

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 24, 2009

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 the offices of H2O Consulting, 5870 Highway 6 North, Suite 215, Houston, Texas on June 24, 2009 at 6:00 p.m.; whereupon the roll was called of the members of the Board, to-wit:

John Parrish, President  
Emmanuel DePau, Vice President  
Penny Johnson, Secretary  
Steve Rickelman, Assistant Secretary  
Mike Odell, Assistant Secretary

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, 2010.**

The Board reviewed the draft budget prepared by Myrtle Cruz, Inc. and made changes to the original budget numbers as reflected in the Proposed Budget for Fiscal Year Ending 7/31/10, a copy of which is attached hereto as Exhibit "B." Upon motion by Director Johnson, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the budget for fiscal year ending July 31, 2010, as revised.

2. **Review bids and approve purchase of Transfer Switch for Emergency Generator.** The Board reviewed the proposal from NTS, All Pump, and Payton Electric ("Payton") for the installation of the 800 amp transfer switch for the emergency generator. Although Payton was the low bidder, Mr. Hoffman reported that H2O's discussions with Payton revealed that it did not have the workers compensation levels required for subcontractors. Mr. Hoffman also stated that Payton's electric price did not include the cost of wire to connect to the rental generator. Discussion ensued. Upon motion by Director Odell, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the NTS proposal to install a new 800 amp NEMA 3R automatic transfer switch for the emergency generator at a cost of \$29,500.

The Board reviewed the painting estimate from D & L Quality Painting, Inc., a copy of which is attached hereto as Exhibit "D." The Board directed Mr. Hoffman to obtain additional proposals from other paint contractors.

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:**

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Secretary, Board of Directors