

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 9, 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 regular session, open to the public, at the offices of H2O Consulting, 5870 Hwy 6, Houston, Texas 77084, on December 9, 2014 at 3:00 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. 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 Myrtle Cruz, Inc., bookkeeper for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; Mr. Jonathan St. Romain of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; and Ms. Helen Hau 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 November 11, 2014, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of November 11, 2014, as presented.

2. 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 "B." Ms. Kay reported that a check from the City of Houston for the Strategic Partnership Agreement payment in the amount of \$4,615.67 was returned. Discussion ensued. 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 accept the Bookkeeper's Report, to authorize payment of check nos. 4469 through 4484 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. Amend budget for fiscal year ending July 31, 2015. Ms. Kay presented to and reviewed with the Board the amended budget for fiscal year ending July 31, 2015, a copy of which is attached to the Bookkeeper's Report. Ms. Kay stated that budget was revised to increase

the maintenance tax revenue. 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 amend the budget for fiscal year ending July 31, 2015.

4. Review report by 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 "C." Ms. Rodriguez stated that the District has collected 6.8% of its 2014 taxes. Ms. Rodriguez reported on delinquent tax accounts and noted that the suit against the Marvin Green account is pending. Discussion ensued. Upon motion by Director McClure, 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. 1023 through 1025 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

5. Review and approve Operations Report and authorize repairs. Mr. Hoffman presented to and reviewed with the Board the Operations Report for the month of November 2014, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 317,000 gallons of water and purchased 8,193,000 gallons of water from the West Harris County Regional Water Authority during the last period and that H2O accounted for 93.60% of the water pumped and purchased by the District during the last period.

Mr. Hoffman reported that H2O has forwarded a Right-of-Entry Agreement and other information regarding the West Harris County Regional Water Authority ("WHCRWA") Automated Meter Reading ("AMR") System Pilot Program to F&J for review.

Mr. Hoffman reported that H2O has completed winterization of controls, piping, and valves at the water plant at a final cost of \$980.07.

Mr. Hoffman reported that H2O replaced the temperature and oil gauges on the natural gas engine at the water plant at a final cost of \$1,186.47.

Mr. Hoffman reported that the annual hydrant lubrication and inspection is complete.

Mr. Hoffman reported that H2O repaired a water main line break on Ridge Park, which is shared by the District (59%) and HCMUD No. 208 (41%), and noted that a section of the driveway for the church on Ridge Park was removed. Mr. Hoffman stated that a steel plate was installed for the church on Ridge Park. Mr. Hoffman noted that there have been three repairs in the same water line in the past ten years and reported that H2O is scheduled to replace the asbestos concrete pipe under the driveway with polyvinyl chloride ("PVC") piping at a total estimated cost of \$14,500.00.

Mr. Hoffman reported that the Copperfield Community Association ("CCA") has requested installation of a meter for a one and one-half inch water line at the CCA building and noted that H2O is preparing a cost estimate.

Mr. Hoffman reported on the Sanitary Sewer Overflow Initiative ("SSOI") and stated that he met with a representative of the Texas Commission on Environmental Quality

("TCEQ") Region 12, to discuss the SSOI. Mr. Hoffman reported that he has received and is reviewing samples of past TCEQ SSOI applications.

6. Review Engineer's Report. Mr. St. Romain presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "E."

Mr. St. Romain reported on the Meadow Village Drive Pavement Repair and noted that he is awaiting contract documents from Camino Services, LLC, and approval of plans by Harris County. Mr. St. Romain stated that he will route the contract documents for Board signature, pending review and approval of bonds and insurance by F&J.

Mr. St. Romain reported on the Middlegate Village Sanitary Sewer Line Rehabilitation and stated that he anticipates advertising for bids in January. Upon motion by Director Parrish, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted unanimously to authorize advertising for bids for the Middlegate Village Sanitary Sewer Line Rehabilitation.

7. Authorize advertising for bids for Middlegate Village sanitary sewer line rehabilitation project. This item was discussed under the Engineer's Report.

8. Discuss CJOB meeting. Director Odell reported that there was extensive discussion regarding the Operations Building. Mr. Hoffman reported that the Operations Building has been delivered and that H2O is awaiting installation of utilities. Mr. Hoffman reported that AECOM has begun the design process for the Sanitary Sewer Rehabilitation Project. Mr. Hoffman reported that there was discussion regarding CJOB's contract with Republic Services and noted that Republic Services has completed repair of the barricade and railing near the trash container at the Copperfield Wastewater Treatment Plant ("Plant"). Mr. Hoffman reported that notice of termination has been sent to Republic Services and that CJOB authorized execution of the trash haul contract with Sprint Waste Services. Mr. Hoffman noted that H2O is in the process of modifying the location of the chute at the Plant.

9. Approve filing of Annual Disclosure Information. Ms. Hau requested authorization to file the Disclosure Report with the Municipal Securities Rulemaking Board, a copy of which is attached hereto as Exhibit "F," and noted that it will be posted for public view on the Electronic Municipal Market Access ("EMMA") website. Ms. Hau stated that the Audit Report will also be submitted with the Continuing Disclosure Report. Upon motion by Director Rickelman, seconded by Director McClure, after full discussion and the question being put to the Board, the Board voted unanimously to authorize F&J to file the Disclosure Report and the Audit Report with the Municipal Securities Rulemaking Board.

10. Discuss and take any necessary action in connection with the West Harris County Regional Water Authority Optional Capital Advance and Reimbursement Procedure. Ms. Hau presented to and reviewed with the Board the WHCRWA Resolution Authorizing Capital Advance and Reimbursement Procedure, a copy of which is attached hereto as Exhibit "G." The Board agreed that there is no action to be taken.

11. Other matters. Mr. Hoffman reviewed a letter from the WHCRWA regarding a request for information, a copy of which is attached hereto as Exhibit "H." Discussion ensued. Director Odell discussed a letter from the Region H Water Planning Group regarding public notice of an amendment to the 2011 Region H Water Plan.

12. **Review District Website.** There was no action on this item.

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

* * *

The foregoing minutes were passed and approved by the Board of Directors on January 13, 2015.



President, Board of Directors

ATTEST:


Secretary, Board of Directors

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NIM

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114-0151
12/02/2014 PERMITS
\$9.00 NOTICE

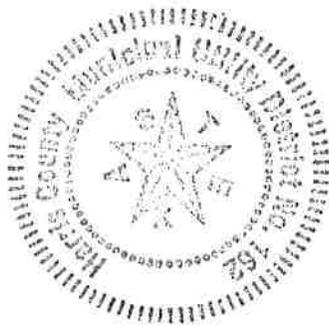
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162
1301 MCKINNEY, 51ST FLOOR
HOUSTON, TEXAS 77010

NOTICE

In accordance with chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors of Harris County Municipal Utility District No. 162 will meet in **regular** session, open to the public, at the offices of H2O Consulting, 5870 Hwy 6, Houston, Texas 77084, at **3:00 p.m.** on **December 9, 2014**. At such meeting, the Board will consider the following:

1. Approve minutes of the regular meeting of November 11, 2014;
2. Review Bookkeeper's Report and authorize payment of bills;
3. Amend budget for fiscal year ending July 31, 2015;
4. Review report by Tax Assessor and Collector and authorize payment of certain bills;
5. Review and approve Operations Report and authorize repairs;
6. Review Engineer's Report;
7. Authorize advertising for bids for Middlegate Village sewer line rehabilitation project;
8. Discuss Copperfield Joint Operations Board "CJOB" meeting;
9. Approve filing of Annual Disclosure Information;
10. Discuss and take any necessary action in connection with the West Harris County Regional Water Authority Optional Capital Advance and Reimbursement Procedure;
11. Review District Website;

and such other matters as may properly come before it.



FULBRIGHT & JAWORSKI LLP
ATTORNEYS FOR THE DISTRICT

By: *Jared Clifton*

Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS

2014 DEC -2 PM 4:02

FILED

EXHIBIT "A"

CERTIFICATE OF POSTING NOTICE
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS

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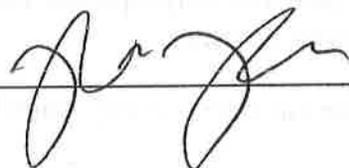
COUNTY OF HARRIS

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I hereby certify that at 12:30 P.M. on DECEMBER 2, 2014, I posted the Notice of the Board of Directors of Harris County Municipal Utility District No. 162, a true copy of which is attached hereto, in the coffee bar of Fulbright & Jaworski LLP, 1301 McKinney, 47th floor, Houston, Texas, being a place convenient to the public in the administrative office of the District.

EXECUTED this 2nd day of DECEMBER 2014.



A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be 'J. J. ...'.

CERTIFICATE OF POSTING NOTICE
OF MEETING OF BOARD OF DIRECTORS

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

I hereby certify that on December 4th, 2014, I posted the
Notice of Meeting of the Board of Directors of Harris County Municipal Utility District No. 162, a
true copy of which is attached hereto, at a place convenient to the public at MUD 162 Water
Plant, 15403 Willow River, Houston, Texas, within said political subdivision, as required by law.

EXECUTED THIS 4th DAY OF December, 2014.





12/9/2014



CASH



23



1621 Milam, Third Floor
Houston, Texas 77002
713-759-1368 fax -1264

HARRIS COUNTY MUD #162

Summary for Cash Report of December 9, 2014

	Debt Service Fund	Capital Projects Fund	General Operating Fund	Collections Account Fund
PREVIOUS CASH BALANCE		0.00	81,910.98	3,254.37
CASH RECEIPTS		0.00	5,686.26	79,155.82
INTEREST		0.00	0.00	0.00
TRANSFERS		0.00	70,000.00	(70,000.00)
DISBURSEMENTS		0.00	(64,086.38)	(243.85)
ENDING CASH BALANCE		0.00	93,510.86	12,166.34
PREVIOUS INVESTMENTS	48,750.71	48,177.24	1,635,544.74	
DEPOSITS	10,000.00	0.00	5,458.69	
INTEREST	5.91	5.75	632.85	
TRANSFERS	(15.00)	(15.00)	(533.96)	
ENDING INVESTMENTS	58,741.62	48,167.99	1,641,102.32	
CURRENT BALANCE	58,741.62	48,167.99	1,734,613.18	12,166.34

135%
of expected expenses of expected expenses

EXHIBIT "B"



Myrtle Cruz, Inc.

3401 Louisiana St, STE 400 . Houston, Tx 77002-9552 . (713)759-1368 . fax 759-1264 . email first_last@mcruz.com

HARRIS CO MUD #162

Cash Report for Meeting of December 9th, 2014

DEBT SERVICE FUND (023BF) : NO CHECKING ACCT

Previous cash balance, November 11th, 2014 0.00

DEMAND DEPOSIT INVESTMENTS:

Compass Bank; #2514455123.....		57,512.50
previous balance	47,521.59	
10/01 interest	5.91	
10/15 service charge	15.00-	
11/10 tax transfer	10,000.00	
TexPool; 78539-25659-00001.....		1,229.12
previous balance	1,229.12	
previous investments		48,750.71
deposits		10,000.00
interest		5.91
withdrawals		15.00 >
ending investments		58,741.62

DEBT SERVICE FUNDS AVAILABLE December 9th, 2014 \$58,741.62

Debt Service Requirements 2014

	3/1		9/1	
	Int	Prin	Int	Prin
1998R	2,071.88	85,000.00	--	--
2012R	20,650.00	--	20,650.00	135,000.00
	22,721.88	85,000.00	20,650.00	135,000.00
Total due for 2014	\$263,371.88			

HARRIS CO MUD #162

Cash Report for Meeting of December 9th, 2014 Page : 2

CAPITAL PROJECTS (023CA) : COMPASS BANK 70508 :)

Previous cash balance, November 11th, 2014 0.00

DEMAND DEPOSIT INVESTMENTS:

Compass Bank; 73072.....		46,666.88
previous balance	46,676.13	
10/01 interest	5.75	
10/15 service charge	15.00-	
Texpool 78539 25659 00003.....		1,501.11
previous balance	1,501.11	

previous investments	48,177.24	
interest	5.75	
withdrawals	< 15.00 >	
ending investments		48,167.99

CAPITAL PROJECTS FUNDS AVAILABLE December 9th, 2014

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\$48,167.99
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HARRIS CO MUD #162

Cash Report for Meeting of December 9th, 2014 Page : 3

GENERAL OPERATING (0230P) : COMPASS BANK 70490 (:

Previous cash balance, November 11th, 2014	81,910.98
plus: 10/01 interest.....	9.19
plus: 11/18 HC186 wtr purch sept 2014.....	481.40
plus: HC208 wtr purch sept/oct.....	580.00
plus: 11/26 City of Houston SPA Aug 2014 ck 20652227.....	4,615.67
plus: 12/09 trf from OQ Central.....	70,000.00
Total Deposits :	75,686.26
less: 10/15 service charge.....	15.00
less: 12/01 City of Houston SPA return ck 20652227.....	4,615.67
less checks completed at or after last meeting :	
4441 MidAmerican Energy; 15403 willow River.....	1,746.35
4442 AT&T; 281-550-6429.....	99.18
4464 TCEQ; P0215 annual '15 assessment fees holding.....	0.00
4465 Centerpoint Energy; 15403 willow River.....	22.57
4466 MidAmerican Energy; 15403 willow river act 251820.....	1,761.44
4467 AT&T; 281-550-6429.....	99.17
4468 TCEQ; 91011612 Phs 0146050 annual water sys fee.....	1,898.45
Beginning cash balance, December 9th, 2014	147,339.41
less checks to be presented at this meeting :	
4469 Michael Odell; 11/11 director fees & expenses.....	277.05
6310 director fees	150.00
6514 payroll taxes	22.95-
6310 11/12 CJOB	150.00
4470 John Parrish; 11/11 director fees & expenses.....	141.88
6310 director fee reg mtg	150.00
6514 payroll taxes	11.48-
6354 travel expense	3.36
4471 Stephen Rickelman; 11/11 director fees & expenses.....	138.52
6310 director fee reg mtg	150.00
6514 payroll taxes	11.48-
4472 Penny Johnson; 11/11 director fee.....	138.53
6310 previous regular mtg	150.00
6514 payroll taxes	11.47-
4473 Susan McClure; 11/11 director fees & expenses.....	138.53
6310 previous regular mtg	150.00
6514 payroll taxes	11.47-
4474 Fulbright & Jaworski; 11493082 legal services thru 11/30....	2,549.24
4475 H2O Consulting Inc; Nov operations/r&m 162-3811.....	9,261.71
6332 operator's fees	3,020.33
6350 postage	824.65
6340 office expenses	580.40
6332 operator-other fees	300.00
4610 tap/inspection expen	275.00
6342 chemicals	347.48
6324 laboratory expenses	241.00
6135 r&m - water plant	2,914.31
6135 r&m - water distrib.	663.54
6135 r&m - meter replace	95.00
4476 West Harris Co Reg Wtr Auth; Nov assessment.....	14,385.20
6328 reg wtr auth assessm	19,446.20
1181 cap-credit \$5,061	5,061.00-
4477 Copperfield Joint Operations; Oct share.....	10,836.00
4478 Brown & Gay Engineers; eng thru 11/10.....	12,150.40
6322 10-14352 gen eng	3,211.61
6322 11-14251 gen eng	3,159.91
6322 11-14235 ss tlvc/ing	609.94
6322 10-14351 pavement re	3,342.08
6322 11-14250 pavement re	1,826.86
4479 AWBD; Conference inv 149376/148640.....	890.00

HARRIS CO MUD #162

Cash Report for Meeting of December 9th, 2014 Page : 4

6370 membership fees	565.00	
6354 Parrish winter 14	325.00	
4480 Highpoint Insurance Group LLC: 2014-2015.....		1,250.00
4481 Myrtle Cruz Inc; Nov 2014 bookkeeping.....		1,671.49
6333 bookkeeping exp	1,500.00	
6340 office expenses	171.49	
4482 CenterPoint Energy; @ 15403 Willow River.....		
4483 MidAmerican Energy; 15403 Willow River.....		
4484 A T & T; @ 281-550-6429.....		
<hr/>		
previous cash balance	81,910.98	
5 receipts	75,686.26	
16 current checks	< 53,828.55 >	
other disbursements	< 10,257.83 >	
ending cash balance		93,510.86

TIME DEPOSIT INVESTMENTS:

Independent Bank formerly BOH; 06/15/14 due 12/15/14 @ .40%.	240,475.93
Plains State Bank; 11/13/14 due 05/12/15 @ .40%.....	240,479.16
previous balance	240,000.00
interest earned	479.16
Texan Bank; 5/14/14 due 5/15/15 @ .60%.....	99,000.00
Icon Bank; dated 8/11/14 due 8/11/15 @ .61 %.....	241,192.33

DEMAND DEPOSIT INVESTMENTS:

Compass Bank; #43836.....	607,148.86
balance last report	602,149.82
10/01 interest	74.31
10/15 service charge	15.00-
11/10 m&o tax trf	5,458.69
IRS quarter payroll	518.96-
Texpool; 78539-25659-00002.....	5,075.70
previous balance	5,075.70
Spirit of Texas MM 7002262.....	207,730.34
previous balance	207,650.96
10/26 interest	79.38
<hr/>	
previous investments	1,635,544.74
deposits	5,458.69
interest	632.85
withdrawals	< 533.96 >
ending investments	1,641,102.32

GENERAL OPERATING FUNDS AVAILABLE December 9th, 2014 \$1,734,613.18

HARRIS CO MUD #162

Cash Report for Meeting of December 9th, 2014 Page : 5

COLLECTIONS ACCOUNT (02300) : CENTRAL BANK 3290551

Previous cash balance, November 11th, 2014				3,254.37
plus: 1150: water & sewer revenue.....				35,416.40
plus: 2161: customer meter deposits.....				1,350.00
plus: 4300: reg wtr auth revenue.....				22,827.46
plus: 4330: penalties & interest-svc accts.....				1,626.96
plus: 10/03 Builder dep El Pollo Loco.....				17,935.00

Total Deposits :				79,155.82
less: 10/01 ach fees.....				3.00
less: 10/27 dep ret.....				192.29
less: 10/31 ach fees.....				4.00
less: 11/14 dep ret.....				44.56
less: 12/09 trf to OP Compass.....				70,000.00

Beginning cash balance, December 9th, 2014				12,166.34

10/01-11/28	previous cash balance		3,254.37	
	74 receipts		79,155.82	
	other disbursements	<	70,243.85	>
	ending cash balance			12,166.34
				=====
COLLECTIONS ACCOUNT FUNDS AVAILABLE	December 9th, 2014			\$12,166.34
				=====

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HARRIS COUNTY M.U.D. # 162

Operating Budget for Fiscal Year Ending 7/31/2015

Comparison as of December 9, 2014

Recap of Revenues and Expenditures

AMENDED

12/9/2014

4 months

REVENUES	MTD	MTD	Annual	YTD	YTD	dollar
	Actual	Budget	Budget	Actual	Budget	variance
Water and Sewer	37,867.91	38,833.33	466,000	162,609.85	155,333.33	<i>7,276.52</i>
Water Revenue	19,958.68	16,666.67	200,000	81,266.19	66,666.67	<i>14,599.52</i>
Sewer Revenue	15,220.87	14,583.33	175,000	59,046.69	58,333.33	<i>713.36</i>
Penalty & Interest	1,626.96	1,250.00	15,000	6,139.38	5,000.00	<i>1,139.38</i>
Bulk Water Sales	1,061.40	1,666.67	20,000	1,061.40	6,666.67	<i>(5,605.27)</i>
SPA Revenue	0.00	4,583.33	55,000	15,096.19	18,333.33	<i>(3,237.14)</i>
Tap Connection Fees	0.00	0.00	0	0.00	0.00	<i>0.00</i>
Facility / Sewer Inspects	0.00	83.33	1,000	0.00	333.33	<i>(333.33)</i>
Other Revenue	51,924.19	77,065.50	924,786	152,802.11	308,262.00	<i>(155,459.89)</i>
Maintenance Tax	5,458.69	44,796.17	537,554	7,819.55	179,184.67	<i>(171,365.12)</i>
Interest Income	642.04	250.00	3,000	1,534.14	1,000.00	<i>534.14</i>
Xfer from Capital Projects	0.00	0.00	0	0.00	0.00	<i>0.00</i>
WHCRWA Revenue	22,827.46	26,541.67	318,500	105,196.42	106,166.67	<i>(970.25)</i>
WHCRWA Capital Credits	5,061.00	5,061.00	60,732	20,244.00	20,244.00	<i>0.00</i>
Miscellaneous *	17,935.00	416.67	5,000	18,008.00	1,666.67	<i>16,341.33</i>
TOTAL REVENUES	89,792.10	115,898.83	1,390,786	315,411.96	463,595.33	<i>(148,183.37)</i>

EXPENDITURES	MTD	MTD	Annual	YTD	YTD	dollar
	Actual	Budget	Budget	Actual	Budget	variance
District Management	3,493.47	3,066.67	49,800	17,322.23	25,266.67	<i>7,944.44</i>
District Consultants	13,741.09	11,541.67	147,300	49,508.74	54,966.67	<i>5,457.93</i>
District Operations	42,059.23	68,575.00	822,900	215,051.74	274,300.00	<i>59,248.26</i>
Special Projects	5,778.88	22,000.00	264,000	24,846.27	88,000.00	<i>63,153.73</i>
TOTAL EXPENDITURES	65,072.67	105,183.33	1,284,000	306,728.98	442,533.33	<i>135,804.35</i>

SURPLUS OR (DEFICIT) 24,719.43 10,715.50 106,786.00 8,682.98 21,062.00

() indicates an unfavorable variance

Beginning Balance	1,720,710.09	1,735,636.54
Net Surplus or (Deficit)	24,719.43	8,682.98
Deposits Received	1,350.00	6,750.00
Deposits Refunded	<u>0.00</u>	<u>(4,290.00)</u>
Ending Balance	1,746,779.52	1,746,779.52

Cash Report Balance	1,746,779.52	
Customer Deposits	<u>60,925.00</u>	Customer Deposits on file as of 10/31/2014
Cash Available	1,685,854.52	

Operating acct **1,734,613.18**
 Collections acct **12,166.34**
1,746,779.52

* 138,011,414 x .41 x 95% = \$537,554.00

HARRIS COUNTY M.U.D. # 162

Operating Budget for Fiscal Year Ending 7/31/2015

Comparison as of December 9, 2014

Breakout of Expenditures

	4 months					dollar variance
	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	
EXPENDITURES						
DISTRICT MANAGEMENT	3,493.47	3,066.67	49,800	17,322.23	25,266.67	7,944.44
Director Fees	900.00	1,916.67	23,000	4,050.00	7,666.67	3,616.67
Director Payroll Taxes	450.11	150.00	1,800	828.77	600.00	(228.77)
Election Expense	0.00	0.00	0	0.00	0.00	0.00
Publish Legal Notices	0.00	83.33	1,000	0.00	333.33	333.33
Travel Expenses/Registration	3.36	916.67	11,000	14.46	3,666.67	3,652.21
Membership Dues	890.00	0.00	1,000	1,525.00	1,000.00	(525.00)
Insurance & Bonds	1,250.00	0.00	12,000	10,904.00	12,000.00	1,096.00
DISTRICT CONSULTANTS	13,741.09	11,541.67	147,300.00	49,508.74	54,966.67	5,457.93
Legal Fees	2,549.24	3,333.33	40,000	9,686.74	13,333.33	3,646.59
Legal - General	2,549.24	3,333.33	40,000	9,686.74	13,333.33	3,646.59
Legal - Special	0.00	0.00	0	0.00	0.00	0.00
Auditing Fees	0.00	0.00	8,800	7,000.00	8,800.00	1,800.00
Engineering Fees	6,371.52	2,500.00	30,000	8,313.17	10,000.00	1,686.83
Engineering - General	6,371.52	2,500.00	30,000	8,313.17	10,000.00	1,686.83
Engineering - Special	0.00	0.00	0	0.00	0.00	0.00
Financial Advisor Fees	0.00	0.00	0	0.00	0.00	0.00
Bookkeeper Fees	1,500.00	1,333.33	16,000	7,750.00	5,333.33	(2,416.67)
Operator	3,320.33	4,375.00	52,500	16,758.83	17,500.00	741.17
Operator Fees - General	3,320.33	4,375.00	52,500	16,758.83	17,500.00	741.17
Operator Fees - Special	0.00	0.00	0	0.00	0.00	0.00
DISTRICT OPERATIONS	42,059.23	68,575.00	822,900	215,051.74	274,300.00	59,248.26
Repairs and Maintenance	3,672.85	19,000.00	228,000	34,980.18	76,000.00	41,019.82
R&M - Water Plant	2,914.31	5,500.00	66,000	15,756.19	22,000.00	6,243.81
R&M - Water Distribution	663.54	8,833.33	106,000	14,048.39	35,333.33	21,284.94
R&M - Wastewater Collection	0.00	3,500.00	42,000	3,275.60	14,000.00	10,724.40
R&M - General	95.00	1,166.67	14,000	1,900.00	4,666.67	2,766.67
Bulk Water Purchased	0.00	83.33	1,000	0.00	333.33	333.33
Sewer Service Purchased	10,836.00	12,916.67	155,000	43,380.00	51,666.67	8,286.67
Lab Fees	241.00	833.33	10,000	2,966.53	3,333.33	366.80
Chemicals	347.48	333.33	4,000	1,264.47	1,333.33	68.86
Utilities	3,728.71	2,333.33	28,000	9,843.97	9,333.33	(510.64)
Permits & Assessments	1,898.45	625.00	7,500	1,898.45	2,500.00	601.55
Cost of Taps & Inspections	275.00	83.33	1,000	6,175.00	333.33	(5,841.67)
Office Expense	788.89	791.67	9,500	3,507.00	3,166.67	(340.33)
Postage	824.65	783.33	9,400	3,240.24	3,133.33	(106.91)
Water Conservation	0.00	208.33	2,500	0.00	833.33	833.33
Miscellaneous	0.00	208.33	2,500	25.00	833.33	808.33
Surface Water Fees	19,446.20	30,375.00	364,500	107,770.90	121,500.00	13,729.10
SPECIAL PROJECTS	5,778.88	22,000.00	264,000	24,846.27	88,000.00	63,153.73
Ammonia Analyzer	0.00	4,166.67	50,000	0.00	16,666.67	16,666.67
Sewer line cleaning/televising	609.94	3,541.67	42,500	19,677.33	14,166.67	(5,510.66)
Middlegate Sanitary Rehab	0.00	12,083.33	145,000	0.00	48,333.33	48,333.33
Engineering	0.00	2,083.33	25,000	0.00	8,333.33	8,333.33
Construction	0.00	10,000.00	120,000	0.00	40,000.00	40,000.00
Driveway	5,168.94	2,208.33	26,500	5,168.94	8,833.33	3,664.39
TOTAL EXPENDITURES	65,072.67	105,183.33	1,284,000	306,728.98	442,533.33	135,804.35

	8/9/14	10/14/14	11/17/14	12/9/14	Totals															
REVENUES:																				
WATER & SEWER REVENUE	40,385.85	35,288.92	49,087.17	37,867.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162,809.85	
Water Revenue	12,775.84	15,962.10	28,735.07	19,956.68																80,534.66
Sewer Revenue	14,589.11	1,467.03	14,005.84	15,220.87																59,779.92
Penalty & Interest	1,592.63	0.00	1,452.56	1,626.96																6,139.38
Bulk Water Sales	0.00	5,093.95	4,873.70	1,061.40																1,061.40
SFA Revenue	5,128.54	0.00	0.00	0.00																15,096.19
Tap Connection Fees	0.00	0.00	0.00	0.00																0.00
Inspections	0.00	0.00	0.00	0.00																0.00
OTHER REVENUE	35,607.80	35,013.64	30,256.48	51,924.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	152,802.11	
Maintenance Tax	981.47	1,092.62	286.77	642.04																7,619.55
Interest Income	565.18	96.53	230.39	0.00																1,534.14
Xfer from Capital Projects	0.00	0.00	0.00	0.00																0.00
WHCRVMA Revenue	28,927.15	28,763.49	24,678.32	22,827.46																105,196.42
WHCRVMA Capital Credits	5,061.00	5,061.00	5,061.00	5,061.00																20,244.00
Miscellaneous	73.00	0.00	0.00	17,935.00																18,008.00
TOTAL REVENUES	75,993.65	70,302.56	79,333.65	89,792.10	0.00	315,411.56														
EXPENDITURES:																				
Director Fees	900.00	750.00	1,500.00	900.00																4,050.00
Director Payroll Taxes	587.79	-68.38	-140.75	450.11																828.77
Election Expense	0.00	0.00	0.00	0.00																0.00
Publish Legal Notices	0.00	0.00	0.00	0.00																0.00
Travel Expenses/Registration	0.00	5.16	5.94	3.36																14.46
Membership Dues	0.00	180.00	465.00	890.00																1,525.00
Insurance & Bonds	0.00	0.00	9,654.00	1,250.00																10,904.00
Legal Fees	2,130.10	2,772.81	2,234.59	2,549.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,686.74	
General Legal	2,130.10	2,772.81	2,234.59	2,549.24																9,686.74
Special Legal	0.00	0.00	0.00	0.00																0.00
Auditing Fees	0.00	0.00	7,000.00	0.00																7,000.00
Engineering Fees	1,781.39	160.26	0.00	6,371.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,313.17	
General Engineering	1,781.39	160.26	0.00	6,371.52																8,313.17
Special Engineering	0.00	0.00	0.00	0.00																0.00
Financial Advisor Fees	0.00	0.00	0.00	0.00																0.00
Bookkeeper Fees	3,100.00	1,500.00	1,650.00	1,500.00																7,750.00
Operator	4,789.04	4,817.86	3,831.60	3,320.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,758.83	
General Operator	4,789.04	4,817.86	3,831.60	3,320.33																16,758.83
Special Operator	0.00	0.00	0.00	0.00																0.00
Repairs and Maintenance	7,983.65	5,437.18	17,906.30	3,672.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,980.18	
R&M - Water Plant	6,307.77	3,080.75	3,453.36	2,914.31																15,756.18
R&M - Water Distribution	954.58	1,391.43	11,038.84	653.34																14,048.39
R&M - Wastewater Collection	36.50	490.00	2,749.10	0.00																3,275.60
R&M - General	665.00	475.00	685.00	95.00																1,900.00
Bulk Water Purchased	0.00	0.00	0.00	0.00																0.00
Sewer Service Purchased	10,854.00	10,854.00	10,836.00	10,836.00																43,380.00
Lab Fees	1,150.22	1,086.17	489.14	241.00																2,966.53
Chemicals	0.00	347.28	589.71	347.48																1,284.47
Utilities	4,000.89	2,092.77	21.91	3,728.71																9,843.97
Permits & Assessments	0.00	0.00	0.00	1,898.45																1,898.45
Cost of Taps & Inspections	325.00	5,250.00	325.00	275.00																6,175.00
Office Expense	1,056.01	846.29	815.81	788.89																3,507.00
Postage	874.36	759.60	791.63	824.65																3,240.24
Water Conservation	0.00	0.00	0.00	0.00																0.00
Miscellaneous	0.00	0.00	25.00	0.00																25.00
Surface Water Fees	33,112.40	28,943.70	28,268.60	19,446.20																107,770.90
Ammonia Analyzer	0.00	0.00	0.00	0.00																0.00
Sewer line cleaning/televising	19,067.39	0.00	0.00	609.94																19,677.33
Midgrade Sanitary Rehab	0.00	0.00	0.00	0.00																0.00
Engineering	0.00	0.00	0.00	0.00																0.00
Construction	0.00	0.00	0.00	0.00																0.00
Dhewey	0.00	0.00	0.00	5,168.94																5,168.94
Net Surplus/(Deficit)	91,692.13	65,734.70	84,229.48	65,072.67	0.00	306,728.98														
Customer Deposits	(15,688.48)	4,667.86	(4,906.83)	24,718.43																8,882.96
Customer Deposits Returns	1,673.00	1,353.00	1,800.00	1,350.00																6,750.00
Due To / (From) C A	-850.00	-2,340.00	-900.00	0.00																-4,290.00
Cash balance at FIVE	1,720,763.06	1,724,715.92	1,720,710.09	1,746,779.52																
\$1,735,636.54																				

HARRIS COUNTY MUD #162
 Director Per Diems Fiscal Year August 2014-July 2015

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<u>MEETING</u>	<u>Ck #</u>	<u>Susan McClure</u>	<u>Ck #</u>	<u>Michael Odell</u>	<u>Ck #</u>	<u>Stephen Rickelman</u>	<u>Ck #</u>	<u>Penny Johnson</u>	<u>Ck #</u>	<u>John Parrish</u>
9/9/2014	4385	150.00	4382	300.00	4384	150.00	4386	150.00	4383	150.00
10/14/2014	4408	150.00	4405	300.00	4407	150.00			4406	150.00
11/11/2014	4447	300.00	4443	450.00	4445	300.00	4446	300.00	4444	150.00
12/9/2014	4473	150.00	4469	300.00	4471	150.00	4472	150.00	4470	150.00
Total Paid to Date		750.00	1,350.00		750.00		600.00		600.00	
REMAINING AMOUNT THRU JULY 31, 2015		6,450.00	5,850.00		6,450.00		6,600.00		6,600.00	

MID-AMERICAN ENERGY

ENERGY REPORT 2014-2015

Service Address	1/2-1/31	1/31-2/28	2/28-3/31	3/31-4/30	4/30-5/31	5/31-6/30	6/30-7/31	7/31-8/31	8/31-9/30	9/30-10/31	10/31-11/30	11/30-12/31	YTD TOTAL
15403 Willow River	10,752	10,388	9,024	11,328	12,240	11,904	11,712	12,440	12,864	10,580			91,776
AMOUNT PAID	\$1,763.67	\$1,811.55	\$1,726.21	\$1,895.94	\$3,938.17	\$1,928.09	\$1,942.94	\$24.33	\$1,946.72	\$1,746.35			18,723.97

Service Address	12/31-2/4	2/4-3/5/14	3/5-4/3	4/3-5/5	5/5-6/4	6/4-7/3	7/3-8/4	8/4-9/3	9/3-10/2	10/2-10/31	YTD TOTAL
15403 Willow River	17	12	7	20	12	11	12	7	7	8	113
AMOUNT PAID	\$29.77	\$29.02	\$24.91	\$31.97	\$26.08	\$25.34	\$25.23	\$22.57	\$21.91	\$22.57	259.37
TOTAL ENERGY PAID	\$1,793.44	\$1,840.57	\$1,751.12	\$1,927.91	\$3,964.25	\$1,953.43	\$1,968.17	\$24.33	\$2,206.09	\$1,746.35	\$18,983.34

Demand Deposit Accounts	Rate	Begin Value for Period	Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period
DS Money Market Savings					
DS Compass Bank	0.20%	47,521.59	5.91	9,985.00	57,512.50
CA Compass Bank	0.20%	46,676.13	5.75	(15.00)	46,666.88
OA Compass Bank	0.20%	602,149.82	74.31	5,443.69	607,667.82
OA Spirit of Texas	0.60%	207,650.96	79.38	0.00	207,730.34
	0.29%	903,998.50	165.35	15,413.69	919,577.54

Investment Pools	Rate	Beginning Value for Period	Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period
DS Texpool	0.0286%	1,229.12	0.00	0.00	1,229.12
CA Texpool	0.0286%	1,501.11	0.00	0.00	1,501.11
OP Texpool	0.0286%	5,075.70	0.00	0.00	5,075.70
		7,805.93	0.00	0.00	7,805.93

Certificates of Deposits	Rate	Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
OA Icon Bank	0.61%	240,807.94	365	241,137.95	120.73	0.00	241,258.68	08/1/1/14	08/1/1/15
OA Independent Bank/BOH	0.40%	240,475.93	183	240,842.24	79.06	0.00	240,921.30	06/15/14	12/15/14
OA Plains State Bank	0.40%	240,000.00	183	240,452.38	26.77	(240,479.16)	0.00	05/13/14	11/12/14
OA Plains State Bank	0.40%	240,479.16	180	0.00	47.44	240,479.16	240,526.60	11/13/14	05/12/15
OA Texan Bank	0.60%	99,000.00	366	99,278.28	48.82	0.00	99,327.11	05/14/14	05/15/15
		1,060,763.03	366	821,710.86	322.82	0.00	837,645.54		144
total investments	0.3808%	1,068,568.96	366	1,733,515.68	488.17	15,413.69	1,765,029.01		69

Compliance Statement.

The investments (reported on above) for the Period are in compliance with the Investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

Review.

This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Signatures.

Investment Officer _____ (please sign & date)

Bookkeeper (Myrtle Cruz, Inc) *Myrtle Cruz*



**CENTRAL BANK - PUBLIC FUNDS
DEPOSIT COLLATERAL REPORT
ALL DISTRICTS**

Effective Date: 10/31/2014

Accounts Through: 11/02/2014 7:00 PM

Memo Posts Through:

HARRIS CO MUD 162

Tax ID: 742058283

FHLB Pledge Code: 20081

1st Consultant: MCI

2nd Consultant:

PLEGDED

DEPOSITS

Acct No	Funds Type	Class	Balance	Interest	Total	Current Month Average	Prior Month Average	YTD Average	Prior Year Average
Demand Deposits									
3290551	PF/CKG DDA	60	\$136,393.03	\$0.00	\$136,393.03	\$114,359.13	\$92,611.69	\$83,922.00	\$88,221.27
Subtotal Demand Deposits			\$136,393.03	\$0.00	\$136,393.03	\$114,359.13	\$92,611.69	\$83,922.00	\$88,221.27
Total Deposits			\$136,393.03	\$0.00	\$136,393.03	\$114,359.13	\$92,611.69	\$83,922.00	\$88,221.27

DEPOSIT COLLATERAL CALCULATION

	Account Balances	FDIC Insurance	Collateral Required
Subtotal Demand Deposits:	\$136,393.03	\$136,393.03	\$0.00
Subtotal Time/Svgs/MMA:	\$0.00	\$0.00	\$0.00
Subtotal Bond Fund Deposits:	\$0.00	\$0.00	\$0.00
TOTALS:	\$136,393.03	\$136,393.03	\$0.00

DEPOSIT COLLATERAL POSITION

	Deposits Requiring Collateral	Securities Pledged	Excess Collateral	% Pledged
At 100 %	\$0.00	\$0.00	\$0.00	
At 105 %	\$0.00	\$0.00	\$0.00	

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TAX COLLECTOR'S OATH

Harris Co. MUD # 1162 }

STATE OF TEXAS

COUNTY OF Harris }

BOB LEARED, BEING duly sworn, states that he is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Bob Leared
BOB LEARED

SWORN TO AND SUBSCRIBED BEFORE ME, this 3rd day of December, 2014.

Michelle Guerrero
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on _____.

EXHIBIT "C"

1000 - 1000 - 1000

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Michelle Guerrero

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1000 - 1000 - 1000

Michelle Guerrero



HARRIS COUNTY M.U.D. #162
TAX ASSESSOR/COLLECTOR'S REPORT

11/30/2014

Taxes Receivable: 8/31/2014	\$	28,272.07	
Reserve for Uncollectables	(6,555.76)	
Adjustments		<u>77.02</u>	\$ <u>21,793.33</u>
Original 2014 Tax Levy	\$	675,831.05	
Adjustments		<u>83,687.51</u>	<u>759,518.56</u>
Total Taxes Receivable			\$ 781,311.89
Prior Years Taxes Collected	\$	4,398.02	
2014 Taxes Collected (6.8%)		<u>51,650.52</u>	<u>56,048.54</u>
Taxes Receivable at: 11/30/2014			\$ <u>725,263.35</u>

2014 Receivables:

Debt Service	180,184.62
Maintenance	527,683.42

bob leared interests

11111 Katy Freeway, Suite 725
Houston, Texas 77079-2197

Phone: (713) 932-9011
Fax: (713) 932-1150

HARRIS COUNTY M.U.D. #162

	Month of 11/2014	Fiscal to Date 8/01/2014 - 11/30/2014
Beginning Cash Balance	\$ 36,933.82	43,816.13
Receipts:		
Current & Prior Years Taxes	46,424.05	56,168.92
Penalty & Interest	381.88	3,035.28
Additional Collection Penalty	278.92	1,667.52
Refund - due to adjustments	137.50	2,520.73
Rendition Penalty	72.26	175.28
TOTAL RECEIPTS	\$ 47,294.61	63,567.73
Disbursements:		
Atty's Fees, Delq. collection	1,052.77	1,451.19
CAD Quarterly Assessment		1,329.00
Publications, Legal Notice		850.90
Refund - due to adjustments	2,237.68	2,520.93
Transfer to Debt Service Fund	10,000.00	25,000.00
Transfer to General Fund	5,458.69	7,819.55
Internal Bank Charges		78.14
Tax Assessor/Collector Fee	912.10	3,648.40
CAD Map Copy Fees		13.00
Rendition Penalty		12.20
Postage	1.44	16.20
Audit Preparation	200.00	200.00
Records Maintenance		30.00
Copies	223.25	223.25
Envelopes	91.65	91.65
Duplicate Statements	4.75	4.75
Parking Expense		15.00
Mileage Expense	13.44	47.04
TOTAL DISBURSEMENTS	(\$ 20,195.77)	(43,351.20)
CASH BALANCE AT: 11/30/2014	\$ <u>64,032.66</u>	<u>64,032.66</u>

HARRIS COUNTY M.U.D. #162

Disbursements for month of December, 2014

Check #	Payee	Description	Amount
	W/T Debt Service Fund 12/8/14	Transfer to Debt Service Fund	\$ 15,000.00
	W/T General Fund 12/8/14	Transfer to General Fund	34,504.68
1023	HCAD	CAD Quarterly Assessment	1,594.00
1024	Moore William Michael	Refund - due to adjustments	137.50
1025	Bob Leared	Tax Assessor/Collector Fee	912.10
TOTAL DISBURSEMENTS			\$ 52,148.28
Remaining Cash Balance			\$ <u>11,884.38</u>

Wells Fargo Bank, N.A.

HARRIS COUNTY M.U.D. #162

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 11/2014	Adjustments To Collections 11/2014	Total Tax Collections at 11/30/2014	Total Taxes Receivable at 11/30/2014	Collection Percentage
2014	45,586.77	137.50-	51,650.52	707,868.04	6.800
2013			710,311.67	5,984.09	99.165
2012	616.67		710,206.85	3,220.42	99.549
2011	358.11		709,990.67	2,888.59	99.595
2010			709,313.42	1,290.90	99.818
2009			720,355.89	1,275.64	99.823
2008			750,601.83	786.81	99.895
2007			768,887.90	847.36	99.890
2006			738,359.99	815.14	99.890
2005			739,070.14	286.36	99.961
2004			733,836.18		100.000
2003			727,064.34		100.000
2002			759,801.68		100.000
2001			626,578.74		100.000
2000			587,181.92		100.000
1999			574,662.62		100.000
1998			567,386.02		100.000
1997			593,037.78		100.000
1996			594,244.49		100.000
1995			590,562.88		100.000
1994			643,955.41		100.000
1993			668,068.14		100.000
1992			638,780.83		100.000
1991			631,546.88		100.000
1990			594,929.16		100.000
1989			590,119.99		100.000
1988			391,390.39		100.000
1987			376,780.50		100.000
1986			419,732.30		100.000
1985			433,458.50		100.000
1984			592,891.67		100.000
1983			468,616.61		100.000
1982			314,533.45		100.000
1981			207,509.76		100.000
1980			116,831.12		100.000
1979			46,185.04		100.000

(Percentage of collections same period last year 6.046)

HARRIS COUNTY M.U.D. #162

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2014	138,094,213	00/03	.550000	83,687.51		759,518.56
2013	126,442,285	00/13	.566500	34,635.80		716,295.76
2012	125,935,935	00/22	.566500	61,361.17		713,427.27
2011	125,839,209	00/31	.566500	53,209.47		712,879.26
2010	126,893,627	07/42	.560000	89,938.05		710,604.32
2009	128,890,756	06/54	.560000	109,380.22	156.79	721,631.53
2008	134,232,728	18/66	.560000	107,136.63	314.63	751,388.64
2007	130,657,682	23/61	.590000	100,894.10	1,145.15	769,735.26
2006	125,428,395	29/73	.590000	54,550.33	852.41	739,175.13
2005	123,383,543	20/53	.600000	21,129.86	944.76	739,356.50
2004	122,355,970	07/24	.600000	36,973.14	299.64	733,836.18
2003	121,254,410	07/21	.600000	60,950.40	462.12	727,064.34
2002	114,296,870	07/22	.665000	23,892.88	274.58	759,801.68
2001	111,900,380	06/39	.560000	42,466.06	63.39	626,578.74
2000	104,858,400	00/21	.560000	19,876.85	25.09	587,181.92
1999	97,402,530	00/00	.590000	20,641.30	12.39	574,662.62
1998	96,182,970	00/00	.590000	21,310.05	93.58	567,386.02
1997	95,676,440	00/00	.620000	14,869.55	156.18	593,037.78
1996	95,885,210	00/00	.620000	12,887.56	243.78	594,244.49
1995	95,308,100	00/00	.620000	9,420.93	347.38	590,562.88
1994	92,081,070	00/00	.700000	7,049.07	612.08	643,955.41
1993	91,548,720	00/00	.730000	21,355.71	237.54	668,068.14
1992	85,207,300	00/00	.750000	17,805.21	274.21	638,780.83
1991	84,208,740	00/00	.750000	9,596.02	18.98	631,546.88
1990	79,326,660	00/00	.750000	13,523.11	21.08	594,929.16
1989	78,854,250	00/00	.750000	15,750.33		590,119.99
1988	75,372,520	00/00	.520000	6,807.02		391,390.39
1987	75,495,490	00/00	.500000	6,979.65		376,780.50
1986	84,264,770	00/00	.500000	12,247.05		419,732.30
1985	86,726,700	00/00	.500000	6,805.10		433,458.50
1984	84,767,970	00/00	.700000	124,206.53		592,891.67
1983	66,945,230	00/00	.700000	1,595.23-		468,616.61
1982	44,933,350	00/00	.700000			314,533.45
1981	25,938,720	00/00	.800000	206.56		207,509.76
1980	14,603,890	00/00	.800000	267.60-		116,831.12
1979	5,773,130	00/00	.800000	62.40		46,185.04

HARRIS COUNTY M.U.D. #162

TAX RATE COMPONENTS

Year	Debt Service Rate	Debt Service Levy	Maintenance Rate	Maintenance Levy
2014	.140000	193,332.03	.410000	566,186.53
2013	.200000	252,884.64	.366500	463,411.12
2012	.200000	251,871.93	.366500	461,555.34
2011	.210000	264,262.42	.356500	448,616.84
2010	.250000	317,234.09	.310000	393,370.23
2009	.260000	335,043.20	.300000	386,588.33
2008	.370000	496,453.22	.190000	254,935.42
2007	.400000	521,854.41	.190000	247,880.85
2006	.460000	576,306.02	.130000	162,869.11
2005	.480000	591,485.20	.120000	147,871.30
2004	.480000	587,068.94	.120000	146,767.24
2003	.500000	605,886.93	.100000	121,177.41
2002	.565000	645,545.82	.100000	114,255.86
2001	.460000	514,689.70	.100000	111,889.04
2000	.510000	534,754.97	.050000	52,426.95
1999	.540000	525,962.38	.050000	48,700.24
1998	.540000	519,302.44	.050000	48,083.58
1997	.570000	545,212.13	.050000	47,825.65
1996	.570000	546,321.52	.050000	47,922.97
1995	.570000	542,936.82	.050000	47,626.06
1994	.650000	597,958.58	.050000	45,996.83
1993	.680000	622,310.02	.050000	45,758.12
1992	.700000	596,195.42	.050000	42,585.41
1991	.700000	589,443.73	.050000	42,103.15
1990	.700000	555,267.20	.050000	39,661.96
1989	.700000	550,778.64	.050000	39,341.35
1988	.470000	353,756.72	.050000	37,633.67
1987	.450000	339,102.45	.050000	37,678.05
1986	.450000	377,759.07	.050000	41,973.23
1985	.500000	433,458.50		
1984	.700000	592,891.67		
1983	.700000	468,616.61		
1982	.700000	314,533.45		
1981	.800000	207,509.76		
1980	.800000	116,831.12		
1979	.800000	46,185.04		

HARRIS COUNTY M.U.D. #162

Notes:

\$ 137.50 - REPORTED AS TAXES COLLECTED ON PRIOR REPORTS. TRANSFERRED TO REFUNDS DUE TO ADJ# 3, 2014 TAXES, ACCT# 0201-011-0450

HARRIS COUNTY M.U.D. #162

Tax Exemptions:	2014	2013	2012
Homestead	.000	.000	.000
Over 65	25,000	25,000	25,000
Disabled	25,000	25,000	25,000

Last Bond Premium Paid:

Payee	Date of Check	Amount
Harco Insurance Services 11/1/13-11/1/16	10/03/2013	250.00

Adjustment Summary:

	2014	
10/2014	/ CORR 002	65,767.57
11/2014	/ CORR 003	17,919.94
TOTAL		83,687.51

HARRIS COUNTY M.U.D. #162
 Homestead Payment Plans

<u>Account no.</u>	<u>Property Owner</u>	<u>Tax Year</u>	<u>Last Payment Amount</u>	<u>Last Payment Date</u>	<u>Balance Due</u>
(A) 0201-013-0140	JOHNSON ARTHUR LEE SR	2010	189.59	09/25/14	.00
		2011	277.01	11/30/14	.00
		2012	105.99	11/30/14	1,015.92
(A) 0301-017-0080	GOSHORN LILY & DANIEL	2011	177.08	10/08/14	.00
		2012	325.00	11/17/14	911.12

*Total Count 2

(I) - BLI Contract (A) - Delinquent Attorney Contract

HARRIS COUNTY M.U.D. #162

Top Delinquent Taxpayers

12/08/14 (Maximum of 30)

Code	Description
B	Bankrupt
C	Payment Contract
D	Deferred Over 65
S	Suit Pending
P	Partial Payment
Q	Quarter Payments
L	CAD Law Suit
H	Homestead Contract

Taxpayer	2014	Prior Years	This Month Totals
PERSONAL			
AMERICAN LIMOS AND SEDANS		411.10	411.10
WEST ROAD CRICKET 08303 HIGHWAY 6 N 77095		189.76	189.76
DEBBY FAY MCCOLLUM 08319 CLOVER GARDENS DR		85.21	85.21
JES'US BARBERS 15050 WEST RD 77095		15.26	15.26
EROSION SOLUTIONS 07802 PINE FALLS DR 7709		6.18	6.18
RJL ENTERPRISES INC 07534 CLUB LAKE DR 77095		5.10	5.10
*		712.61	712.61
RESIDENTIAL			
D PHILLIPS THOMAS W 8207 SILENT CEDARS DR 77		5,678.87	5,678.87
D RAVIN JESSE L & ALICE 8111 TOWN CREEK DR 77095		2,930.21	2,930.21
S GREEN MARVIN 8302 TOWN CREEK DR 77095		2,361.90	2,361.90
H GOSHORN LILY & DANIEL 7702 CLUB LAKE DR 77095		1,417.84	1,417.84
D BACHEMIN GLORIA 15302 QUIET CREEK DR 770		1,047.71	1,047.71
ROSENBERG RICHARD & DEEAN 7614 RIVER GARDEN DR 770		793.10	793.10
HOLLIDAY GREGORY S 7518 RIVER GARDEN DR 770		750.61	750.61
H JOHNSON ARTHUR LEE SR 8134 SILENT CEDARS DR 77		627.11	627.11
VONBADEN GREGORY & LANNA 15330 MEADOW VILLAGE DR		526.85	526.85
PARKER ERIC G & TERESA 15531 MEADOW VILLAGE DR		478.61	478.61
*		16,612.81	16,612.81
Report Totals		17,325.42	17,325.42
Total delinquent		17,325.42	17,325.42



5870 Highway 6 North, Suite 215
 Houston, Texas 77084
 Tel : 281 861-6215
 Fax : 281 861-6218

**HARRIS COUNTY M.U.D. No. 162
 OPERATIONS REPORT
 November-14**

WATER PLANT SUMMARY

Produced from Well	3.73%		<u>November-14</u>	317,000 gal	<u>HGCSD YTD</u>	4,481,000 gal
Purchased from WHCRWA	96.27%			8,193,000 gal		111,509,000 gal
WHCRWA Allocated Withdrawal		12/1/13 to 11/30/14				180,000,000 gal
Amount Remaining on WHCRWA allocation						64,010,000 gal
Months Remaining on WHCRWA allocation						0 months

COMMENTS:

ACCOUNTABILITY SUMMARY

Metered & Billed	10/31/2014	to	11/28/2014	<u>November-14</u>	6,965,000 gal	<u>Last 13 Months</u>	See attached Spreadsheet
Amount Used to Maintain System					246,000 gal		
STP usage					26,000 gal		
Amount Produced From Well	10/31/2014	to	11/28/2014		292,000 gal		
Water Purchased - WHCRWA					7,629,000 gal		
Water Sold - MUD 208					- gal		
Water Sold - MUD 186	Monthly				127,000 gal		
Water Sold - MUD 208	Monthly				76,000 gal		
Percent Water Accountability					93.60%		93.54%

Comments:

BUILDER DAMAGES

Current 30/60 Days 60/90 Days Over 90 Days

OPERATIONS EXPENSES

	<u>November-14</u>	<u>4 Months (FYTD)</u>
Operational Services	\$ 4,425.38	\$ 18,913.01
Customer Account Transfers	\$ 200.00	\$ 1,520.00
Terminations	\$ 100.00	\$ 600.00
Administrative Services	\$ -	\$ 1,321.89
Taps/Inspections	\$ 275.00	\$ 6,175.00
Temporary Meter Maintenance	\$ -	\$ -
Chemicals	\$ 347.48	\$ 1,264.47
Laboratory Expense	\$ 241.00	\$ 2,966.53
Water Plant Expense	\$ 2,914.31	\$ 15,783.19
Water Distribution Repairs	\$ 663.54	\$ 14,048.39
Meter Replacement	\$ 95.00	\$ 1,900.00
Wastewater Collection Repairs	\$ -	\$ 3,275.60
Special Projects	\$ -	\$ 2,762.69
TOTAL AMOUNT INVOICED	\$ 9,261.71	\$ 70,530.77

EXHIBIT "D"

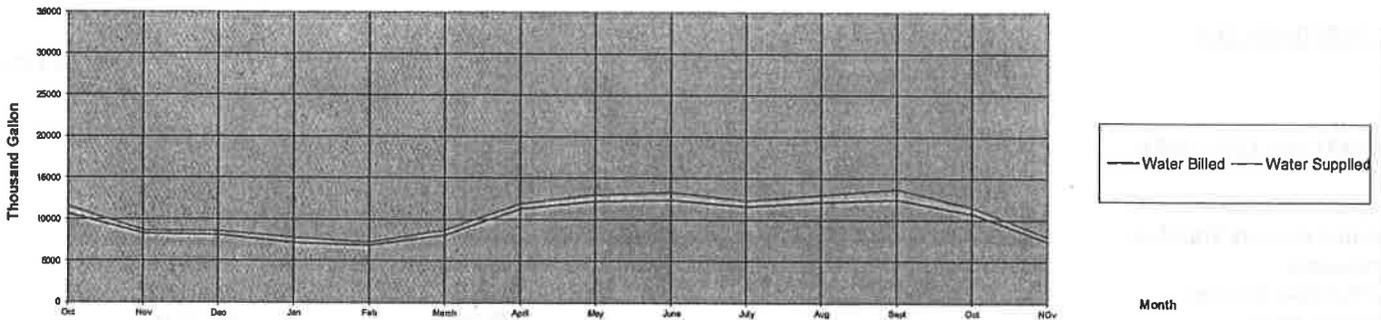
HARRIS COUNTY MUD No.162
 WATER ACCOUNTABILITY REPORT
 November-14

Meter Reading Cycle	Metered (Thousand Gallons)						Water Sold (Thous. Gal.)					Maint. (K. Gal.)	Water Acct. (K. Gal.)	Well Pumpage (K. Gal.)	Water Purch. (Thous. Gal.)			Total Water Supplied	Percent Acct.		
	Res.	Comm	Park/Rec	Irrig	STP	Total	208	186	188	186	179				208	WHCRWA	186			208	
9/30/2013	10/30/2013	7109	1373	607	672	31	9792	118	146	0	0	0	549	70	10675	453	11052	0	0	11505	92.79%
10/30/2013	11/27/2013	6050	1125	345	468	23	8011	153	92	0	0	0	0	46	8302	360	8267	0	0	8627	96.23%
11/27/2013	12/31/2013	6170	1099	279	307	35	7890	117	87	0	0	0	0	25	8119	543	8070	0	0	8613	94.26%
12/31/2013	1/31/2014	5229	998	193	380	31	6831	106	121	0	0	0	0	155	7213	507	7285	0	0	7792	92.57%
1/31/2014	2/28/2014	4539	1356	286	473	35	6689	71	72	0	0	0	0	75	6907	315	6953	0	0	7268	95.03%
2/28/2014	3/31/2014	5485	1289	424	621	27	7846	56	69	0	0	0	0	102	8073	330	8378	0	0	8708	92.71%
3/31/2014	4/30/2014	7986	1525	590	836	36	10973	136	151	0	0	0	0	54	11314	532	11392	0	0	11924	94.88%
4/30/2014	5/30/2014	8525	1494	800	1056	30	11905	99	132	0	0	0	0	63	12199	388	12611	0	0	12999	93.85%
5/30/2014	6/30/2014	8599	1429	674	1262	32	11996	136	131	0	0	0	0	122	12385	314	12987	0	0	13301	93.11%
6/30/2014	7/31/2014	8100	1368	631	1168	34	11301	107	135	0	0	0	0	72	11615	461	11862	0	0	12323	94.25%
7/31/2014	8/29/2014	9081	1269	502	951	25	11828	131	137	0	0	0	0	68	12164	386	12643	0	0	13029	93.36%
8/29/2014	9/30/2014	8878	1568	433	1098	25	12002	108	166	0	0	0	0	208	12484	406	13306	0	0	13712	91.04%
9/30/2014	10/31/2014	7856	1417	331	663	25	10292	92	132	0	0	0	0	253	10769	444	11112	0	0	11556	93.19%
10/31/2014	11/28/2014	5504	1009	176	250	28	6865	76	127	0	0	0	0	246	7414	292	7629	0	0	7921	93.60%
Total		99111	18319	6271	10205	415	134321	1506	1698	0	0	0	549	1559	139633	5731	143547	0	0	149278	93.54%

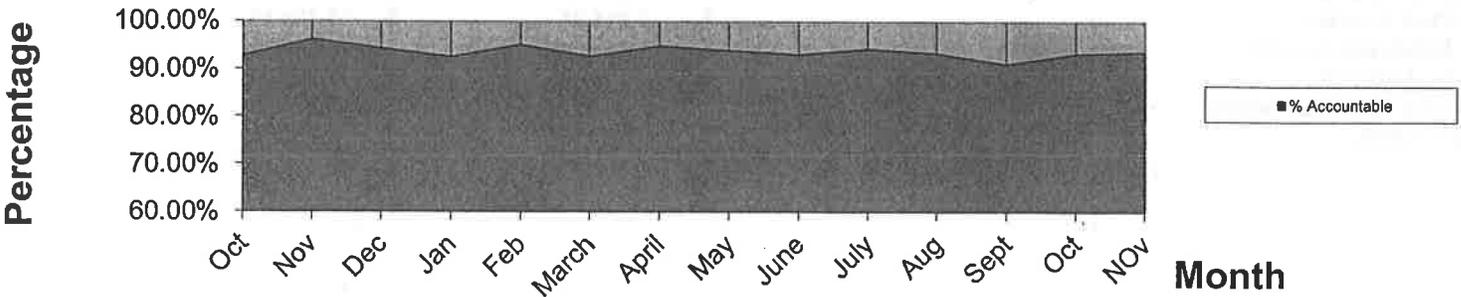
Meter Reading Cycle	WHCRWA billed to Customers	WHCRWA bill	WHCRWA Credit	Total	
11/27/2013	12/31/2013	\$ 18,128.60	\$ 19,592.70	\$ 5,061.00	\$ 3,596.90
12/31/2013	1/31/2014	\$ 15,695.20	\$ 17,718.80	\$ 5,061.00	\$ 3,037.40
1/31/2014	2/28/2014	\$ 15,304.20	\$ 16,590.40	\$ 5,061.00	\$ 3,774.80
2/28/2014	3/31/2014	\$ 18,013.60	\$ 19,896.40	\$ 5,061.00	\$ 3,178.20
3/31/2014	4/30/2014	\$ 25,162.00	\$ 27,212.40	\$ 5,061.00	\$ 3,010.60
4/30/2014	5/30/2014	\$ 27,328.60	\$ 29,742.50	\$ 5,061.00	\$ 2,647.10
5/30/2014	6/30/2014	\$ 25,291.00	\$ 30,466.70	\$ 5,061.00	\$ (114.70)
6/30/2014	7/31/2014	\$ 27,528.70	\$ 28,158.50	\$ 5,061.00	\$ 4,431.20
7/31/2014	8/29/2014	\$ 27,188.30	\$ 29,812.30	\$ 5,061.00	\$ 2,437.00
8/29/2014	9/30/2014	\$ 25,598.08	\$ 31,375.20	\$ 5,061.00	\$ (716.12)
9/30/2014	10/31/2014	\$ 23,667.46	\$ 26,401.20	\$ 5,061.00	\$ 2,327.26
10/31/2014	11/28/2014	\$ 16,019.50	\$ 18,101.50	\$ 5,061.00	\$ 2,979.00
TOTAL		\$ 264,925.24	\$ 295,068.60	\$ 60,732.00	\$ 30,588.64

Current rate passed through to customers **\$2.30 /gal**
 January Usage rate increase to **\$2.45 /gal**

Water Accountability



% Accountable



Water Sold

- 208 - Harris County MUD No 208 Unmetered
- 186 - Harris County MUD No 186 Unmetered
- 179 - Harris County MUD No 179 Metered
- 188 - Harris County MUD No 188 Metered

MAINTENANCE SUMMARY

November-14

Water Plant Maintenance

WHCRWA Automated Well Meter Reading

Forms for WHCRWA sent over to Fulbright.

Plant Winterization

Completed winterization of plant controls, piping and valves.

Final Cost \$ 980.07

Booster Pump Engine Repairs

Replaced temperature gauge and oil gauge on natural gas engine.

Final Cost \$ 1,186.47

Water Line Maintenance

Hydrant Maintenance

Annual hydrant lubrication and inspection is complete.

Water Main Break - Ridge Park

Repaired water main break on shared line with MUD 208 and MUD 162. A section of the driveway for the Church on Ridge Park had to be removed and steel plate installed. We are scheduled to replace asbestos concrete pipe under driveway with pvc pipe since we have had three repairs in that location,

MUD 162 % 59.0%

MUD 208 % 41.0%

Estimated Cost \$ 14,500.00



Water Line Maintenance (cont)

Water Tap

CCA has requested a 1 1/2" water meter to be installed for the CCA building. I am working on that tap cost.

Sewer Line Maintenance

Sanitary Sewer Overflow Initiative

Met with TCEQ representative from Region 12. She will provide me samples of other utilities SSOI application

Administrative

No New Items to Report





5870 Highway 6 North, Suite 215
 Houston, Texas 77084
 Tel : 281 861-6215
 Fax : 281 861-6218

HARRIS COUNTY MUD No. 162
Billing & Collection Summary
November-14

TAP CONNECTION SUMMARY

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Connections	835	49	884
Sewer Connections	835	31	866

TAP COLLECTION SUMMARY

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Tap	\$0.00	\$0.00	\$0.00
Inspections	\$0.00	\$0.00	\$0.00
Builder Deposit	\$0.00	\$0.00	\$0.00
Temporary Meter Deposit	\$0.00	\$0.00	\$0.00
Temporary Meter Installation	\$0.00	\$0.00	\$0.00

WATER BILL PAYMENTS

Last Month Receivables			
Deposit		\$	-
Penalty		\$	2,027.69
Sewer		\$	15,420.96
Water		\$	19,229.80
Application Fee		\$	102.50
Grease Trap		\$	10.40
Work Order		\$	148.52
WHCRWA		\$	37,449.86
Current Billing			
Sewer		\$	13,824.97
Water		\$	12,454.84
Application Fee		\$	-
Grease Trap		\$	-
Work Order		\$	-
WHCRWA		\$	16,019.50
Arrears			
30 Day		\$	13,756.43
60 Day		\$	3,080.30
90 Day		\$	9,607.02

DEPOSIT INFORMATION

Deposits Balance on File	\$	61,650.00
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BILLING ACTIVITY

**Automated Meter Reading (AMR) System Pilot Program
for West Harris County Regional Water Authority (WHCRWA)**

Overview

The WHCRWA is considering installing an AMR system to read all the groundwater well meters in the Authority. This would involve installing an Infinity Tomahawk meter head and Itron Water Mind Analyzer or another similar system on existing well meters that would send data via a cellular network to a website database system. The device sits on top of the meter. The meter head is compatible with the following meters: Neptune, Sensus, Badger, Master and Hershey. Other meters would have to be replaced with a compatible meter brand. The WHCRWA would pay all costs for the system and install the equipment in this pilot program. This equipment would be owned and maintained by the WHCRWA.

The device would not control the well. The device would merely record and transmit information to the WHCRWA. Information collected would include the time the pump was operating and the amount of flow.

Purpose

The HGSD mandated surface water conversion requirements are increasing and the WHCRWA needs to track the groundwater and surface water pumpage more closely to ensure the requirements are met. The Authority currently is responsible for over 256 wells and the number continues to grow with development.

Currently Operators report monthly water pumpage but the data lags and the information available to the Authority is 6 weeks late. During times of drought the water usage can fluctuate substantially in those same 6 weeks. In some cases human error in reporting can be an issue as well as timing.

Potential Benefits

Independent system can be used to verify pumpage to prevent errors and protect both parties. This can save administrative time in pumpage reconciliations.

Overtime, reporting requirements may be relaxed or potentially eliminated as the system proves itself. This can save administrative time in monthly reports and annual reports.

Request

WHCRWA is looking for public and private well owners to participate in this pilot program.

Access to the wells for installation and maintenance would be required through a Right of Entry agreement. WHCRWA would cover all costs of the system. Maintenance is minimal and equipment is unobtrusive.

Further details can be provided for interested parties.



BROWN & GAY
ENGINEERS

ENGINEER'S REPORT

Date: December 9, 2014
To: Harris County MUD No. 162
From: 
Jonathan M. St. Romain, P.E.
District Engineer

6. Engineering matters:

Pavement Repair on Meadow Village Drive:

We request authorization to route contract documents for board signatures, pending review and approval of bonds and insurance by Fulbright.

7. Middlegate Village Sewer Line Rehab:

Request authorization to advertise for bids.

We will be happy to answer any questions.

**ANNUAL REPORT ON FINANCIAL INFORMATION
AND OPERATING DATA
(Pursuant to S.E.C. Rule 15c2-12)**

**Dated: December 9, 2014
Due: January 31, 2015
For Fiscal Year Ended 07/31/14**

**Relating to:
Harris County Municipal Utility District No. 162 Unlimited Tax Refunding Bonds, Series 2012**

Base CUSIP No. 414959

This Annual Report on Financial Information and Operating Data ("Annual Report") is filed by Harris County Municipal Utility District No. 162 (the "District"), pursuant to the terms of an Order dated March 13, 2012 (the "2012 Order"), under which the District's Series 2012 Bonds (the "2012 Bonds") were issued. This Annual Report relates to the 2012 Bonds (collectively, the "Bonds"). The Series 2012 Bonds are described in the District's Official Statement dated May 21, 2012.

Terms used herein that are not defined herein shall have the meanings ascribed to such terms in the District's Official Statement dated May 21, 2012, which is on file with the Municipal Securities Rulemaking Board.

The information in this Annual Report is provided solely to comply with the District's contractual commitment established by the 2012 Order, to provide the information specified therein. This Annual Report is not made by the District in connection with a purchase or sale of Bonds and accordingly is not intended to contain all information material to a decision to purchase or sell Bonds.

Harris County Municipal Utility District No. 162
c/o Fulbright & Jaworski LLP
1301 McKinney, Suite 5100
Houston, Texas 77010-3095
713/651-3751
Contact Person: Jana B. Cogburn

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 18, 2014

TO: The City of Katy, Texas ("Katy") and Districts within the West Harris County Regional Water Authority

FROM: West Harris County Regional Water Authority ("Authority")

RE: Optional Capital Advance and Reimbursement Procedure

The Authority at its November 12, 2014, meeting adopted the attached Resolution Authorizing Capital Advance and Reimbursement Procedure ("Resolution"). The Resolution sets forth Authority capital improvement project costs in the amount of \$75,000,000 ("Capital Improvement Project Costs") for upcoming Authority capital projects. The Authority may pursue Texas Water Development Board ("TWDB") financing for this \$75,000,000, whereby, if granted, the Authority could benefit from a TWDB interest rate that is significantly less than the interest rate that the Authority would receive in the open market. In addition to the lower interest rate, this financing would allow the Authority to avoid significant costs incurred in a traditional bond issuance, for example, underwriter's discount and bond insurance premium.

The Resolution allows districts/municipalities within the Authority the *option* of funding their share of the \$75,000,000. The Resolution provides that the share ("Optional Advance Amount") of each district/municipality is determined based on the 2013 water usage of such district/municipality within the Authority in relation to the total 2013 water usage within the Authority. The Optional Advance Amounts of all districts/municipalities are shown on Exhibit "A" to the Resolution.

A district/municipality is *not* required to pay its Optional Advance Amount to the Authority. Payment of the Optional Advance Amount is purely optional. A district/municipality may decide to simply pay the Authority's fees/charges and pay no Optional Advance Amount to the Authority. If a district/municipality decides to pay its Optional Advance Amount to the Authority, the Authority will provide such district/municipality a credit for such amount (plus interest and an issuance cost component) amortized over an approximate 25-year period. *Please note that in the event the Authority receives TWDB financing, the interest and issuance cost component for the credit would be based on the low interest rate and low issuance costs incurred by the Authority under a TWDB financing.* The credit will be applied on a monthly basis (a total of 300 monthly credits) against the fees/charges that the district/municipality owes the Authority. The Authority reserves the right to terminate the credits early by paying the district/municipality the amount of principal that is remaining at the time of termination. This credit procedure is more fully set forth in the Resolution and nothing in this memorandum is intended to modify or amend the Resolution.

A district/municipality that intends to pay its Optional Advance Amount to the Authority must, by **January 30, 2015**, provide written notice of its intent to pay, and such notice must be received by the Authority by **January 30, 2015**, at the following address or facsimile number: Bruce Parker, President, West Harris County Regional Water Authority, c/o Alex E. Garcia, Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027; Facsimile (713) 860-6614. Additionally, a district/municipality that decides to pay its Optional Advance Amount must deposit such amount with the Authority on or before **December 1, 2015**, c/o Myrtle Cruz, Inc., Attention: Mary Jarmon, 3401 Louisiana Street, Suite 500, Houston, Texas 77002; or on or before **December 1, 2015**, wire such amount pursuant to any written wiring instructions provided by the Authority.

Upon request, the Authority will provide a district/municipality with an estimate of potential reimbursement credits.

“Issuance Cost Component” means the product derived from multiplying the amount of funds paid to the Authority by a District or municipality pursuant to this Resolution, and accepted by the Authority, times the Issuance Cost Percentage.

“Issuance Costs” means the amount of issuance costs that the Authority would have incurred on a bond sale in funding: (i) the portion of the Capital Improvement Project Costs actually needed by the Authority for the Capital Improvement Project and (ii) any other projects or costs (whether related or unrelated to the Capital Improvement Project) that the Authority would include in such a bond sale, all as determined by the sole discretion of the Authority. Underwriter’s discount and insurance premium will not be included in the definition of Issuance Costs. (Costs that the Authority would not incur, e.g., Commission fees charged to a District in connection with a District bond sale and engineering fees associated with preparation of a District bond application to the Commission, will not be included in the definition of Issuance Costs.)

“Issuance Cost Percentage” means the fraction derived by dividing (i) the Issuance Costs by (ii) the sum of (A) the portion of the Capital Improvement Project Costs actually needed by the Authority for the Capital Improvement Project plus (B) any other projects or costs (whether related or unrelated to the Capital Improvement Project) that the Authority would include in its bond sale, if any, that funds any portion of the Capital Improvement Project Costs, all as determined by the sole discretion of the Authority.

“Monthly Charges” is defined in Section 2.06.

“Monthly Credit(s)” is defined in Section 2.05.

“Optional Advance Amount” is defined in Section 2.02.

“Past or Future Section 4.04 Capital Advances” means past or future capital advance(s) paid by a District or municipality to the Authority, pursuant to Section 4.04 of the Act, for such District’s or municipality’s share of Authority costs other than the Capital Improvement Project Costs.

“Principal Remaining” is defined in Section 2.05.

“Reimbursement Credit” is defined in Section 2.04.

“Reimbursement Interest Rate” means the True Interest Cost of the bond issue, if any, sold by the Authority that includes any portion of the Capital Improvement Project Costs (such bond issue may, at the Authority’s sole discretion, include any additional projects or costs that are related or unrelated to the Capital Improvement Project); or if no bond issue is sold by the Authority to fund any portion of the Capital Improvement Project Costs, the True Interest Cost of the bonds that could have been sold by the Authority on an appropriate date determined by the Authority, based on AAA national

scale provided by Municipal Market Data and published by Thompson Financial Municipals Group (or comparable index determined by the Authority if such scale does not then exist) plus 0.50%, all as determined by the sole discretion of the Authority in consultation with its financial advisor(s). However, in the event a District or municipality paying funds to the Authority pursuant to this Resolution provides a signed resolution or ordinance to the Authority requesting that the Authority utilize a lower Reimbursement Interest Rate for federal tax reasons relating to the bonds of such District or municipality, or any other reasons, such lower Reimbursement Interest Rate shall thereafter be utilized by the Authority in the Authority's calculation of the Reimbursement Credit of such District or municipality; provided, however, that, unless agreed to in writing by the Authority, such lower Reimbursement Interest Rate shall not be effective until 45 days after the Authority's receipt of such signed resolution or ordinance.

"Resolution" means this Resolution Authorizing Capital Advance and Reimbursement Procedure.

"True Interest Cost" means that rate which, when used to compute the total present value of all debt service payments on the bonds on the basis of semi-annual compounding based on a 360-day year of twelve 30-day consecutive months, produces an amount equal to the purchase price to be paid by the underwriter plus accrued interest from the dated date of the bonds, plus the Authority's cost of bond insurance, if any, and reserve fund surety policy, if any, all as determined by the sole discretion of the Authority.

"Unused Monthly Credit" is defined in Section 2.06.

"Water Supply Contract" means the written water supply contract executed between the Authority and the City of Houston, Texas, as amended or supplemented.

Section 1.02. Interpretations. The article and section headings of this Resolution are included herein for convenience of reference purposes only and shall not constitute a part of this Resolution or affect its interpretation in any respect. Except where the context otherwise requires, words imparting the singular number shall include the plural and vice versa.

ARTICLE II CAPITAL ADVANCE PROCEDURE

Section 2.01. Generally. The Authority has estimated the following costs for some or all of the following: (i) the acquisition, construction, engineering, surveying, legal, realty interest, and any other costs necessary to construct or acquire water facilities and rights (including, without limitation, storage, treatment, pumping, and/or conveyance facilities; and/or water well/plant facilities and rights; and all related

appurtenances); (ii) certain payments due under the Water Supply Contract; and (iii) related contingencies (collectively, the Capital Improvement Project") to be \$75,000,000, such dollar amount being referred to herein as the "Capital Improvement Project Costs." The Authority may attempt to fund some or all of the Capital Improvement Project Costs through financing available from the Texas Water Development Board.

Section 2.02. Determination of Optional Advance Amount. The Optional Advance Amount shall be calculated and determined by the Authority by multiplying (i) the fraction derived by dividing (A) the amount of water used by a District or municipality within the Authority during calendar year 2013 by (B) the sum of the amount of water used within the Authority during calendar year 2013, times (ii) the Capital Improvement Project Costs. The Authority shall be entitled to determine such water usage based on water usage information provided to the Authority by users within the Authority and any other information or methodology determined appropriate by the Authority. The Authority hereby calculates the Optional Advance Amount of each District and municipality within the Authority and determines and finds that such Optional Advance Amounts are shown on Exhibit "A". Notwithstanding any provision of Exhibit "A," only water well owners that are Districts or municipalities shall be entitled to pay funds to the Authority pursuant to this Resolution.

Section 2.03. Payment of Optional Advance Amount. A District or municipality may, but is not required to, pay its Optional Advance Amount to the Authority; provided, however, if a District or municipality intends to pay its Optional Advance Amount to the Authority and receive its Reimbursement Credit, it must comply with the terms of this Resolution. A District or municipality that elects to pay its Optional Advance Amount must provide written notice to the Authority that the District or municipality intends to pay the Optional Advance Amount, and such notice must be received by the Authority no later than January 30, 2015, at the following address or facsimile number: Bruce Parker, President, West Harris County Regional Water Authority, c/o Alex E. Garcia, Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027; Facsimile (713) 860-6614. If the Authority does not receive such notice from a District or municipality by January 30, 2015, then the Authority may assume that such District or municipality does not intend to pay its Optional Advance Amount and the Authority shall not be required to ever accept the Optional Advance Amount from such District or municipality or to provide such District or municipality the Reimbursement Credit. Additionally, a District or municipality that elects to pay its Optional Advance Amount must deposit such amount with the Authority on or before December 1, 2015, c/o Myrtle Cruz, Inc., Attention: Mary Jarmon, 3401 Louisiana Street, Suite 400, Houston, TX 77002-9552; or on or before December 1, 2015, pursuant to any written wiring instructions provided by the Authority. The Authority may refuse to accept any funds deposited with the Authority by a District or municipality pursuant to this Resolution if such funds are less

than the total Optional Advance Amount applicable to such District or municipality. The Authority may refuse to accept any funds deposited with the Authority by a District or municipality pursuant to this Resolution that are in excess of the Optional Advance Amount applicable to such District or municipality. The Authority may refuse to accept any funds received by the Authority pursuant to this Resolution after December 1, 2015.

Section 2.04. Reimbursement Credit Amount. In consideration of funds paid by a District or municipality to the Authority pursuant to this Resolution, and accepted by the Authority, the Authority shall provide a reimbursement credit (the "Reimbursement Credit") to each District or municipality paying such funds upon the terms and conditions contained herein, which Reimbursement Credit shall be calculated as follows:

- (i) the amount of funds deposited by a District or municipality with the Authority pursuant to this Resolution, and accepted by the Authority; plus
- (ii) the Issuance Cost Component; plus
- (iii) interest at the Reimbursement Interest Rate on the unpaid balance of the sum of (i) and (ii), above, accruing from December 1, 2015, until the date that the 300th Monthly Credit is applied by the Authority under Section 2.05. Interest shall be calculated on the basis of a 360-day year of twelve 30-day consecutive months, with each Monthly Credit being applied on the first day of each month. If the Authority within its sole discretion accepts funds deposited with the Authority pursuant to this Resolution after December 1, 2015, interest shall begin to accrue upon the date the Authority sends written notice to the District or municipality that the Authority has accepted such funds.

Section 2.05. Application of Reimbursement Credit. The Authority shall provide each District or municipality paying funds to the Authority pursuant to this Resolution its Reimbursement Credit in installments by providing 300 equal monthly credits ("Monthly Credit(s)") over an amortization period of 300 months to be applied against all fees, rates, and charges due from such District or municipality to the Authority for groundwater pumpage and/or surface water received on or after December 1, 2015. Accordingly, the first Monthly Credit shall be applied against fees, rates and charges that are due to the Authority from such District or municipality for groundwater pumpage during December 2015 and/or surface water received during December 2015. The Authority shall calculate the Monthly Credits and provide each District or municipality paying funds to the Authority pursuant to this Resolution with a schedule thereof. (Such schedule shall also show the amount of principal remaining ("Principal Remaining") at each month during the 300 month period provided for in this Section

2.05.) In the event that the Authority, at its option, determines that groundwater pumpage or surface water received shall be calculated by Districts or municipalities on a basis other than monthly (e.g., on a quarterly basis), the Authority shall modify the credit procedure described in this Section 2.05 and Section 2.06 such that credits are applied on the same basis that groundwater pumpage or surface water received is calculated (e.g., quarterly).

Section 2.06. Unused Monthly Credit. The Authority expects (and any District or municipality paying funds to the Authority pursuant to this Resolution is deemed to expect) that the monthly fees, rates, and charges for groundwater pumpage and/or surface water received that will be due to the Authority from a District or municipality paying funds to the Authority pursuant to this Resolution ("Monthly Charges") will be greater than the Monthly Credit. In the event that the Monthly Charges in a particular month are less than the Monthly Credit (plus (i) any credits that may otherwise be due to such District or municipality for Past or Future Section 4.04 Capital Advances and (ii) any credits that may be due to such District or municipality pursuant to a written contract with the Authority or policy adopted by the Authority) for such month, then the unused portion of such Monthly Credit (plus (i) the unused portion of any credits that may otherwise be due to such District or municipality for Past or Future Section 4.04 Capital Advances and (ii) the unused portion of any credits that may be due to such District or municipality pursuant to a written contract with the Authority or policy adopted by the Authority) (collectively, the "Unused Monthly Credit") shall be applied, without cost or expense to the Authority and without any interest to the District or municipality on the Unused Monthly Credit, to the Monthly Charges of the immediately succeeding month(s) until such time as the Unused Monthly Credit is exhausted.

Section 2.07. Tax Consequences to Districts and Municipalities. Neither the Authority nor any of its directors, employees, attorneys, financial advisors, consultants, agents, or representatives give any representation, advice, or warranty regarding the federal income tax consequences of the issuance of any bonds, notes, or obligations of Districts or municipalities paying the Authority funds pursuant to this Resolution, or any other matters of such Districts or municipalities that may pertain to their participation under this Resolution or their receipt of the Reimbursement Credit. Compliance with all federal income tax rules and regulations, including without limitation those relating to arbitrage, regarding bonds, notes, and obligations of Districts and municipalities shall be the sole responsibility of the District or municipality paying the Authority funds pursuant to this Resolution and receiving the Reimbursement Credit, and shall not be the responsibility of the Authority.

Section 2.08. Use of Optional Advance Amounts. The Authority shall use all funds deposited by Districts or municipalities with the Authority pursuant to this Resolution for the costs associated with the Capital Improvement Project. Any portion of the funds deposited by Districts or municipalities with the Authority pursuant to this

Resolution that remain unexpended after completion of the Capital Improvement Project may be used by the Authority for any lawful purpose.

Section 2.09. Authority Bonds, Notes, and/or Obligations. Nothing in this Resolution shall in any way hinder or impede the Authority's power and ability to issue bonds, notes, and/or obligations (whether secured by Authority net revenues or any other funds). In the event the Authority does not receive written notice pursuant to Section 2.03 by January 30, 2015, that the total \$75,000,000 will be paid to the Authority by Districts and municipalities and/or if the Authority receives less than \$75,000,000 from Districts and municipalities depositing funds pursuant to this Resolution, the Authority reserves the right to issue (via one or more series of issuances) bonds, notes, or other obligations (or finance through any other lawful means) the remaining portion of such \$75,000,000 needed by the Authority to pay for the Capital Improvement Project and/or any other projects, facilities or costs of the Authority, whether related or unrelated to the Capital Improvement Project.

Section 2.10. Early Termination of Reimbursement Credit. At any time during the 300 month period described in Sections 2.04 and 2.05, the Authority may terminate the Reimbursement Credit by paying the District or municipality to whom the Reimbursement Credit is owed an amount equal to the Principal Remaining at that time; provided, however, the Authority shall provide such District or municipality at least 90 days prior written notice before the Authority terminates pursuant to this Section 2.10. Once the Authority has terminated the Reimbursement Credit pursuant to this Section 2.10, the Authority shall owe no further obligations to the District or municipality under this Resolution.

ARTICLE III MISCELLANEOUS

Section 3.01. Authority's Successors and Assigns. Whenever in this Resolution the Authority is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Resolution by or on behalf of the Authority, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 3.02. Benefits of Resolution Provisions. Nothing in this Resolution, expressed or implied, shall give or be construed to give any person, entity, firm or corporation, other than the Authority and any Districts or municipalities to whom a Reimbursement Credit is due from the Authority pursuant to this Resolution any legal or equitable right or claim under or in respect of this Resolution, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions contained in this Resolution, being for the sole benefit of the Authority and any Districts

or municipalities to whom a Reimbursement Credit is due from the Authority pursuant to this Resolution.

Section 3.03. Assignment. A District or municipality entitled to a Reimbursement Credit from the Authority under this Resolution shall not assign its right to such credit to any person or entity without the written consent of the Authority, which consent may be granted or withheld based on the sole discretion of the Authority.

Section 3.04. Severability Clause. If any word, phrase, clause, sentence, paragraph, section or other part of this Resolution, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Resolution and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Resolution to any other persons or circumstances shall not be affected thereby.

Section 3.05. Provisions of this Resolution. Any District or municipality paying funds to the Authority pursuant to this Resolution shall be considered to have fully understood and consented to the provisions of this Resolution, and such District or municipality shall be deemed to have agreed in all respects to comply with any obligations under this Resolution that are applicable to such District or municipality.

Section 3.06. Right to Amend. The Authority shall at all times have the right to amend this Resolution in a manner that does not unreasonably prejudice the rights of any District or municipality that has paid funds to the Authority pursuant to this Resolution. Notwithstanding the previous sentence, the Authority shall have the unlimited right to amend this Resolution: (i) to modify the amount of the Capital Improvement Project Costs, or (ii) to delay the date set forth in Section 2.03 by which a District or municipality is required to pay its Optional Advance Amount and to delay the date set forth in Sections 2.04 and 2.05 when Monthly Credits start to be applied against Monthly Charges.

Section 3.07. Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

Section 3.08. No Waiver. The failure of the Authority to insist, in any one or more instances, upon a District's or a municipality's performance of any of the terms, requirements or conditions of this Resolution shall not be construed as a waiver or relinquishment of the future performance of any such term, requirement or condition by that District or municipality or any other District or municipality.

THIS RESOLUTION AUTHORIZING CAPITAL ADVANCE AND REIMBURSEMENT PROCEDURE SHALL BE EFFECTIVE AS OF THE DATE OF ITS ADOPTION.

ADOPTED THIS 12TH DAY OF NOVEMBER, 2014.

WEST HARRIS COUNTY REGIONAL WATER
AUTHORITY

By: *Dana Parker*
President, Board of Directors

ATTEST:

By: *D. J. [Signature]*
Secretary, Board of Directors

(SEAL)



EXHIBIT A

West Harris County Regional Water Authority ("WHCRWA")

Calculation of Optional Advance Amounts

<u>Number</u>	<u>District/Municipality</u>	<u>Percentage of Total Gallons</u>	<u>Optional Advance Amount \$75,000,000</u>
1	Addicks UD	0.9562579%	\$717,193.39
2	Barker Cypress MUD	1.4032143%	1,052,410.75
3	Beechnut MUD	0.4649485%	348,711.39
4	Bissonnet MUD	1.3078125%	980,859.36
5	Castlewood MUD	0.5634646%	422,598.44
6	Chefford City MUD	1.3571173%	1,017,837.96
7	Chefford One MUD	0.8333287%	624,996.55
8	Cimarron MUD	1.6577935%	1,243,345.12
9	City of Katy	2.2708787%	1,703,159.03
10	Clay Road MUD	0.6911228%	518,342.07
11	Fry Road MUD	0.9244224%	693,316.79
12	HC MUD 102	1.9036627%	1,427,747.06
13	HC MUD 105	1.0714179%	803,563.45
14	HC MUD 120	2.3075076%	1,730,630.73
15	HC MUD 127/239	1.9209340%	1,440,700.50
16	HC MUD 130	0.9286811%	696,510.79
17	HC MUD 136	0.9450280%	708,770.97
18	HC MUD 144	0.4553087%	341,481.56
19	HC MUD 147	0.4128651%	309,648.85
20	HC MUD 149	0.6982619%	523,696.39
21	HC MUD 155	0.6220460%	466,534.51
22	HC MUD 157	2.1932466%	1,644,934.96
23	HC MUD 162	0.7198468%	539,885.10
24	HC MUD 163	1.1736480%	880,235.97
25	HC MUD 165	2.9622552%	2,221,691.37
26	HC MUD 166	0.4834963%	362,622.21
27	HC MUD 167	2.0295630%	1,522,172.27
28	HC MUD 172	1.8253671%	1,369,025.32
29	HC MUD 173	1.3224207%	991,815.53
30	HC MUD 179	0.7137559%	535,316.94
31	HC MUD 183	0.6945809%	520,935.69
32	HC MUD 185	0.5597506%	419,812.97
33	HC MUD 186	1.0505318%	787,898.82
34	HC MUD 188	1.1207337%	840,550.31
35	HC MUD 196	2.2921368%	1,719,102.62
36	HC MUD 208	0.9011978%	675,898.35
37	HC MUD 238	1.4804976%	1,110,373.19
38	HC MUD 250	0.1618734%	121,405.03
39	HC MUD 257	0.3529247%	264,693.50
40	HC MUD 264	1.0830770%	812,307.75
41	HC MUD 276	1.0138324%	760,374.30
42	HC MUD 284	0.6516201%	488,715.07
43	HC MUD 287	0.4150544%	311,290.83

EXHIBIT A

West Harris County Regional Water Authority ("WHCRWA")

Calculation of Optional Advance Amounts

<u>Number</u>	<u>District/Municipality</u>	<u>Percentage of Total Gallons</u>	<u>Optional Advance Amount \$75,000,000</u>
44	HC MUD 341	0.8088221%	606,616.60
45	HC MUD 370	1.4526842%	1,089,513.15
46	HC MUD 371	0.8455050%	634,128.75
47	HC MUD 374	1.1627372%	872,052.89
48	HC MUD 405	0.0733822%	55,036.67
49	HC MUD 432	0.2066609%	154,995.68
50	HC MUD 433	0.4360677%	327,050.78
51	HC MUD 434	0.0392414%	29,431.02
52	HC MUD 500	0.0630090%	47,256.76
53	HC MUD 501	0.3477147%	260,786.00
54	HC MUD 61	0.6154875%	461,615.59
55	HC MUD 62	0.2752728%	206,454.57
56	HC MUD 63	0.2952941%	221,470.58
57	HC MUD 64	0.8897808%	667,335.62
58	HC MUD 70	1.1805807%	885,435.50
59	HC MUD 71	2.0717040%	1,553,778.02
60	HC MUD 81	2.1891475%	1,641,860.63
61	HC UD 6	2.0459484%	1,534,461.33
62	HC WCID 157	0.0889973%	66,748.01
63	H-FBC MUD 3	0.4977689%	373,326.65
64	Horsepen Bayou MUD	1.5002448%	1,125,183.61
65	Interstate MUD	1.0061899%	754,642.43
66	Jackrabbit Road PUD	1.4885197%	1,116,389.79
67	Langham Creek UD	1.8351829%	1,376,387.20
68	Mayde Creek MUD	1.0193180%	764,488.53
69	Memorial MUD	1.3505807%	1,012,935.54
70	Mission Bend MUD 1	1.1620384%	871,528.81
71	Mission Bend MUD 2	2.0085228%	1,506,392.10
72	Morton Road MUD	0.5564163%	417,312.24
73	Nottingham Country MUD	2.5316291%	1,898,721.81
74	NW HC MUD 12	0.3838248%	287,868.57
75	Remington MUD 1	3.0117305%	2,258,797.90
76	Renn Road MUD	0.6248136%	468,610.20
77	Ricewood MUD	1.0582073%	793,655.45
78	Rolling Creek UD	0.4570694%	342,802.07
79	Spencer Road PUD	1.3477566%	1,010,817.43
80	W HC MUD 14	0.6842919%	513,218.91
81	W HC MUD 15	0.5192823%	389,461.72
82	W HC MUD 17	0.4613077%	345,980.81
83	W HC MUD 2	0.6053470%	454,010.24
84	W HC MUD 4	0.3724782%	279,358.66
85	W HC MUD 5	0.1730592%	129,794.44
86	W HC MUD 7	0.6519612%	488,970.92

EXHIBIT A

West Harris County Regional Water Authority ("WHCRWA")

Calculation of Optional Advance Amounts

<u>Number</u>	<u>District/Municipality</u>	<u>Percentage of Total Gallons</u>	<u>Optional Advance Amount \$75,000,000</u>
87	West Memorial MUD	1.0620753%	796,556.46
88	West Park MUD	0.5312275%	398,420.60
89	Westlake MUD 1	1.5852586%	1,188,943.95
90	Weston MUD	1.3655301%	1,024,147.56
91	Other Entities	6.1628446%	4,622,133.47
		<u>100.000000%</u>	<u>75,000,000.00</u>

* Includes Total Gallons Billed to Customers and Total Gallons Used But Not Billed for 2013 water usage.

Note: Any districts/municipalities not listed on this Exhibit A have an Optional Advance Amount of \$0.00 because no 2013 water usage was reported to the Authority for such districts/municipalities. In addition, entities that are not districts or municipalities are not entitled to pay an Optional Advance Amount to the Authority.

TO: MUNICIPAL UTILITY DISTRICTS, CITY
FROM: WHCRWA
SUBJECT: REQUEST FOR INFORMATION
DATE: DECEMBER 8, 2014



WHCRWA will be soliciting funding assistance from the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program to address the future conversion requirement infrastructure costs. The current plans estimate the costs to be hundreds of millions of dollars to pay for the Expansion of the City of Houston Northeast Water Plant (NEWPP) that will provide water to the WHCRWA, the Second Source 96-inch water line that will bring water from the NEWPP across town to western Harris County, and the internal distribution system to deliver that surface water to Municipal Utility Districts (MUDs) inside the Authority's boundary. Financial assistance from the TWDB would significantly reduce the impact to water rates that are escalating to support the needed infrastructure.

The TWDB application calls for specific detailed information that the WHCRWA needs from all the water users regardless if they are on surface water or strictly groundwater. Some of the information requested may not be available given your individual situation. Please provide whatever information you can as soon as possible in order to allow time for the WHCRWA to assemble and analyze the information timely. The TWDB application must be submitted by February 3, 2015.

Please provide the following:

1. Current 2014 Water Rate Structure and 2015 Rate Structure (if it is different)
2. Average household water bill by month for the last year
3. Number of household connections (ESFCs)
4. Estimate of population served

Information is due by December 23, 2014. Send the information by email to Dannenbaum Engineering Corporation, c/o Melinda Silva at melinda.silva@dannenbaum.com or mail to 3100 West Alabama, Houston, Texas 77098. She can be reached at 713-527-6427 to answer any questions.

