

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 14, 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 regular session, open to the public, at 1301 McKinney, Houston, Texas, on April 14, 2009, at 4:00 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, Treasurer
Mike Odell, Assistant Secretary

All members of the Board were present except Directors Parrish and Odell. Also attending all or parts of the meeting were Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Erin Garcia of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Mr. Tony Sarman of AECOM, Inc. ("AECOM"), engineers for the District; and Ms. Jana Cogburn and Ms. Nancy Green of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The Vice 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. **Minutes.** Consideration was given to the approval of the minutes of the meeting of March 10, 2009, a copy of which was previously distributed to the Board. Upon motion by Director Rickelman, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of March 10, 2009, as presented.

2. **Review Bookkeeper's Report and authorize payment of bills.** Ms. Garcia presented to and reviewed with the Board the Bookkeeper's Report, Investment Report and the Operating Budget for the Fiscal Year Ending July 31, 2009, copies of which are attached hereto as Exhibit "B."

Upon motion by Director Rickelman, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of check nos. 2762 and 2780 through 2805, both inclusive, from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report, and to approve the Investment Report.

3. **Review Tax Assessor and Collector's Report and authorize payment of certain bills.** Ms. Rodriguez presented to and reviewed with the Board the Tax Assessor and Collector's Report, a list of delinquent taxpayers and the eligible uncollectible accounts, copies of which are attached hereto as Exhibit "C." Ms. Rodriguez reported that the District has collected 95.55% of its 2008 taxes. Ms. Rodriguez requested the Board's approval to move uncollectible personal property accounts four years or older from the delinquent tax roll to an uncollectible tax roll.

Upon motion by Director Rickelman, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to move uncollectible personal property accounts four years or older from the delinquent tax roll to an uncollectible tax roll, to accept the Tax Assessor and Collector's Report and to authorize payment of check nos. 1350 through 1352 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. **Operations Report.** Mr. Hoffman presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 6,562,000 gallons of water and purchased 6,923,000 gallons of water from the West Harris County Regional Water Authority ("WHCRWA") during the last period and that H2O accounted for 91.7% of the water pumped and purchased by the District during the last period. Mr. Hoffman reported that the District has 138,059,000 gallons and eight months remaining on its 2008 Harris-Galveston Coastal Subsidence District Permit.

Mr. Hoffman reviewed with the Board the Maintenance Summary, a copy of which is attached to the Operations Report. Mr. Hoffman reported on water plant maintenance and stated that the new check valve has been installed at a final cost of \$3,867.15.

Mr. Hoffman reported that he is awaiting two additional quotes for standby generator rentals for the Board to review at the May meeting.

Mr. Hoffman reported that H2O performed annual cathodic protection inspections on ground storage tanks #1 and #2 at a final cost of \$1,634.40.

Mr. Hoffman reported on water line maintenance and stated that H2O straightened a valve stack at Ridge Park and Highway 6 at a final cost of \$1,600.10. Mr. Hoffman stated that H2O replaced valve stacks at Windy Glen and River Gardens at a final cost of \$1,190.01 and at Ridge Park and Highway 6 at a final cost of \$942.26.

Mr. Hoffman reported that H2O removed a leaking and abandoned tap at 7934 Highway 6 at a final cost of \$1,938.48.

Mr. Hoffman reported on sewer line maintenance and noted that H2O completed the manhole inspection and survey in Northmead Village.

Mr. Hoffman reported that H2O received feedback from FEMA regarding the reimbursement to the District for Hurricane Ike expenses. Mr. Hoffman stated that FEMA's calculated reimbursement to the District is \$878. Mr. Hoffman noted that since the total reimbursement amount is below \$1,000, the District will not receive funds from FEMA.

Mr. Hoffman reviewed the Water Smart Application, a copy of which is attached to the Operations Report. Mr. Hoffman reported that the District did not qualify for Water Smart this year.

Mr. Hoffman reported that H2O provided water quality information to Harris County Municipal Utility District Nos. 186, 208 and 188, as required by the TCEQ.

Mr. Hoffman stated that the sewer rate change becomes effective May 1, 2009 and that notification of the change will be sent to customers with the April and May bills.

Mr. Hoffman reviewed with the Board the current and proposed billing procedures for new water service accounts, a copy of which is attached to the Operations Report. Director Johnson requested that F&J submit the set up procedures for new accounts to the District's website manager for posting.

5. Adopt Order Adopting Identity Theft Prevention Program and Providing for Implementation and Enforcement Thereof. The Board reviewed the Order Adopting Identity Theft Prevention Program and Providing for Implementation and Enforcement Thereof, a copy of which is attached hereto as Exhibit "E." In response to a question from Director DePau regarding the inclusion of a computer's Internet Protocol address, Ms. Cogburn stated that the Federal Trade Commission created the list included in the Identification Information under Section 2 (D). Upon motion by Director Rickelman, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Adopting Identity Theft Prevention Program and Providing for Implementation and Enforcement Thereof.

6. Authorize Execution of contract with M.E. Duff & Associates, LP for collection services. Ms. Cogburn reported that she reviewed the contract with M. E. Duff & Associates, LP for collection services and noted that F&J is awaiting signature copies of the contract for the Board to execute. 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 M.E. Duff & Associates, LP contract with the District for collection services and to authorize Director DePau to execute the contract on behalf of the Board.

7. Engineer's Report. The Vice President recognized Mr. Sarman, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F."

Mr. Sarman reported on the asbestos cement pipe repairs and stated that AECOM and RL Utilities are coordinating with Harris County on the plan submission. In response to a question from Director DePau regarding the delay in the in the plan submission, Mr. Sarman stated that a miscommunication between AECOM and RL Utilities resulted in the failure to submit the plans to Harris County for initial review. Mr. Sarman noted that the plans will be submitted by the end of the week. Mr. Sarman stated that RL Utilities is still honoring their original bid price for the repairs. Director Johnson requested that Mr. Sarman submit the plans to Harris County the following day to expedite the process. Director DePau requested that Mr.

Sarman complete the express review sheet, submit the plans to Harris County April 15, 2009 and email the log number to the Board as notification that the submission has been performed.

Mr. Sarman reported that AECOM is continuing to monitor proposed legislation regarding generator requirements and several bills have been introduced. Mr. Sarman noted that Senate Bill 361 ("SB 361") passed in the Senate on April 8, 2009 and would be introduced in the House of Representatives. Mr. Sarman reported that a copy of SB 361 is attached to the Engineer's Report. Discussion ensued.

Mr. Sarman reported that AECOM is preparing the Camp, Dresser and McKee ("CDM") forms on behalf of the District for providing information on critical water and wastewater infrastructure for emergency management purposes. Mr. Sarman reported that the forms will be emailed to CDM and CJOB upon completion.

8. **Discuss Copperfield Joint Operations Board "CJOB" meeting.**
Director DePau reported that he was not able to attend the CJOB meeting.

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

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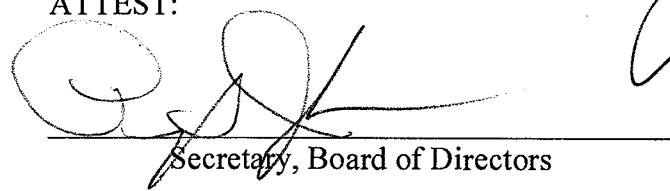
The foregoing minutes were passed and approved by the Board of Directors on

May 12, 2009.



President, Board of Directors

ATTEST:



Secretary, Board of Directors