

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
September 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 September 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 Directors Mendel and Grzanka, thus constituting a quorum.

Also attending the meeting were Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Odett McMullen of Bob Leared Interests, Inc. ("Bob Leared"); Jason Hajduk of IDS Engineering Group ("IDS"); Arturo Cornejo 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"); and Matthew Reed and Kristin 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 August 20, 2021. After review and discussion of the minutes presented, Director Cox moved that the minutes of the August 20, 2021, Board meeting be approved, as written. Director Knickerbocker seconded the motion, which unanimously carried.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2021 TAX RATE AND LEVY OF THE DISTRICT'S 2021 TAX RATE

The Board conducted a public hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2021. It was noted that no District taxpayer appeared at the

hearing. Upon motion made by Director Cox, seconded by Director Knickerbocker and unanimously carried, the hearing was closed.

The Board then discussed the setting of the 2021 tax rate. Ms. McMullen confirmed that the notice had been published in accordance with all legal requirements and as directed by the Board at its previous meeting. After discussion on the matter, Director Cox moved that: (i) the Board adopt the tax rate as proposed at the District's August 20, 2021, meeting and as reflected in the notice; (ii) the Board levy a 2021 debt service tax rate of \$0.51 per \$100 of valuation and a 2021 maintenance tax rate of \$0.26 per \$100 of valuation, resulting in a 2021 tax rate of \$0.77 per \$100 of valuation; and (iii) the Order Levying Taxes attached hereto as **Exhibit A** be adopted in connection therewith and that the President be authorized to execute and the Secretary (or Assistant Secretary) to attest same on behalf of the Board and the District. Director Knickerbocker said motion, which carried unanimously.

AMENDMENT TO THE AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Reed presented and discussed with the Board an Amendment to the Second Amended and Restated District Information Form ("DIF") relative to the District's 2021 tax rate. After discussion regarding said form, Director Cox moved that the DIF be approved, that a majority of Board members be authorized to execute the amended DIF on behalf of the Board and the District, and that all Board members present join in the filing of the amended DIF, as evidenced by a majority of Board members executing same. Director Knickerbocker seconded the motion, which carried unanimously.

ENGAGEMENT OF AUDITOR

The Board deferred the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2021, upon noting that McCall Gibson Swedlund Barfoot PLLC was previously engaged by the Board to prepare the audit for this fiscal year.

TAX ASSESSOR-COLLECTOR REPORT

Ms. McMullen presented to and reviewed with the Board the tax assessor-collector report for the month of August 2021, including the disbursements presented therein for payment from the District's tax account. A copy of the report is attached hereto as **Exhibit B**. After discussion, Director Cox 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 Knickerbocker seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT

Mr. Reed next presented the District's delinquent tax report dated September 17, 2021, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit C**. No action was taken by the Board at this time.

BOOKKEEPER'S REPORT

Mr. Cornejo then presented to and reviewed with the Board the bookkeeper's report, dated September 17, 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, with the exception of check nos. 6699 and 6700, which were voided. Director Knickerbocker seconded the motion, which unanimously carried.

Mr. Cornejo additionally presented and reviewed with the Board a Quarterly Investment Inventory Report (the "Quarterly Report") for the period ending June 30, 2021, a copy of which is included with **Exhibit D**. After further discussion of the Report and upon motion duly made by Director Cox, seconded by Director Knickerbocker and unanimously carried, the Quarterly Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022

Mr. Cornejo next presented and reviewed with the Board a draft budget for the District's fiscal year ending September 30, 2022, a copy of which is attached to the bookkeeping report (**Exhibit D**). After discussion on the matter, Director Cox moved that the Board adopt the District's operating budget for fiscal year ending September 30, 2022, as presented. Director Knickerbocker seconded said motion, which carried unanimously.

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 water, sanitary sewer, drainage facilities, and paving improvements to serve Kingfield, Section 2 being developed by Pulte, Mr. Hajduk advised that the District is in receipt of Pay Estimate No. 4 from D.L. Elliot Enterprises, Inc. in the amount of \$35,442.05, and that IDS recommends the Board concur in the payment of same by Pulte. Following discussion, Director Cox moved that the District concur in the payment of said pay estimate by Pulte, as recommended by IDS. Director Knickerbocker seconded the motion, which unanimously carried.

With regard to the construction of the new wastewater treatment plant, Mr. Hajduk advised that the District is in receipt of Pay Estimate No. 1 from R&B Group, Inc. in the amount of \$792,283.50, 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. Reed next advised that Pulte had requested that the District take ownership of Restricted Reserve "C" located within Kingfield, Section 2, and the detention pond site serving

Kingfield. Following discussion, Director Cox moved that the District accept the Special Warranty Deeds from Pulte, as discussed, and that the President be authorized to execute same on behalf of the Board and the District. Director Knickerbocker seconded the motion, which unanimously carried.

Mr. Hajduk also reported that the Harris County Flood Control District accepted for ownership and maintenance the two detention basins designed and constructed by the District with funds advanced by developers, which basins are shown as Basin 2 and Basin 3 on SWS's Drainage Facilities Report, attached hereto as **Exhibit F**.

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; however, Mr. Reed advised the Board that the District's maintenance obligations as to Basins 2 and 3 have terminated, to which Mr. Benes acknowledged.

OPERATIONS AND MAINTENANCE REPORT

Ms. Bonilla-Odums presented to and reviewed with the Board the Operations and Maintenance Report for the month of August 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 \$76.92 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 Knickerbocker seconded the motion, which unanimously carried.

Ms. Bonilla-Odums next presented a proposal provided by Inframark, a copy of which is included with **Exhibit G**, 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. Following discussion, the Board concurred to defer taking action at this time.

Mr. Reed next presented and reviewed with the Board a memorandum prepared by SPH concerning H.B. 872, which bill relates to the implementation of customer confidentially requirements and the authorization of giving notice in connection with same. A copy of the memorandum is attached hereto as **Exhibit H**. Mr. Reed summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board concurred that

notice of a customer's right to request disclosure of his or her personal and billing information, along with a form to accomplish same, be included on all District water bills going forward.

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.

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.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Reed discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic and advised that the policies and procedures made possible under said Resolution, expired on September 1, 2021.

The Board next considered the adoption of an Order Establishing Office and Meeting Places Outside the District (the "Order"), attached hereto as **Exhibit I**. After consideration of the matter, it was moved by Director Cox, seconded by Director Knickerbocker, and unanimously carried that said order be passed and adopted. The Assistant Secretary was directed to execute and the attorney to publish notice of designation of such office and meeting place outside the boundaries of the District, and to file a copy of the Order with the Texas Commission on Environmental Quality.

Mr. Reed next presented to and reviewed with the Board an Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC ("MRMG"), a copy of which report is attached hereto as **Exhibit J**. In connection with the District's 2012 Refunding Bonds, he advised that a Final Year Arbitrage Rebate Report is due no later than 60 days after September 1, 2021, as reflected in the Annual Maintenance for Arbitrage Analysis Report. Mr. Reed then presented for the Board's approval an engagement letter for arbitrage rebate services from Arbitrage Compliance Specialists, Inc. ("ACS") relative to the District's Series 2012 Refunding Bonds, a copy of which engagement letter is included with **Exhibit J**. He stated that the company's fee for this service is \$2,450, and that if additional services are necessary, they will be performed at the company's standard hourly rates as set forth in the engagement letter. After discussion of the matter, Director Cox moved that the Board approve the engagement letter from ACS for arbitrage rebate services, and that the President be authorized to execute same on behalf of the Board and the District. Director Knickerbocker seconded said motion, which unanimously carried.

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 Knickerbocker and unanimously carried, the meeting was adjourned.


Secretary

601702

LIST OF EXHIBITS TO MINUTES

- Exhibit A Order Levying Taxes
- Exhibit B Tax Assessor Collector's Report
- 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 H.B. 872
- Exhibit I Order Establishing Office and Meeting Places Outside the District
- Exhibit J Annual Maintenance for Arbitrage Analysis Report prepared by Municipal Risk Management Group, LLC; Engagement Letter provided by Arbitrage Compliance Specialists, Inc.