

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
October 15, 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 October 15, 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, 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"); Jason Hajduk of IDS Engineering Group ("IDS"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Travis Benes of Storm Water Solutions, LP ("SWS"); Brian Williams of Pulte Homes of Texas, L.P. ("Pulte"); Julie Gerdes of Rathmann & Associates, L.P. ("Rathmann"); and Matthew Reed, Katie Davis, 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. There being no members of the public present, the Board continued to the next item of business.

MINUTES

The Board considered the minutes of its meeting held on September 17, 2021. Certain revisions were noted to pages one and two of said minutes. After discussion, Director Cox moved that the minutes of the September 17, 2021, Board meeting be approved, as revised. Director Mendel seconded the motion, which unanimously carried.

STATUS OF THE DISTRICT'S BOND APPLICATION REPORT IN CONNECTION WITH THE DISTRICT'S \$2,510,000 UNLIMITED TAX BONDS, SERIES 2021

The Board next considered the status of the District's Bond Application Report in connection with the District's \$2,510,000 Unlimited Tax Bonds, Series 2021 (the "Bonds"). In that regard, Mr. Reed advised that the District is in receipt of the Staff Memorandum and Order

from the Texas Commission on Environmental Quality ("TCEQ") dated September 29, 2021, approving the issuance of the Bonds.

PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE PROPOSED ISSUANCE OF THE BONDS

As the next order of business, the Board reviewed the Preliminary Official Statement ("POS") and Official Notice of Sale ("NOS") in connection with the proposed sale of the Bonds. In connection therewith, Ms. Gerdes reviewed with the Board various provisions of the POS and NOS, and stated that the sale of the Bonds is currently scheduled for November 18, 2021. After discussion, Director Grzanka moved that, subject to final review and approval by the District's consultants, such offering materials be approved, completed and distributed in anticipation of a sale of the Bonds, and that such POS be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. The motion was seconded by Director Mendel, and carried by unanimous vote.

AUTHORIZE FINANCIAL ADVISOR TO ADVERTISE FOR SALE OF BONDS

The Board next considered authorizing Rathmann to advertise for the sale of the Bonds. After discussion on the matter, Director Grzanka moved that Rathmann be authorized to advertise for the sale of the Bonds. Director Mendel seconded said motion, which unanimously carried.

DESIGNATION OF PAYING AGENT/REGISTRAR

The Board next considered the designation of a Paying Agent/Registrar in connection with the proposed sale of the Bonds. In connection therewith, Ms. Gerdes stated that Masterson recommends designating The Bank of New York Mellon Trust Company, N.A. (the "Bank of New York") to serve in such capacity. After discussion, Director Grzanka moved that the Bank of New York be designated as the Paying Agent/Registrar for the Bonds. Director Mendel seconded the motion, which carried unanimously.

ATTORNEY GENERAL'S FEES

The Board next considered authorizing the District's bookkeeper to prepare a wire transfer authorization (or otherwise arrange) for payment of the Attorney General's fees in connection with the review of the transcript of proceedings relative to the proposed Bonds. Mr. Reed advised that the fee will be \$2,510.00. After discussion on the matter, Director Grzanka moved that the District's bookkeeper be authorized to prepare a wire transfer authorization (or otherwise arrange for payment) in the amount of \$2,510.00 payable to the Attorney General of Texas and that said amount be approved for payment. Director Mendel seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Newman presented to and reviewed with the Board the tax assessor-collector report for the month of September 2021, including the disbursements presented therein for payment from the District's tax account. A copy of the report is attached hereto as **Exhibit A**. 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 Mendel seconded said motion, which unanimously carried.

FIRST AMENDMENT TO AGREEMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR

Ms. Newman next presented to and reviewed with the Board a First Amendment to Agreement for Services of Tax Assessor and Collector between the District and Bob Leared (the "Amendment") related to the implementation of House Bill 1154, a copy of which is attached hereto as **Exhibit B**, and requested the Board's approval of same. Mr. Reed informed the Board that SPH has reviewed the Amendment and recommends its approval. After discussion on the matter, Director Grzanka moved to (i) approve the Amendment, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to acknowledge the associated Texas Ethics Commission ("TEC") Form 1295 provided by Bob Leared. Director Mendel seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT

Mr. Reed next presented the District's delinquent tax report dated October 15, 2021, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached as **Exhibit C**. The Board concurred that SPH be authorized to instruct Perdue to proceed with termination of water service in connection with the KSAT Communication LLC account, in accordance with that certain Second Amendment to Tax Collector Agreement between the District and Perdue dated November 18, 2016.

BOOKKEEPER'S REPORT

Mr. Patel then presented to and reviewed with the Board the bookkeeper's report, dated October 15, 2021, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit D**. Following discussion, it was moved by Director Cox 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.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265

The Board considered the status of compliance by the District with Texas Government Code, Chapter 2265 relative to energy reporting requirements. Mr. Reed advised that pursuant to the energy efficiency and reporting requirements set forth in said code, the District must report its

annual electricity usage and cost and make said report accessible to the public. Mr. Patel advised that he will obtain a copy of same for review by the Board next month.

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 Estimates Nos. 2 and 3 from R&B Group, Inc. in the amounts of \$175,000 and \$36,432, respectively, and that IDS recommends the Board approve the payment of same. Following discussion, Director Grzanka moved that the District approve payment of said pay estimates, as recommended by IDS. Director Cox 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.

OPERATIONS AND MAINTENANCE REPORT

Ms. Bonilla-Odums presented to and reviewed with the Board the Operations and Maintenance Report for the month of September 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 \$222.76 to Collections Unlimited for collection purposes. After discussion on the matter, Director Mendel moved that the Board authorize Inframark to transfer said account as listed on Inframark's report to Collections Unlimited for collection purposes. Director Cox seconded the motion, which unanimously carried.

Ms. Bonilla-Odums reminded the Board that, at the previous meeting, she presented a proposal provided by Inframark to assemble information and apply for Unincorporated Harris County Operating Permits on behalf of the District to meet the requirements of International Fire Code 2018. The Board requested that an item be included on the next agenda to further discuss the proposal.

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.

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 he had nothing to report regarding legal matters other than those items which were previously addressed in the meeting.

SENATE BILL 3; AMENDMENT OF THE DISTRICT'S RATE ORDER

A discussion next ensued regarding the implementation of Senate Bill No. 3 from the 87th Legislative Session. In connection therewith, Mr. Reed presented to and reviewed with the Board a memorandum prepared by SPH regarding the said implementation, a copy of which is attached hereto as **Exhibit H**. He then requested that the Board consider amending the District's Rate Order to include certain language regarding billing due to extreme weather emergencies. After discussion on the matter, Director Mendel moved that the District's Rate Order be amended to include the language regarding billing due to extreme weather emergencies, as discussed, that any and all Rate Orders heretofore adopted be revoked and that the Rate Order, a copy of which is attached hereto as **Exhibit I**, be passed and adopted. Director Grzanka seconded the motion, which carried unanimously.

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.

ADJOURNMENT

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


Secretary

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LIST OF EXHIBITS TO MINUTES

- Exhibit A Tax Assessor Collector's Report
- Exhibit B First Amendment to Agreement for Services of Tax Assessor and Collector
- Exhibit C Delinquent Tax Report
- Exhibit D Bookkeeper's Report
- Exhibit E Engineering Report
- Exhibit F Drainage Facilities Report
- Exhibit G Operations and Maintenance Report
- Exhibit H Memorandum concerning Senate Bill 3
- Exhibit I Rate Order