

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166  
Minutes of Meeting of Board of Directors  
July 21, 2023

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 July 21, 2023, 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 Knickerbocker and Mendel, thus constituting a quorum.

Also attending the meeting were Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Odett Newman of Bob Leared Interests, Inc. ("BLI"); Eve Blakemore of IDS Engineering Group ("IDS"); Ravi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Christina Love, member of the public; 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 comments offered by the 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 June 16, 2023. After discussion, Director Cox moved that the minutes of the June 16, 2023, Board meeting be approved, as written. Director Grzanka 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 June 2023, 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 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.

**BOOKKEEPER'S REPORT**

Mr. Patel then presented to and reviewed with the Board the Bookkeeper's Report, dated July 21, 2023, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit B**. 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, with the exception of check nos. 7408 and 7411, which were voided. Director Cox seconded the motion, which unanimously carried.

**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 C**.

Ms. Blakemore addressed the Board regarding the two pending back-charges to KBN, LLC related to a water line break. She advised that upon further investigation by IDS and Inframark, it is IDS's recommendation that the water line repair costs totaling \$7,776.69 be paid by the District. Following discussion on the matter, Director Cox moved that payment be made to Inframark by the District in the amount of \$7,776.69 for costs associated with the water line repair. Director Grzanka seconded the motion, which unanimously carried.

With regard to the construction of the new wastewater treatment plant, Ms. Blakemore advised that the District is in receipt of Pay Estimate Nos. 21 and 22 from R&B Group, Inc. in the amounts of \$58,387.50 and \$378,657.87, 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 estimates, as recommended by IDS. Director Grzanka seconded the motion, which unanimously carried.

**UTILITY COMMITMENT(S)**

The Board deferred discussion of potential utility commitments, as it was noted that this matter was covered earlier in the meeting, under the engineer's report.

**DETENTION AND DRAINAGE FACILITIES REPORT**

The Board deferred review of a detention and drainage facilities report.

## OPERATIONS AND MAINTENANCE REPORT

Ms. Bonilla-Odums presented to and reviewed with the Board the Operations and Maintenance Report for the month of June 2023, a copy of which is attached hereto as **Exhibit D**.

Ms. Bonilla-Odums advised that the fire hydrant survey is complete, and that twelve (12) hydrants are in need of repair at a total cost of \$5,750. Following discussion, Director Grzanka moved that Inframark be authorized to repair the fire hydrants as discussed and as recommended by Inframark. Director Cox seconded the motion, which unanimously carried.

Ms. Bonilla-Odums next requested that Inframark be authorized to transfer seven (7) delinquent accounts listed on the Operations and Maintenance Report totaling \$2,413.79 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 Cox 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.

## DEVELOPERS' REPORTS

The Board deferred consideration of the developers' reports.

## REIMBURSEMENT OF BLUSKY INTERESTS, LTD.

Mr. Lai noted that information had been requested from Blusky Interests, Ltd. by the District's financial advisor but that such information had not yet been received. As a result, the Board deferred consideration of reimbursement to Blusky Interests, Ltd. until the next meeting.

## RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE AND EXPENSES

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office and Expenses. Mr. Lai advised the Board that House Bill 2815, passed by the 88<sup>th</sup> Texas Legislature, amends Section 49.060 of the Texas Water Code to allow for an increase in director fees of office up to the amount of the per diem set by the Texas Ethics Commission for members of the legislature. Following discussion, Director Cox moved that the Resolution Authorizing Increase in Fees of Office and Expenses, attached hereto as **Exhibit E**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and District. Director Grzanka seconded the motion, which unanimously carried.

**ADOPTION OF ORDER ADOPTING A CODE OF ETHICS, FEES AND EXPENSE POLICY, POLICY RELATING TO CONSULTING SERVICES, UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS, POLICY RELATING TO ADOPTION OF ANNUAL OPERATING BUDGET, AND CREATING AN AUDIT COMMITTEE ("CODE OF ETHICS")**

Mr. Lai presented to the Board a proposed Code of Ethics, a copy of which is attached hereto as **Exhibit F**, and advised that the language relative to the Fees and Expense Policy has been updated to provide that, with Board approval, directors may claim fees of office for virtual attendance or watching recorded sessions of conferences, but limited in number to the actual number of days of the conference during which live presentations were made. Following discussion, Director Cox moved that the Code of Ethics be approved, that the District's prior adopted code of ethics be revoked, and that the President and Secretary be authorized to execute the Code of Ethics on behalf of the Board and District. Director Grzanka seconded the motion, which unanimously carried.

**AMENDMENT TO DISTRICT INFORMATION FORM**

Mr. Lai next presented to and discussed with the Board an Amendment to the Amended and Restated District Information Form (the "DIF"). He advised that the form of Notice to Purchasers attached to the DIF has been updated and is required to be furnished by a seller to a purchaser of real property located within the District. After discussion, Director Cox moved that the DIF be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Grzanka seconded said motion, which carried unanimously.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. In that regard, Mr. Lai discussed recent legislative updates and provided the Board with a memorandum prepared by SPH regarding certain bills. A copy of said memorandum is attached hereto as **Exhibit G**.

Mr. Lai next presented to and reviewed with the Board an Annual Maintenance of Arbitrage Analysis Report from Municipal Risk Management Group, LLC concerning arbitrage rebate and/or yield restriction regulations relative to the District's outstanding bonds, a copy of which report is attached hereto as **Exhibit H**. He noted that no action is required by the Board in connection with the report.

**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 Grzanka, seconded by Director Cox 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 Bookkeeper's Report
- Exhibit C Engineer's Report
- Exhibit D Operations and Maintenance Report
- Exhibit E Resolution Authorizing an Increase in the Fees of Office and Expenses
- Exhibit F Order Adopting a Code of Ethics, Fees and Expense Policy, Policy Relating to Consulting Services, Uniform Financial Accounting and Reporting Standards, Policy Relating to Adoption of Annual Operating Budget, and Creating an Audit Committee of the Board of Directors
- Exhibit G Memorandum prepared by Schwartz, Page & Harding, L.L.P.
- Exhibit H Annual Maintenance of Arbitrage Analysis Report provided by Municipal Risk Management Group, LLC