

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
September 16, 2022

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 16, 2022, 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, thus constituting a quorum.

Also attending the meeting were Mirna Bonilla-Odums and Tiffany Moore of Inframark, LLC ("Inframark"); Odett Newman of Bob Leared Interests, Inc. ("Bob Leared"); Jason Hajduk and Eve Blakemore of IDS Engineering Group ("IDS"); Ravi Patel and Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Travis Benes of Storm Water Solutions, L.P. ("SWS"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Craig Rathmann of Rathmann & Associates, LP ("Rathmann"); Brian Williams and Katy Keese of Pulte Homes of Texas, L.P. ("Pulte"); and Eric Lai 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 August 19, 2022. After discussion, Director Grzanka moved that the minutes of the August 19, 2022, Board meeting be approved, as written. Director Cox seconded the 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 August 2022, 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 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 Mendel seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT

Mr. Lai next presented the District's delinquent tax report dated September 16, 2022, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit B**, and noted that no action was required on the matter at this time.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

There followed a discussion concerning the requirements for notice of the District's intention to adopt a 2022 tax rate. Mr. Lai advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Lai further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Mr. Rathmann then presented to and reviewed with the Board the 2022 Tax Rate Recommendation, a copy of which is attached hereto as **Exhibit C**. After discussion on the matter, Director Grzanka moved that (i) the Board declare its intention to levy a proposed 2022 debt service tax rate of \$0.45 and a proposed maintenance tax rate of \$0.26 for a total tax rate of \$0.71, and (ii) that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2022 total tax rate of \$0.71 at its next meeting in the form and at the time required by law. Director Mendel seconded said motion, which unanimously carried.

REIMBURSEMENT OF PULTE; ENGAGEMENT OF AUDITOR

The Board next discussed the District's options to reimburse Pulte, including the use of surplus general operating funds and the adoption of a Resolution Authorizing Use of Surplus General Operating Funds (Non-Maintenance Tax) to Acquire Water, Sanitary Sewer, and Drainage Facilities and Reimburse Developer for Eligible Costs (the "Resolution"), attached hereto as **Exhibit D**. Following discussion, Director Grzanka moved that the Board adopt the Resolution and authorize the President and Secretary to execute same on behalf of the Board and the District. Director Mendel seconded the motion, which unanimously carried.

The Board next considered engaging McCall to prepare a developer reimbursement audit report in connection with reimbursement of Pulte. Mr. Toldan addressed the Board at this time and presented and reviewed an engagement letter, a copy of which is attached hereto as **Exhibit**

E. Following discussion, Director Grzanka moved that the Board (i) approve the engagement letter, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to accept and acknowledge the associated Texas Ethics Commission ("TEC") Form 1295. Director Mendel seconded the motion, which unanimously carried.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2022. Mr. Toldan presented a two-year engagement letter, a copy of which is attached hereto as **Exhibit F**, and advised that McCall is proposing an engagement for a two year period covering the District's fiscal years for 2022 and 2023. He advised that the fee for the preparation of said audits is estimated to be between \$17,000 and \$19,000 per year. After discussion on the matter, Director Grzanka moved that McCall be engaged to prepare the District's audit reports for the fiscal year ending September 30, 2022, and the fiscal year ending September 30, 2023, and that SPH be authorized to accept and acknowledge the associated TEC 1295 Form provided by McCall. Director Cox seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Mr. Patel then presented to and reviewed with the Board the bookkeeper's report, dated September 16, 2022, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit G**. 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 no. 7225, which was voided. Director Grzanka seconded the motion, which unanimously carried.

Mr. Patel next presented and reviewed with the Board a draft budget for the District's fiscal year ending September 30, 2023, a copy of which is attached to the bookkeeping report (**Exhibit G**). After discussion on the matter, Director Cox moved that the Board adopt the District's operating budget for fiscal year ending September 30, 2023, as presented. Director Grzanka seconded said motion, which carried unanimously.

SECOND AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

The Board next considered the approval of a Second Amended and Restated Agreement for Bookkeeping Services between the District and MA&C (the "Agreement"). In that regard, Ms. Colondres reviewed the terms of the proposed Agreement, a copy of which is attached hereto as **Exhibit H**, and responded to questions regarding same. Following discussion, it was moved by Director Mendel that the Board (i) approve the Agreement and authorize execution of same by the President on behalf of the Board and the District, and (ii) authorize SPH to accept and acknowledge the associated TEC Form 1295 provided by MA&C. Director Grzanka seconded the motion, which unanimously carried.

Mr. Toldan and Ms. Colondres exited the meeting at this time.

ENGINEERING REPORT

Ms. Blakemore 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 I**. With regard to the construction of the new wastewater treatment plant, Ms. Blakemore advised that IDS has sent the contractor a draft Change Order adjusting the contract time to reflect the updated construction schedule. No action was taken by the Board at this time.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred the approval of utility commitment requests at this time.

MAINTENANCE OF DETENTION AND DRAINAGE FACILITIES

Mr. Benes presented and reviewed a Drainage Facilities Report provided by SWS, a copy of which is attached hereto as **Exhibit J**. 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 August 2022, a copy of which is attached hereto as **Exhibit K**.

Ms. Bonilla-Odums requested that Inframark be authorized to transfer two (2) delinquent accounts listed on the Operations and Maintenance Report totaling \$165.05 to Collections Unlimited for collection purposes. After discussion on the matter, Director Grzanka moved that the Board authorize Inframark to transfer said accounts as listed on Inframark's report to Collections Unlimited for collection purposes. Director Mendel 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.

THIRD AMENDMENT TO EXCLUSIVE RESIDENTIAL REFUSE SERVICE CONTRACT

The Board next considered approval of the Third Amendment to Exclusive Residential Refuse Service Contract (the "Third Amendment") between the District and Republic, a copy of which is attached hereto as **Exhibit L**. It was noted that the Third Amendment memorializes that the District's recycling service day will be moved from Thursday to Wednesday, effective October 2022. Following discussion, Director Grzanka moved that the Board approve the Third Amendment, subject to review by SPH, and authorize the President to execute same on behalf of the Board and the District. Director Cox seconded the motion, which unanimously carried.

DEVELOPERS' REPORTS

The Board next considered the developers' reports. In that regard, Mr. Williams advised that he had nothing new to report at this time.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Lai advised that he had nothing to report regarding legal matters other than those items which were previously addressed in the meeting.

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 Mendel, seconded by Director Grzanka and unanimously carried, the meeting was adjourned.


Secretary

644195

LIST OF EXHIBITS TO MINUTES

- Exhibit A Tax Assessor Collector's Report
- Exhibit B Delinquent Tax Report
- Exhibit C 2022 Tax Rate Recommendation
- Exhibit D Resolution Authorizing Use of Surplus General Operating Funds (Non-Maintenance Tax) to Acquire Water, Sanitary Sewer, and Drainage Facilities and Reimburse Developer for Eligible Costs
- Exhibit E Engagemenet Letter - Developer Reimbursement Audit Report
- Exhibit F Engagement Letter - 2022 and 2023 Audit Reports
- Exhibit G Bookkeeping Report; Operating Budget
- Exhibit H Second Amended and Restated Agreement for Bookkeeping Services
- Exhibit I Engineering Report
- Exhibit J Drainage Facilities Report
- Exhibit K Operations and Maintenance Report
- Exhibit L Third Amendment to Exclusive Residential Refuse Service Contract