

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
September 20, 2024

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 20, 2024, 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 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"); Loren Morales of Rathmann & Associates, LP ("Rathmann"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"); Eve Blakemore of IDS Engineering Group ("IDS"); Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); 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 16, 2024. After discussion, Director Grzanka moved that the minutes of the August 16, 2024, Board meeting be approved, as written. Director Knickerbocker 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 2024, 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 Knickerbocker seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT

Mr. Lai next presented the District's delinquent tax report dated September 20, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit B**. Following discussion, Director Grzanka moved that Inframark be authorized to terminate water service to the eligible accounts listed on the report due to nonpayment of taxes. Director Cox seconded the motion, which unanimously carried.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE

There followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 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. Morales then presented to and reviewed with the Board the 2024 Tax Rate Recommendation, a copy of which is attached hereto as **Exhibit C**. After discussion on the matter, Director Knickerbocker moved that (i) the Board declare its intention to levy a proposed 2024 debt service tax rate of \$0.30 and a proposed maintenance tax rate of \$0.29 for a total tax rate of \$0.59, and (ii) that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2024 total tax rate of \$0.59 at its next meeting in the form and at the time required by law. Director Grzanka seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Tesalonika then presented to and reviewed with the Board the Bookkeeper's Report, dated September 20, 2024, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit D**. 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 no. 7701, which was voided. Director Cox seconded the motion, which unanimously carried.

Ms. Tesalonika next presented and reviewed with the Board a draft budget for the District's fiscal year ending September 30, 2025, a copy of which is attached to the bookkeeping report (**Exhibit D**). After discussion on the matter, Director Grzanka moved that the Board adopt the

District's operating budget for fiscal year ending September 30, 2025, as presented. Director Cox seconded said motion, which carried unanimously.

ENGINEERING REPORT

Ms. Blakemore next presented to and reviewed with the Board the Engineering Report dated September 20, 2024 prepared by IDS relative to the status of various projects within the District, a copy of which report is attached hereto as **Exhibit E**. She addressed the Board regarding inspection of Water Plant No. 1 and noted that same would be scheduled for October or November. Following discussion, Director Knickerbocker moved that IDS be authorized to coordinate with Inframark to perform an inspection of Water Plant No. 1. Director Grzanka seconded the motion, which unanimously carried.

A discussion ensued regarding the number of LED and non-LED street lights that are located within the District. Following discussion, Director Knickerbocker moved that IDS and/or Inframark be authorized to coordinate with Acclaim to determine the number of LED and non-LED streets lights located within the District. Director Grzanka seconded the motion, which unanimously carried.

With respect to the Texas Commission on Environmental Quality's lead and copper rule revision, the District Engineer and Operator confirmed the following:

EPA LEAD AND COPPER RULE REVISION REQUIRED SERVICE LINE INVENTORY STATEMENT:

Harris County Municipal Utility District No. 166 has no lead service lines or galvanized service lines requiring replacement. Harris County Municipal Utility District No. 166 has found no evidence of the use of lead service lines (i) in the system records, including distribution system maps and drawings, historical records, meter installation records, inspections and records of the distribution system that indicate the material composition, or (ii) when reading water meters or performing maintenance activities in the course of normal system operations.

HARRIS COUNTY'S WASTEWATER SURVEILLANCE PROGRAM

The Board deferred a presentation by Harris County for the District's participation in Harris County's Wastewater Surveillance Program after noting that a representative of same was not present.

STATUS OF APPLICATION TO THE TCEQ REQUESTING APPROVAL FOR USE OF SURPLUS FUNDS

Mr. Lai next provided the Board with a status of Application to the TCEQ Requesting Approval for Use of Surplus Funds and Interest Earned on Construction Funds in connection with payment of the District's share of the costs related to installation of the generator at Joint Water Plant No. 2. No action was taken by the Board at this time.

UTILITY COMMITMENT(S)

Mr. Lai next reported that the District has not received any new requests for utility commitments.

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 dated September 20, 2024, for the month of August 2024, a copy of which is attached hereto as **Exhibit F**. She requested that Inframark be authorized to transfer seven (7) delinquent accounts listed on the Operations and Maintenance Report totaling \$2,048.82 to Collections Unlimited for collection. 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. Director Knickerbocker 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.

RATE ORDER

The Board next considered amending the District's Rate Order, including but not limited to an adjustment of the residential sanitary sewer rate based upon Republic's CPI adjustment for garbage collection and recycling services effective October 1, 2024. The Board considered increasing the District's residential sanitary sewer rate to cover Republic's increase in solid waste collection and disposal fees and the amendment of its Rate Order in connection therewith. Mr. Lai advised that the rate for monthly solid waste collection and disposal services will increase from \$17.99 to \$18.92 per home, and that the rate for monthly recycling collection services will increase from \$4.36 to \$4.58 per home. He further advised that SPH has reviewed the District's contract with Republic and that Republic's proposed increase is consistent with same. After discussion on the matter, it was moved by Director Cox that: (i) the District increase its monthly flat fee for residential sanitary sewer and solid waste collection and disposal service from \$35.55 to \$36.70 in order to cover the solid waste collection and disposal rate increases, (ii) that any and all Rate Orders heretofore adopted be revoked, and (iii) that the Rate Order attached hereto as **Exhibit G** be passed and adopted to be effective as of October 1, 2024. Director Grzanka seconded the motion, which unanimously carried.

DEVELOPERS' REPORT(S)

The Board noted that no representatives of any District developers were in attendance at the meeting.

ENERGY MANAGEMENT AGREEMENT

Mr. Oakley next presented to and reviewed with the Board the Energy Management Agreement (the "Agreement") between the District and Acclaim, a copy of which is attached hereto as **Exhibit H**. Following discussion, Director Grzanka moved that the Board (i) approve the Agreement and authorize the President to execute same on behalf of the Board and the District; and (ii) authorize SPH to accept and acknowledge the Texas Ethics Commission Form 1295 submitted by Acclaim in connection with the Agreement, as required. Director Cox seconded the motion, which unanimously carried.

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 Knickerbocker, seconded by Director Grzanka 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 Delinquent Tax Report
- Exhibit C 2024 Tax Rate Recommendation
- Exhibit D Bookkeeper's Report
- Exhibit E Engineer's Report
- Exhibit F Operations and Maintenance Report
- Exhibit G Rate Order
- Exhibit H Energy Management Agreement