

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
October 18, 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 October 18, 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 Cox, 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"); Carter Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Brian Toldan of McCall Gibson Swedlund Barfoot PLLC ("McCall"); 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 September 20, 2024. After discussion, Director Grzanka moved that the minutes of the September 20, 2024, Board meeting be approved, as revised. Director Mendel seconded the motion, which unanimously carried.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF AUDIT REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2024. Mr. Toldan presented an engagement letter, a copy of which is attached hereto as **Exhibit A**, and advised that McCall is proposing an engagement covering the District's fiscal year 2024. He advised that the fee for the preparation of

said audit is estimated to be between \$18,500 and \$20,000. After discussion on the matter, Director Knickerbocker moved that McCall be engaged to prepare the District's audit report for the fiscal year ending September 30, 2024, and that SPH be authorized to accept and acknowledge the associated Texas Ethics Commission ("TEC") 1295 Form provided by McCall. 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 2024, 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 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.

Mr. Toldan exited the meeting at this time.

SECOND AMENDED AND RESTATED AGREEMENT FOR SERVICES OF TAX ASSESSOR AND COLLECTOR

The Board next considered approval of a Second Amended and Restated Agreement for Services of Tax Assessor and Collector (the "Agreement") between the District and BLI, a copy of which is attached hereto as **Exhibit C**. Ms. Newman addressed the Board regarding the Agreement. Following discussion, Director Grzanka moved that the Board (i) approve the Agreement, (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 TEC Form 1295. Director Mendel seconded the motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS ATTORNEYS' REPORT

Mr. Lai next presented the District's delinquent tax report dated October 18, 2024, from Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached as **Exhibit D**. 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 Knickerbocker seconded the motion, which unanimously carried.

PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 TAX RATE AND LEVY OF THE DISTRICT'S 2024 TAX RATE

The Board conducted a public hearing regarding the imposition of a proposed debt service tax rate and a maintenance tax rate for 2024. It was noted that no District taxpayer appeared at the hearing. Upon motion made by Director Knickerbocker, seconded by Director Grzanka and unanimously carried, the hearing was closed.

The Board then discussed the setting of the 2024 tax rate. Ms. Newman 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 Knickerbocker moved that: (i) the Board adopt the tax rate as proposed at the District's September 20, 2024, meeting and as reflected in the notice; (ii) the Board levy a 2024 debt service tax rate of \$0.30 per \$100 of valuation and a 2024 maintenance tax rate of \$0.29 per \$100 of valuation, resulting in a 2024 tax rate of \$0.59 per \$100 of valuation; and (iii) the Order Levying Taxes attached hereto as **Exhibit E** be adopted in connection therewith and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Grzanka seconded said motion, which carried unanimously.

AMENDMENT TO THE AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Lai presented to and discussed with the Board an Amendment to the Amended and Restated District Information Form ("DIF") relative to the District's 2024 tax rate. After discussion regarding said form, Director Knickerbocker 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 Grzanka seconded the motion, which carried unanimously carried.

BOOKKEEPER'S REPORT

Mr. Burton then presented to and reviewed with the Board the Bookkeeper's Report, dated October 18, 2024, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit F**. 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. 7720, which was voided. Director Mendel seconded the motion, which unanimously carried.

COMPLIANCE WITH TEXAS GOVERNMENT CODE CHAPTER 2265 RELATIVE TO ENERGY REPORTING

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Burton presented to and reviewed with the Board an energy report, a copy of which report is attached to the Bookkeeping Report (**Exhibit F**). Mr. Lai noted that no further action is required by the District.

RESOLUTION REGARDING REVIEW OF INVESTMENT POLICY

The Board then considered approval of a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). In connection therewith, Mr. Lai advised the Board that SPH is not recommending any changes to the Investment Policy at this time. After discussion, Director Grzanka moved that the Resolution attached hereto as **Exhibit G** be adopted to reflect that the Investment Policy

adopted on October 20, 2023, was thereby affirmed and shall remain in effect until amended. Director Mendel seconded the motion, which carried unanimously.

ENGINEERING REPORT

Ms. Blakemore next presented to and reviewed with the Board the Engineering Report dated October 18, 2024 prepared by IDS relative to the status of various projects within the District, a copy of which report is attached hereto as **Exhibit H**. She advised that the District is in receipt of a request to renew the utility commitment for water and sanitary sewer service to serve the car wash facility located at 17001 West Little York Road. Following discussion, Director Knickerbocker moved that the Board (i) approve the issuance of the utility commitment by the District as discussed, (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 TEC Form 1295. Director Mendel seconded the motion, which unanimously carried.

Ms. Blakemore next addressed the Board regarding the proposed installation of an onsite generator at Joint Water Plant No. 2. In that regard, she advised that Harris County Municipal Utility District No. 276 ("No. 276") no longer wishes to include an alternate bid for a used generator. Following discussion, the Board directed Ms. Blakemore to notify No. 276 that the District would like to include an alternate bid for a used generator.

In connection with the 12" water line extension project in Kingfield, Section 2, Ms. Blakemore advised that the pavement repairs have been completed by Beyer Construction, LLC, and that IDS has requested a re-inspection by Harris County and noted that Harris County has a backlog of inspections. A discussion ensued regarding authorizing SPH to prepare and send a letter to Harris County to request re-inspection of this project. Following discussion, Director Knickerbocker moved that SPH be authorized to prepare and send a letter to Harris County, as discussed. Director Mendel seconded the motion, which unanimously carried.

Ms. Blakemore next advised that the District's Lead and Copper Inventory has been accepted by the Texas Commission on Environmental Quality.

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. Mr. Lai stated that the Application is on hold pending the award of a contract by No. 276 for the generator installation project. No action was taken by the Board at this time.

UTILITY COMMITMENT(S)

It was noted that this item was discussed earlier in the meeting, under the Engineering 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 dated October 18, 2024, for the month of September 2024, a copy of which is attached hereto as **Exhibit I**. No action was taken by the Board at this time.

RATE ORDER

The Board next considered amending the District's Rate Order, including but not limited to adjustment of rates to address operator rate increases. Ms. Bonilla-Odums addressed the proposed changes with the Board. After discussion on the matter, it was moved by Director Mendel that the Board (i) amend the Rate Order, as discussed, with the exception of removal of the acceptance of cash as a form of payment, (ii) that any and all Rate Orders heretofore adopted be revoked, and (iii) that the Rate Order attached hereto as **Exhibit J** be passed and adopted. 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.

DEVELOPERS' REPORT(S)

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

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


Secretary

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LIST OF EXHIBITS TO MINUTES

- Exhibit A Engagement Letter - McCall Gibson Swedlund Barfoot PLLC
- Exhibit B Tax Assessor Collector's Report
- Exhibit C Second Amended and Restated Agreement for Services of Tax Assessor and Collector
- Exhibit D Delinquent Tax Report
- Exhibit E Order Levying Taxes
- Exhibit F Bookkeeper's Report
- Exhibit G Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit H Engineer's Report
- Exhibit I Operations and Maintenance Report
- Exhibit J Rate Order