

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166  
Minutes of Meeting of Board of Directors  
December 17, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 166 (the "District") met in regular session, open to the public on December 17, 2021, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Richard Love, President  
Nano Cox, Vice President  
Bill Grzanka, Secretary  
Lisa Mendel, Assistant Secretary  
Thomas C. Knickerbocker, Assistant Secretary

all of whom were present at the meeting, with the exception of Director Knickerbocker, who entered later in the meeting as noted herein, thus constituting a quorum.

Also attending the meeting were Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Odett Newman of Bob Leared Interests, Inc. ("Bob Leared"), who entered later in the meeting as noted herein; Jason Hajduk of IDS Engineering Group ("IDS"); Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Travis Benes of Storm Water Solutions, L.P. ("SWS"); Brian Williams of Pulte Homes of Texas, L.P. ("Pulte"); Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Dr. Shannon Solis, resident of the District; and Matthew Reed and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

**PUBLIC COMMENTS**

The Board began by opening the meeting for public comments. Dr. Solis addressed the Board at this time and advised that she has timely made her water bill payments since moving into the District in 2001. She advised that she reported a leak at her residence to Inframark on October 26, 2021, and was told that a representative of Inframark would be dispatched to her home that day, but that a technician never arrived. Dr. Solis stated that she called Inframark again on October 28, 2021, and that a technician was quickly dispatched to her home and informed her that the leak was on her side of the line, so it was not Inframark's responsibility to repair. Upon receiving her water bill on November 9, 2021, Dr. Solis advised that she called Inframark to request that an adjustment be made to her water bill and that her call was never returned. She further advised that she is present at today's meeting to inform the Board of the poor communication she experienced while trying to work with Inframark to resolve this matter. Dr. Solis requested more effective communication between Inframark and residents of the District, and noted that her water bill remains elevated after the leak repair. Following discussion, the Board directed Inframark to

further research Dr. Solis' account to try and determine why her water bill is still elevated, to which Ms. Bonilla-Odums agreed.

Director Knickerbocker entered the meeting during the discussion above.

Dr. Solis exited the meeting at this time.

### MINUTES

The Board considered the minutes of its meeting held on November 18, 2021. After discussion, Director Grzanka moved that the minutes of the November 18, 2021, Board meeting be approved, as written. Director Mendel seconded the motion, which unanimously carried.

### BOOKKEEPER'S REPORT

Mr. Burton then presented to and reviewed with the Board the bookkeeper's report, dated December 17, 2021, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Grzanka that the bookkeeper's report be approved, and that the disbursements identified in the report be approved for payment. Director Mendel seconded the motion, which unanimously carried.

### AUDIT RELATIVE TO THE PAYMENT OF PROCEEDS OF THE DISTRICT'S \$2,510,000 SERIES 2021 BONDS (THE "BONDS")

The Board next considered the approval of an audit report in connection with the issuance of the Bonds and the disbursement of bond proceeds in accordance with same. In that regard, Mr. Jenkins reviewed in detail with the Board a draft of said audit report prepared by McCall, a copy of which is attached hereto as **Exhibit B**. After review and discussion of the audit report, it was moved by Director Grzanka that the audit report be approved, and that the Board authorize the disbursement of the bond proceeds in accordance with and as set forth in the audit report, subject to closing of the sale of the Bonds and the execution of the form of Receipt and Indemnity prepared by SPH by each developer receiving bond proceeds. Director Mendel seconded the motion, which unanimously carried.

Ms. Newman entered the meeting at this time.

### INTERNAL REVENUE SERVICE FORM 8038-G

The Board next considered authorizing the execution and filing of Internal Revenue Service Reporting Form 8038-G (the "Form") relative to the issuance of the Bonds. After discussion on the matter, it was moved by Director Cox, seconded by Director Knickerbocker and unanimously carried, that the President be authorized to execute said Form on behalf of the Board and the District and that the Form be filed as required.

**CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS**

Mr. Reed next presented correspondence from SPH, as Bond Counsel for the issuance of the Bonds, addressed to the Board regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Bonds and reviewed same in detail, a copy of which is attached hereto as **Exhibit C**. He advised the Board that certain periodic reviews and reports would be required to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Reed also advised the Board that the District's Bookkeeper would monitor investment rates and that the District's Financial Advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. He advised the Board, however, that compliance with the requirements is ultimately the responsibility of the Board.

**DISTRICT INFORMATION FORM RELATIVE TO THE BONDS**

Mr. Reed next presented and discussed with the Board an amendment to the District's Amended and Restated District Information Form in connection with the issuance of the Bonds. After discussion regarding said form, Director Cox moved that the Amendment to the District's Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District, effective upon closing on the sale of the Bonds. Director Grzanka seconded said motion, which unanimously carried.

**OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS**

There was next discussion regarding the approval of various documents to be utilized at the closing on the Bonds. Mr. Reed reviewed the various closing documents with the Board. After discussion on the matter, Director Knickerbocker moved that such closing documents be approved and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Mendel seconded said motion, which unanimously carried.

**AUDIT REPORT; CONTINUING DISCLOSURE REPORT**

The Board deferred reviewed of an audit report for the fiscal year ended September 30, 2021, and a continuing disclosure report, until the next meeting.

**TAX ASSESSOR-COLLECTOR REPORT**

Ms. Newman presented to and reviewed with the Board the tax assessor-collector report for the month of November 2021, including the disbursements presented therein for payment from the District's tax account. A copy of the report is attached hereto as **Exhibit D**. After discussion, Director Grzanka moved that the tax assessor-collector report be approved and that the disbursements identified in the report be authorized for payment from the District's tax account. Director Cox seconded said motion, which unanimously carried.

**DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT**

The Board deferred review of the delinquent tax collections attorneys' report after noting that said report is presented on a quarterly basis, and that no report had been prepared for this Board meeting.

**ENGINEERING REPORT**

Mr. Hajduk next presented to and reviewed with the Board the Engineering Report prepared by IDS relative to the status of various projects within the District, a copy of which report is attached hereto as **Exhibit E**. With regard to the construction of the new wastewater treatment plant, Mr. Hajduk advised that the District is in receipt of Pay Estimate Nos. 4 and 5 from R&B Group, Inc. in the amounts of \$56,718.00 and \$122,400.00, respectively, and that IDS recommends the Board approve the payment of same. Following discussion, Director Cox moved that the District approve the payment of said pay estimate, as recommended by IDS. Director Knickerbocker seconded the motion, which unanimously carried.

Mr. Hajduk next reminded the Board that it previously awarded a contract to Underground Construction Services, LLC for the construction of a water line loop across Langham Creek (the "Project"). In connection with the Project, Mr. Hajduk advised that the Harris County Flood Control District ("HCFCD") has provided a Water Line Easement (0.147 acre) for acceptance by the District, and has requested payment in the amount of \$11,198.00 for the easement. Following discussion, Director Cox moved that the Board accept the Water Line Easement from the HCFCD, authorize the President to execute same on behalf of the Board and the District, and authorize payment by the District to the HCFCD in the amount of \$11,198.00. Director Knickerbocker seconded the motion, which unanimously carried.

**ISSUANCE OF UTILITY COMMITMENTS**

The Board deferred the approval of utility commitment requests until a future meeting as no requests had been received.

**MAINTENANCE OF DETENTION AND DRAINAGE FACILITIES**

Mr. Benes next addressed the Board on behalf of SWS and presented a Drainage Facilities Report, a copy of which is attached hereto as **Exhibit F**, regarding maintenance of the District's detention and drainage facilities. No action was taken by the Board at this time.

Mr. Benes exited the meeting at this time.

**OPERATIONS AND MAINTENANCE REPORT**

Ms. Bonilla-Odums presented to and reviewed with the Board the Operations and Maintenance Report for the month of November 2021, a copy of which report is attached hereto as **Exhibit G**.

Ms. Bonilla-Odums requested that Inframark be authorized to transfer one (1) delinquent account listed on the Operations and Maintenance Report totaling \$131.20 to Collections Unlimited for collection purposes. After discussion on the matter, Director Cox moved that the Board authorize Inframark to transfer said account as listed on Inframark's report to Collections Unlimited for collection purposes. Director Grzanka seconded the motion, which unanimously carried.

A discussion ensued regarding termination of water service to customers who may be delinquent in December. Following discussion, Director Cox moved that Inframark be authorized to delay termination of water service to such customers until January 2022. Director Grzanka seconded the motion, which unanimously carried.

### **REPORT BY REPUBLIC SERVICES, INC.**

Ms. Nussa presented a verbal report to the Board in connection with services provided to the District by Republic. No action was taken by the Board at this time.

Ms. Nussa exited the meeting at this time.

### **DEVELOPERS' REPORTS**

The Board next considered the developers' reports. In that regard, Mr. Williams provided the Board with an update regarding development within the District by Pulte.

### **ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Reed advised that the District is in receipt of the arbitrage compliance report for the District's Series 2012 Unlimited Tax Refunding Bonds, a copy of which is attached hereto as **Exhibit H**, and that it reflects that no rebate payment is due. No action was taken by the Board.

### **MATTERS RELATED TO MAY 7, 2022 DIRECTORS ELECTION**

Mr. Reed, next reported on issues related to the District's Directors Election (the "Election") to be held on May 7, 2022. In connection therewith, he presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit I**, regarding (i) participation in the joint election with Harris County (the "County"), (ii) publication of notice regarding accessible voting systems, and (iii) posting of Notice Regarding Candidate Filing Period. Mr. Reed advised that the County will administer the Election if the District participates in the County's joint election. He further noted that if the District elects not to contract with the County and to hold an independent Election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Reed noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Cox, seconded by Director Mendel and unanimously carried that SPH be authorized to (i) notify the County of the District's intent to participate in the joint Election, (ii) provide notice of the District's intent not to provide electronic voting systems for said

Election by publication in a newspaper of general circulation in an area that includes the District, in case the District subsequently elects to hold an independent Election, and (iii) post the required Notice Regarding Candidate Filing Period.

**EXECUTIVE SESSION**

The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071.

**FUTURE AGENDA ITEMS**

The Board next considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters, were requested.

A discussion re-ensued regarding Dr. Solis' account. Following discussion, Director Knickerbocker moved that Inframark be authorized to credit Dr. Solis' account in the amount of \$25.00. Director Grzanka seconded the motion, which unanimously carried.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Mendel, seconded by Director Cox and unanimously carried, the meeting was adjourned.

  
Secretary

LIST OF EXHIBITS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Draft Developer Reimbursement Audit in connection with the Series 2021 Bonds
- Exhibit C SPH Correspondence regarding Series 2021 Bonds
- Exhibit D Tax Assessor Collector's Report
- Exhibit E Engineering Report
- Exhibit F Drainage Facilities Report
- Exhibit G Operations and Maintenance Report
- Exhibit H Arbitrage Compliance Report - Unlimited Tax Refunding Bonds, Series 2012
- Exhibit I Memorandum prepared by Schwartz, Page & Harding, L.L.P.