

MINUTES OF MEETING OF BOARD OF DIRECTORS  
February 10, 2014

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, Houston, Texas, on February 10, 2014 at 2:00 p.m.; whereupon the roll was called of the members of the Board, to-wit:

Mike Odell, President  
John Parrish, Vice President  
Steve Rickelman, Treasurer  
Penny Johnson, Secretary  
Susan McClure, Assistant Secretary

All members of the Board were present, except Director Rickelman. Also attending all or parts of the meeting were Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Ms. Karrie Kay of Mrytle Cruz, Inc., bookkeeper for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; and Ms. Katherine Wolpert of Fulbright & Jaworski LLP ("F&J"), attorneys for the District.

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. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of January 14, 2014, copies of which were previously distributed to the Board. Upon motion by Director Parrish, 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 regular meeting of January 14, 2014, as presented.

**2. 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 copy of which is attached hereto as Exhibit "B." Ms. Rodriguez stated that the District has collected 93.8% of its 2013 taxes. Ms. Rodriguez reported on the list of delinquent accounts and stated that the Johnson account has not yet been paid, and recommended that the Board authorize disconnecting water service to the account. Upon motion by Director Johnson, seconded by Director McClure, after full discussion and the question being put to the Board, the Board voted unanimously to disconnect water service to the Johnson account. Ms. Rodriguez requested permission from the Board to transfer the District tax funds from Commercia Bank to Wells Fargo Bank. Discussion ensued. Upon motion by Director Parrish, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to direct BLI to transfer the District tax funds to Wells Fargo Bank, and to authorize execution of the Depository Pledge Agreement with Wells Fargo Bank. Upon

motion by Director Parrish, seconded by Director Johnson, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1059 through 1064 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**3. Operations Report.** Mr. Hoffman presented to and reviewed with the Board the Operations Report for the month of January 2014, a copy of which is attached hereto as Exhibit "C." Mr. Hoffman reported that the District pumped 507,000 gallons of water and purchased 7,357,000 gallons of water from the West Harris County Regional Water Authority during the last period and that H2O accounted for 92.57% of the water pumped and purchased by the District during the last period.

Mr. Hoffman stated that the ground storage tank alarm was not working due to a problem with the control switch. Mr. Hoffman noted that an electrician replaced the control switch at an estimated cost of \$1,269.68 and that the alarm is now operational.

Mr. Hoffman stated that the steel plate at West Road and Pebble Lake has been picked up and the contractor has completed the pavement repair.

Mr. Hoffman stated that the valve repairs for Northmead and Middlegate Village have begun at an estimated cost of \$6,050.00.

Mr. Hoffman stated that H2O is scheduling the next phase of sewer line cleaning and televising at an estimated cost of \$20,000.00.

Mr. Hoffman presented to and reviewed with the Board the WHCRWA Annual Report. The Board directed Director Odell to execute the WHCRWA Annual Report.

**4. Review Bookkeeper's Report and authorize payment of bills.** Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report, the Operating Budget, the Cash Flow Comparison and the Energy Usage Report, copies of which are attached hereto as Exhibit "D." Upon motion by Director Johnson, seconded by Director Parrish, 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. 4216 through 4236 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.

**5. Engineer's Report.** Mr. Hoffman reported on the Pebble Lake Drive Pavement Repair and stated that Camino Services completed the repair at an estimated cost of \$31,310.00.

**6. Discuss CJOB meeting.** Director Odell stated that he will be attending the CJOB meeting on Wednesday, February 12, 2014.

**7. Discuss Future Meeting Location.** The Board discussed future meeting times and locations. The Board agreed to hold its next meeting at the offices of Norton Rose Fulbright on March 11, 2014 at 2:00 pm.

**8. Discuss District Website.** The Board discussed changes to the District Website. Director McClure stated that the website has not been updated. Ms. Wolpert stated that she contacted the website administrator, who stated that he will provide updates to the District website.

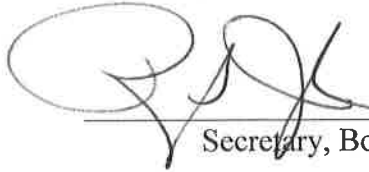
THERE BEING NO FURTHER BUSINESS to come before the Board, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on March 11, 2014.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors