

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 19, 2007

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 162 (the "District") met in special session, open to the public, at 7546 Club Lake Drive, Houston, Texas, 77095 on June 19, 2007, at 6:30 p.m.; whereupon the roll was called of the members of the Board, to-wit:

Jerry Folmar, President
John Parrish, Vice President
Penny Johnson, Secretary
Steve Rickelman, Assistant Secretary
Emmanuel DePau, Treasurer

All of the members of the Board were present. Also attending all or parts of the meeting was Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities.

The President called the meeting to order in accordance with notice posted pursuant to law, copies of Certificates of Posting of which are attached hereto as Exhibit "A," and the following business was transacted:

1. **Discuss and approve budget for the fiscal year ending July 31, 2008.**

It was the consensus of the Board to approve the following changes to the budget for the fiscal year ending July 31, 2008:

- (1) Transfer from Capital Projects of \$60,000;
- (2) Increase Election Expenses to \$15,000;
- (3) Add Legal (special expenses) of \$3,000;
- (4) Decrease the Operations (Water Plant) account to \$37,500;
- (5) Decrease the Repair/Maint/Distribution account \$50,000; and
- (6) Carry over the \$60,000 in the Special, Reclaimed Water account.

THERE BEING NO FURTHER BUSINESS to come before the Board, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on

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President, Board of Directors

ATTEST:

Secretary, Board of Directors