem, and up to four meals for any Director attending the Conference, if submitted in accordance with the District's Guidelines. Director Barr seconded the motion, which carried 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.

PUBLIC COMMENT (CONTINUED)

Ms. Hogans commented regarding the District's water and sewer rates.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported that 7 new residential taps and one new commercial tap were installed during the month of December 2025 and recommended and requested authorization to make the following repair and replacement:

1. Repair of rotary fan press at Wastewater Treatment Plant No. for an estimated amount of \$14,559.12; and
2. Repair influent manual bar screen sluice gate at Wastewater Treatment Plant No. 1 for an estimated amount of \$10,447;
3. Replace automatic voltage regular on generator no. 1 at Wastewater Treatment Plant No. 2 for an estimated amount of \$2,889.96; and
4. Replace area lights at Water Plant No. 3 for an estimated amount of \$3,450.

Mr. Alvey next 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 repair and replacement, as recommend and presented; and (3) approve the customer appeals, with the exception of account no.

5220, as presented, in accordance with the District's Rate Order and policies. 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 in the amount of \$2,400 to lower manholes at Longenbaugh channel to flush with ground and reseal and recommended that the Board approve an amount not to exceed \$1,300 to replace a missing manhole in the outfall at Open Shore Drive in Marvida.

Following review and discussion, Director Molina moved to (1) approve the Storm Water Management Program report; and (2) approve the proposal plus additional work as discussed and presented. 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 the following repairs:

1. Tree pruning, removal and fertilization in Amhurst Park in the amount of \$5,200;
2. Tree Pruning in Cypress Springs Park in the amount of \$3,000;
3. Tree Pruning and Fertilization in Tealbrook Park in the amount of \$3,900;
4. Tree Pruning and Removal in Remington Grove Park in the amount of \$9,100;
5. Tree Pruning in Lancaster Park in the amount of \$540; and
6. Tree Pruning in Windhaven Park in the amount of \$13,500.

Following review and discussion, Director Molina moved to approve the park and landscape management report and approve the repairs 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 next discussed the status of construction of Mason Woods Phase 4 Landscape Improvements and recommended that the Board approve Pay Application No. 2 in the amount of \$71,2236.49 payable to StrickScapes. He also recommended that the Board approve Change Order No. 1 with no net change to the contract total for site

delivery delays. The Board determined that this change order is beneficial to the District.

Mr. Gard reported on the status of construction of Bridge Creek Section 10 Landscape Improvements and recommended that the Board approve Pay Application No. 4 in the amount of \$1,012,505.00, payable to Triple E.

Mr. Gard reported the status of construction of Bridge Creek Section 11 Landscape Improvements and recommended that the Board approve Pay Application No. 5 in the amount of \$82,710.08, payable to Strickscapes.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; (2) upon the recommendation of KGA, approve the pay estimates above; and (3) upon finding that the proposed change order is beneficial to the District, approve the change order 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, and requested authorization to advertise for bids for construction of Avalon at Cypress West, Section 3 Landscape Improvements.

Mr. Oliver next updated the Board regarding the Avalon at Cypress West Recreation Center and recommended that the Board approve Pay Estimate No. 3 in the amount of \$40,496.40, payable to D.L. Meacham.

Mr. Oliver reported the status of construction of landscaping improvements to serve Avalon at Cypress, Sections 10 and 12 and recommended that the Board approve Pay Estimate No. 2 in the amount of \$58,355.22, payable to Houston Landscapes Unlimited.

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) authorize SWA to advertise for bids for construction of Avalon at Cypress West, Section 3 Landscape Improvements. Director Barr seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mullaly reviewed an engineering report, a copy of which is attached.

Mr. Mullaly reviewed bids for Water Treatment Plant No. 1 upgrades and recommended awarding a contract to W.W. Payton Corp. in the amount of \$2,800,000.

The Board concurred that, in its judgment, W.W. Payton Corp. 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 reviewed bids for construction of the Traffic Signal at Mason Road and West Road and recommended awarding a contract to Third Coast Services in the amount of \$523,937.54. The Board concurred that, in its judgment, Third Coast Services 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 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. 4 in the amount of \$36,423 payable to Hassell Construction;
2. Grand Mason Section 10, water, sewer, drainage, and paving; Pay Estimate No. 2 in the amount of \$491,503.64, payable to Allgood Construction Company;
3. Grand Mason Detention Phase 4; Pay Estimate No. 6 in the amount of \$1,929,791.12, payable to Lonnie Lischka Company;
4. Bridge Creek Village Section 1; Pay Estimate No. 2 in the amount of \$852,050.92, payable to Texas KB Utilities; and Change Order No. 1 adding \$192,186.43 to the contract total for modifications made as a result of unforeseen pipeline elevations discovered in the field;
5. Bridge Creek Terrace Left Turn Lane; Pay Estimate No. 2 and Final in the amount of \$14,015.21, payable to GMR Total Services; and Change Order No. 2 adding \$5,800 to the contract total for an additional irrigation sleeve; and Change Order No. 3 deducting \$4,928 from the contract total for final adjustment of quantities;
6. Amhurst Water Line Replacement; Pay Estimate No. 12 in the amount of \$186,840, payable to Underground Construction Solutions;
7. Sanitary & Waterlines along Mason Road; Pay Estimate No. 2 in the amount of \$77,337.45, payable to Blazey Construction; and
8. Lift Station No. 19; Pay Estimate No. 8 in the amount of \$79,527.60 payable to Gael, Inc.

Following review and discussion, Director Molina moved to (1) approve the engineering report; (2) award contracts and approve proposal 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.

UPDATE ON BOND APPLICATION AND USE OF SURPLUS FUNDS

There was no discussion for this agenda item.

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 the following conveyances to the District:

1. Water Meter Easement from Prose Longenbaugh Venture, LP; and
2. Special Warranty Deed from Landmark Industries, LLC and TPHTM 529 for Grand Mason Detention (Restricted Reserve A of Grand Mason Detention Reserve E).

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

DEVELOPER'S REPORT

Mr. Dalton and Mr. Gillham regarding development in the District.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

WATER USAGE REPORTING FORM AND NOMINATION

Mr. Hoffman said the usage report will be filed by the January 31, 2026, deadline.

EXECUTIVE SESSION

At 8:15 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 8:17 p.m., the Board reconvened in Open Session. Director Molina moved to approve the settlement agreement discussed in executive session. Director Barr seconded the motion, which passed unanimously.

NEXT MEETING DATE AND AGENDA ITEMS

The Board concurred to meet next on Thursday, February 5, 2026.

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



Secretary, Board of Directors



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