

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166
Minutes of Meeting of Board of Directors
January 17, 2025

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 January 17, 2025, 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 Love, 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"); Cynthia Colondres of Municipal Accounts & Consulting, L.P. ("MA&C"); Barbara Nussa of Republic Services, Inc. ("Republic"); Suzanne Villareal of McCall Gibson Swedlund Barfoot PLLC ("McCall"); and Eric Lai and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

The Vice 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 December 20, 2024. After discussion, Director Grzanka moved that the minutes of the December 20, 2024, Board meeting be approved, as written. Director Knickerbocker seconded the motion, which unanimously carried.

AUDIT REPORT

The Board considered the approval of the District's Audit Report ("Report") prepared for the District's fiscal year ended September 30, 2024, and the execution of an audit affidavit in connection therewith. Ms. Villarreal presented to and reviewed with the Board a draft of the Report prepared for the fiscal year ended September 30, 2024, a copy of which is attached hereto

as **Exhibit A**. Ms. Villarreal then presented to and reviewed with the Board the Management Representation Letter prepared by McCall (the "Management Representation Letter"), a copy of which is included with the Report (**Exhibit A**). After discussion, it was moved by Director Knickerbocker, seconded by Director Cox and unanimously carried, that, subject to incorporation of any appropriate changes resulting from comments received from the District's consultants and the Board, the audit report for the fiscal year ended September 30, 2024, be approved, that the Vice President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District, and that such audit report and Annual Filing Affidavit be timely filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ").

CONTINUING DISCLOSURE REPORT

The Board deferred review of the continuing disclosure report until the next meeting.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Newman presented to and reviewed with the Board the tax assessor-collector report for the month of December 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.

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.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lai outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Cox moved that the District (i) grant a residential homestead exemption in the amount of 5%, but in no event less than \$5,000, (ii) grant an exemption for persons under a disability or sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025 in the amount of \$15,000, and (iii) that the Resolution attached hereto as **Exhibit C** relative

to same be approved and adopted by the Board and the District. Director Mendel seconded said motion, which carried unanimously.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Lai advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent 60 days after the date on which they become delinquent, which will be February 1, 2025, as more fully described in said Resolution. After discussion, it was moved by Director Mendel, seconded by Director Grzanka and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit D**, be passed and adopted by the Board.

AUTHORIZE PREPARATION AND SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS FOR INCLUSION IN THE SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Lai next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Mendel moved that McCall be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database. Director Grzanka seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Colondres then presented to and reviewed with the Board the Bookkeeper's Report, dated January 17, 2025, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit E**. 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. 7788, which was voided. Director Cox seconded the motion, which unanimously carried.

ENGINEERING REPORT

Ms. Blakemore next presented to and reviewed with the Board the Engineering Report dated January 17, 2025, prepared by IDS relative to the status of various projects within the District, a copy of which report is attached hereto as **Exhibit F**. No action was taken by the Board at this time.

HARRIS COUNTY'S WASTEWATER SURVEILLANCE PROGRAM

The Board next considered approval of an Interlocal Agreement between the District and Harris County Public Health for the District's participation in Harris County's Wastewater Surveillance Program. In that regard, Mr. Lai advised that Harris County is in the process of restructuring the form of the agreement and would inform the Board when Harris County completes same. The Board requested that this item be removed from future agendas until further notice.

STATUS OF APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") REQUESTING APPROVAL FOR USE OF SURPLUS FUNDS

Mr. Lai next provided the Board with an update regarding the status of Application to the TCEQ Requesting Approval for Use of Surplus Funds and Interest Earned on Construction Funds (the "Application") in connection with payment of the District's share of the costs related to installation of the generator at Joint Water Plant No. 2. It was noted that IDS is in the process of preparing the Application for submission to the TCEQ.

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 January 17, 2025, for the month of December 2024, a copy of which is attached hereto as **Exhibit G**. She requested that Inframark be authorized to transfer five (5) delinquent accounts listed on the Operations and Maintenance Report totaling \$776.21 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 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. She advised that the 2025 collection schedule is now available. The Board requested that the schedule be included in customer water bills.

DEVELOPERS' REPORT(S)

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

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit H**. Mr. Lai advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. He noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Lai further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Mendel moved that the Technology Policy be adopted, and that the Vice President and Secretary be authorized to execute the same. Director Grzanka seconded said motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Mr. Lai advised the Board that the District's current policies are provided through Arthur J. Gallagher & Co. ("AJG") and will expire on March 31, 2025. Following discussion, Director Cox moved that SPH be authorized to solicit a proposal for renewal of the District's insurance coverage from AJG, for review and consideration by the Board at its next meeting. Director Mendel seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In that regard, Mr. Lai presented to and reviewed with the Board an Annual Disclosure provided by Rathmann & Associates, L.P. regarding its annual disclosure requirements pursuant to the MSRB Rule G-10, a copy of which is attached hereto as **Exhibit I**.

EXECUTIVE SESSION

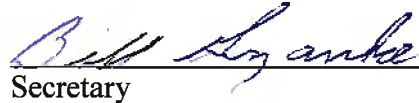
The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code, Section 551.071.

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

LIST OF EXHIBITS TO MINUTES

- Exhibit A Draft Audit Report
- Exhibit B Tax Assessor Collector's Report
- Exhibit C Resolution Concerning Exemptions From Taxation
- Exhibit D Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit E Bookkeeper's Report
- Exhibit F Engineer's Report
- Exhibit G Operations and Maintenance Report
- Exhibit H Order Establishing Policy for Covered Applications and Prohibited Technology
- Exhibit I Annual Disclosure provided by Rathmann & Associates, L.P.