

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166

Minutes of Meeting of Board of Directors

January 16, 2026

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 16, 2026, 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:

Thomas C. Knickerbocker, President

Nano Cox, Vice President

Bill Grzanka, Secretary

Lisa Mendel, Assistant Secretary

Goldie Golden, Assistant Secretary

all of whom were present at the meeting, thus constituting a quorum.

Also attending the meeting were Mirna Bonilla-Odums and Raquel Garcia of Inframark, LLC ("Inframark"); Odett Newman of Bob Leared Interests, Inc. ("BLI"); Putri Tesalonika, Jasmine Hines, and Kyle Cortez of Municipal Accounts & Consulting, L.P. ("MAC"); Eve Blakemore of IDS Engineering Group ("IDS"); Jennifer Vossler of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Barbara Nussa of Republic Services, Inc. ("Republic"); and Cullen Richardson 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 were no comments from the public at this time.

MINUTES

The Board considered the minutes of its meeting held on December 19, 2025. After discussion, Director Grzanka moved that the minutes of the December 19, 2025, 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 prepared for the District's fiscal year ended September 30, 2025, and the execution of an audit affidavit in connection therewith. Ms. Vossler presented and reviewed with the Board a draft of the Audit Report prepared for the fiscal year ended September 30, 2025, a copy of which is attached hereto as **Exhibit A**. She

then presented and reviewed with the Board the Management Representation Letter prepared by McCall, a copy of which is included in **Exhibit A**. After discussion, it was moved by Director Cox, seconded by Director Grzanka 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, 2025, be approved, that the 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.

CONTINUING DISCLOSURE REPORT

The Board deferred review of the continuing disclosure report.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Newman presented to and reviewed with the Board the Tax Assessor-Collector's Report for the month of December 2025, 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's Report be approved and that the disbursements identified in the report be authorized for payment from the District's tax account, including check no. 1231 in the amount of \$1,559.64. Director Cox seconded said motion, which unanimously carried.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Richardson 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 Sections 11.13, 11.184 and 11.142 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 2026, 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 2026, 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, the Board concurred to defer taking action pending review of an analysis to be performed by the District's financial advisor.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

The Board deferred review of the delinquent tax collections attorney's report after noting that said report is presented on a quarterly basis, and that no report had been prepared for this Board meeting.

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. Richardson 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 to the District on personal property accounts that become delinquent after February 1st of a year and remain delinquent sixty (60) days after said date, as more fully described in said Resolution. After discussion, it was moved by Director Grzanka, seconded by Director Cox and unanimously carried that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit C**, be adopted by the Board, and that Perdue, Brandon, Fielder, Collins & Mott be authorized to proceed with the collection of the District's 2026 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

SUBMISSION OF DISTRICT INFORMATION TO TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Mr. Richardson 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") on an annual basis for inclusion in the Special Purpose District Public Information Database. Mr. Richardson then recommended that McCall, the District's auditor, be authorized to prepare and submit the information on behalf of the District prior to the deadline of April 1, 2026. 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. Tesalonika introduced Mr. Cortez to the Board and provided an update concerning the status of the Client Services Agreement between the District and HR&P. Mr. Cortez then presented to and reviewed with the Board the Bookkeeper's Report dated January 16, 2026, including the disbursements presented for payment. A copy of the report is attached hereto as **Exhibit D**. Following discussion, it was moved by Director Cox that (i) the Bookkeeper's Report be approved, and (ii) the disbursements identified in the report be approved for payment. Director Grzanka seconded the motion, which unanimously carried.

ENGINEER'S REPORT

Ms. Blakemore next presented to and reviewed with the Board the Engineer's Report dated January 16, 2026, relative to the status of various projects within the District. A copy of the report is attached hereto as **Exhibit E**. She provided the Board with an update concerning the status of the Notice of Public Hearing received from the City of Houston regarding a subdivision plat application to allow a partial replatting of Copperwood Water Plant Reserve and Kingfield Section

2. In that regard, she advised that the replat will not have a negative impact to the District, however, she recommends the District obtain an easement over the drainage swale that is owned by Harris County Municipal Utility District No. 257 ("No. 257"). Mr. Richardson then presented and reviewed with the Board a Conflict of Interest Letter between the District and No. 257 relative to the negotiation of said easement. After discussion, Director Grzanka moved that (i) IDS and SPH be authorized to obtain said easement, and (ii) the Board approve the Conflict of Interest Letter and execution of same by the President on behalf of the Board and the District. Director Mendel seconded said motion, which unanimously carried.

Ms. Blakemore next reminded the Board that there are leaks in the east clarifier located at the Wastewater Treatment Plant ("WWTP"). She advised that additional leaks were found by the contractor, and that IDS recommends draining the basins and coating them with epoxy material. She noted that the estimated cost for this project is \$480,000. No action was taken by the Board at this time.

Ms. Tesalonika exited the meeting at this time.

A discussion ensued regarding the potential maintenance and landscaping of the tract of land adjacent to the WWTP and the potential acquisition of easement(s) necessary therefor. Mr. Richardson advised that the school district is amenable to providing the easement at no cost, and that SPH has requested the form of easement for review.

RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS

The Board next considered adoption of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds in connection with televising of the storm sewer and sanitary sewer systems. Following discussion, Director Knickerbocker moved that the Board adopt the Resolution, attached hereto as **Exhibit F**, and that the President be authorized to execute same on behalf of the Board and the District. Director Grzanka seconded the motion, which unanimously carried.

UTILITY COMMITMENT(S)

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

Ms. Vossler and Ms. Newman exited the meeting at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

The Board next considered a Detention and Drainage Facilities Report from Storm Maintenance and Monitoring, Inc. ("SMM"). In that regard, Mr. Richardson distributed a report provided by SMM, a copy of which is attached hereto as **Exhibit G**. No action was taken by the Board at this time.

OPERATOR'S REPORT

Ms. Garcia presented to and reviewed with the Board the Operator's Report for the month of December 2025, a copy of which is attached hereto as **Exhibit H**. No action was taken by the Board at this time.

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 2026 collection calendar will be distributed to residents of the District with the water bills. No action was taken by the Board at this time.

DEVELOPERS' REPORT(S)

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

RENEWAL OF DISTRICT INSURANCE POLICIES

Mr. Richardson addressed the Board concerning the solicitation of proposals in connection with renewal of the District's insurance coverages that expire on March 31, 2026. Mr. Richardson advised the Board that the District's current insurance broker is Arthur J. Gallagher & Co. ("AJG"). He further advised the Board that other insurance companies provide such policies to water districts and then inquired as to whether the Board wished to solicit proposals for insurance from other companies for review prior to the expiration of the current policies. Following discussion, Director Grzanka moved that SPH be authorized to obtain a renewal proposal from the District's current insurance broker, AJG, for the Board's consideration at next month's Board meeting. Director Mendel seconded the motion, which unanimously carried.

MATTERS RELATED TO MAY 2, 2026, DIRECTORS ELECTION

Mr. Richardson reported on issues related to the District's Directors Election (the "Election") to be held on May 2, 2026. In connection therewith, he advised that Harris County will likely not offer joint election services to political subdivisions for the May 2, 2026 election, and therefore, the District will need to hold an independent election. He further discussed the challenges of administering an independent election.

ACCESSIBLE VOTING SYSTEM

Mr. Richardson noted that Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. He reported that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Knickerbocker, seconded by Director Mendel and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems

for said Election by publication in a newspaper of general circulation in an area that includes the District.

SUPPLEMENTAL AGENDA

The Board considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Richardson presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit I** calling the Election to be held on May 2, 2026. It was noted that the terms of office of Directors Knickerbocker, Cox, and Grzanka expire in May of this year. In reviewing the Order with the Board, Mr. Richardson advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Kris Eddlemon as such agent (the "Election Agent"). Mr. Richardson further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. He advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District. After discussion on the matter, Director Grzanka moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Knickerbocker seconded said motion, which unanimously carried. Mr. Richardson advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board next considered the establishment of fees to be paid to officials for the Election. Mr. Richardson advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Grzanka moved that the judges and clerks for the Election, including early voting clerks, be paid \$20.00 per hour. Director Knickerbocker seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

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

EXECUTIVE SESSION

The President announced that the Board was entering into executive session pursuant to Texas Government Code Section 551.171 at 1:15 p.m., for purposes of attorney-client communications. At this time, all those present, with the exception of the Board, Ms. Blakemore, Mr. Richardson, and Kris Eddlemon exited the meeting. At 1:52 p.m., Ms. Blakemore exited the meeting.

At 1:58 p.m., the President announced that the Board would reconvene in Open Session. No action was taken by the Board at this time.

FUTURE AGENDA ITEMS

The Board next considered items for placement on future agendas. Director Knickerbocker requested that an item be included on the February agenda for the Board to consider engagement of a landscape architect in connection with landscaping of the tract of land adjacent to the WWTP.

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 Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit D Bookkeeper's Report
- Exhibit E Engineer's Report
- Exhibit F Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
- Exhibit G Detention and Drainage Facilities Report from Storm Maintenance and Monitoring, Inc.
- Exhibit H Operator's Report
- Exhibit I Order Calling Directors Election