

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

September 3, 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 3rd day of September, 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 Deputy Irving Gonzalez and Corporal R. Gonzalez of Harris County Constable's Office Precinct 5 ("Precinct 5"); Maurice Mullaly of DAC Services, Inc. ("DAC"); Patty Rodriguez of Bob Leared Interests, Inc. ("BLI"); Chris Hoffman and Wes Alvey of H2O Consulting, Inc. ("H2O"); Drew Anderson of Storm Water Solutions, LLC ("SWS"); Robert Oliver of SWA Group ("SWA"); Kelly Gard of KGA/DeForest Design, LLC ("KGA"); Josh Wailes of Guideline Management Services ("Guideline"); Blake Dalton of Taylor Morrison of Texas, Inc. ("Taylor Morrison"); Daniel Gillham of Tri Pointe Homes Texas Inc.; Kevin Berry of EEPB Company; Stephen Eustis of Cedar Creek Municipal Advisors, LLC ("CCMA"); and 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 6, 2026, 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 about this agenda item.

SECURITY

Sergeant Gonzalez discussed patrol calls and security in the District.

Ms. Holoubek reviewed a proposed licensing agreement with Flock Group, Inc. Following review and discussion, Director Molina moved to approve the licensing agreement. Director Barr seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2026

The Board reviewed an audit continuance from the District's auditor to conduct the District's audit for fiscal year ending September 30, 2026, for a proposed fee between \$38,000 and \$41,000.

Following review and discussion, Director Molina made a motion to authorize the District auditor to conduct the audit for fiscal year ending September 30, 2026. Director Barr seconded the motion, which carried unanimously.

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.

Mr. Berry also reviewed a draft budget for the fiscal year ending September 30, 2027.

Following review and discussion, Director Molina moved to (1) accept the bookkeeper's report and payment of the bills; and (2) adopt a budget for the fiscal year ending September 30, 2027, with revisions discussed. 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, and reported regarding taxes collected to date and delinquent taxes from previous tax years.

Ms. Rodriguez also reviewed a list of delinquent accounts proposed for termination of water service for nonpayment of delinquent property taxes.

Following discussion and review of the information provided by the District tax assessor/collector, Director Molina moved to (1) accept the tax assessor/collector's report and authorize payment of the bills; and (2) upon the recommendation of the District's delinquent tax attorney, authorize the District's operator to tag the tax accounts recommended for termination of water service. Director Barr seconded the motion, which passed unanimously.

2026 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 Molina moved to (1) set the public hearing date for October 8, 2026; (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 8, 2026, in the Houston Business Journal to set the proposed 2026 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 8, 2026, in the Houston Business Journal to set the proposed 2026 total tax rate of \$0.68 per \$100 of assessed valuation for debt service in Defined Area No. 1, with \$0.54 allocated for debt service on road bonds, and \$0.14 allocated for debt service on water, sewer and drainage bonds; (4) authorize the tax assessor/collector to publish notice in the Houston Business Journal of the District's meeting on October 8, 2026, to set the proposed 2026 total tax rate of \$0.46 per \$100 of assessed valuation for debt service in Defined Area No. 2, with \$0.12 allocated for debt service on water, sewer, and drainage bonds, and \$0.34 allocated for debt service on road bonds; and (5) authorize the tax assessor/collector to publish notice of the District's meeting on October 8, 2026, in the Houston Business Journal to set the proposed 2026 total tax rate of \$0.68 per \$100 of assessed valuation for debt service on road bonds. Director Barr seconded the motion, which passed unanimously.

SERIES 2026 UNLIMITED TAX ROAD BONDS-

Mr. Woods distributed and reviewed a draft of the Preliminary Official Statement and the Notice of Sale for the Series 2026 Defined Area No. 3 Unlimited Tax 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, Amegy Bank Division, formerly known as Amegy Bank, N.A. ("Amegy") 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 October 8, 2026.

The Board also considered authorizing the District's auditor 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 Amegy 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.

OPERATION OF DISTRICT FACILITIES

Mr. Alvey reported that 35 new residential taps and 1 commercial tap were installed during the month of August 2026.

Mr. Alvey discussed maintenance of the following facilities and reviewed quotes and made the following recommendations for repair and replacement:

1. Rebuild and reinstall the bull gear drive at the wastewater treatment plant for an estimated cost of \$34,960; and
2. Repair the motor for booster pump no. 3 at water plant no. 6 for an estimated cost of \$13,377.

Mr. Alvey next reviewed customer appeals.

Mr. Alvey 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 nonpayment.

Following review and discussion, Director Molina moved to (1) approve the District operator's report; (2) approve the maintenance work recommended above; (3) approve the customer appeals, as 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 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, and provided an update regarding the District's asset management plan and permitting of District facilities.

Mr. Elliott discussed installing a concrete collar around the metal piece of the gate to the Yaupon Ranch gate to deter cutting the gate locks.

Following review and discussion, Director Molina moved to (1) approve the Storm Water Management Program report; and (2) authorize installation of a concrete collar around the metal piece of the Yaupon Ranch gate for an amount not to exceed \$2,000. 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

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 Sports Park Landscape Improvements and recommended that the Board approve Pay Application No. 1 in the amount of \$184,429.80 and Pay Application No. 2 in the amount of \$36,605.52, both payable to A Group.

Mr. Gard next discussed the status of construction of Mason Woods Phase 6 Landscape Improvements and recommended that the Board approve Pay Application No. 2 in the amount of \$412,545.99, payable to HD Outdoor.

After review and discussion, Director Molina moved to (1) accept the landscape architect report from KGA; and (2) upon the recommendation of KGA, approve the pay estimates listed 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.

Mr. Oliver reported the status of construction of the Avalon at Cypress West - Recreation Center and recommended that the Board approve Pay Estimate No. 10 in the amount of \$139,937.40, payable to D.L. Meacham.

Mr. Oliver reported the status of construction of landscaping improvements to serve Avalon at Cypress West, Section 4 Landscape and recommended that the Board approve Pay Estimate No. 6 in the amount of \$15,757.20, payable to Triple E. Landscapes.

Mr. Oliver reported the status of construction of landscaping improvements to serve Avalon at Cypress West, Section 3 Landscape and recommended that the Board approve Pay Estimate No. 4 in the amount of \$153,285.29, payable to Earthcare Management.

Mr. Oliver reviewed bids for construction of Avalon at Cypress - Section 14 & Avalon Meadows Crossing Landscape and recommended that the Board award the contract to the lowest and most qualified bidder, EcoBridge Infrastructure Services, in the amount of \$788,181.03. The Board concurred that, in its judgment, EcoBridge Infrastructure 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 projects discussed above.

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) award the contract for construction of Avalon at Cypress - Section 14 & Avalon Meadows Crossing Landscape to EcoBridge Infrastructure Services in the amount of \$788,181.03, based upon 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 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 construction of water, sewer, drainage and paving to serve Bridge Creek Village Section 2 and recommended that the Board award the contract to the lowest and most qualified bidder, Texas KB Utilities, in the amount of \$578,500. The Board concurred that, in its judgment, Texas KB Utilities is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects discussed above.

Mr. Mullaly reviewed bids for construction of Water Treatment Plant No. 7 and recommended that the Board award the contract to the lowest and most qualified bidder, Long & Son, Inc., in the amount of \$9,671,275. The Board concurred that, in its judgment, Long & Son, Inc. is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects discussed above.

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, Section 14 paving; Pay Estimate No. 2 in the amount of \$528,443, payable to Hurtado Construction;
2. Avalon at Cypress, Section 14 water, sewer and drainage; Pay Estimate No. 2 in the amount of \$50,454, payable to Fellers & Clark;
3. Grand Mason Detention, Phase 4; Pay Estimate No. 11 in the amount of \$1,283 and Pay Estimate No. 12 and Final in the amount of \$265,008, both payable to Lonnie Lischka Co.;
4. Grand Mason, Section 9 water, sewer, drainage and paving; Pay Estimate No. 4 in the amount of \$117,071, payable to Unitas Construction; and Change Order No. 1 adding \$31,730 to the contract total for additional pavement, curb and storm sewer quantities to meet final design;
5. Grand Mason, Section 11 water, sewer and drainage; Pay Estimate No. 3 in the amount of \$55,480, payable to Subterra Services;
6. Grand Mason, Section 11 paving; Pay Estimate No. 3 in the amount of \$29,520, payable to Subterra Services;
7. Grand Mason, Section 12 paving; Pay Estimate No. 2 in the amount of \$454,205, payable to Bay Paving;
8. Traffic Signal Mason Road at West Road; Change Order No. 1 adding \$12,494 to the District's contract with Third Coast Services for modifications to the traffic signal to accommodate the dual left turn onto West Road;
9. Lift Station No. 18; Pay Estimate No. 7 in the amount of \$57,600, payable to M7 Land Development; and
10. Wastewater Treatment Plant No. 2, Phase II; Pay Estimate No. 8 in the amount of \$244,975, payable to RP Constructors.

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 passed unanimously.

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 considered approving multiple easements that serve Avalon at Cypress West, Section 9.

Following review and discussion, Director Molina moved to accept easements necessary to serve Avalon at Cypress West, Section 9. Director Barr seconded the motion, which passed unanimously.

DEVELOPER'S REPORT

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

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion for this agenda item.

NEXT MEETING DATE AND AGENDA ITEMS

The Board concurred to meet next on Thursday, October 8, 2026.

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




Secretary, Board of Directors

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