

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 14, 2015

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 April 14, 2015 at 3:00 p.m.; whereupon the roll was called of the members of the Board, to-wit:

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

All members of the Board were present, except for Director Parrish. 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 and Mr. Joshua Board 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. Shaila Shah of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The Secretary 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. **Election of Officers.** 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 elect Director Johnson as President.

Upon motion by Director Johnson, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to elect Director McClure as Vice President.

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 elect Director Odell as Secretary.

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 elect Director Parrish as Assistant Secretary.

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 elect Director Rickelman as Treasurer.

2. **Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of March 10, 2015, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of March 10, 2015, as presented.

3. **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." Upon motion by Director McClure, 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. 4553 through 4573 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.

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 96.2% of its 2014 taxes.

Ms. Rodriguez requested Board authorization to transfer the Jes'us Barbers account to the Uncollectible Roll.

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 accept the Tax Assessor and Collector's Report, to authorize the transfer of the Jes'us Barbers account to the Uncollectible Roll, and to authorize payment of check nos. 1040 through 1042 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 March 2015, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 415,000 gallons of water and purchased 7,184,000 gallons of water from the West Harris County Regional Water Authority during the last period and that H2O accounted for 92.67% of the water pumped and purchased by the District during the last period.

Mr. Hoffman stated that annual generator maintenance, fuel filtering and load tests have been completed at a final cost of \$4,110.19.

Mr. Hoffman reported that H2O is continuing to repair items noted in the hydrant survey at a cost-to-date of \$1,367.86.

Mr. Hoffman reported that H2O has completed about 80% of the hydrant pressure washing and painting project at an estimated cost of \$4,500.00.

Mr. Hoffman reported that surveying of the valves in Southdown is complete and the repairs will begin at the estimated cost is \$7,500.00.

Mr. Hoffman reported that there are currently no new sewer line maintenance nor administrative items to report.

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 that BGE met with Cruz-Tech Inc. for a pre-construction meeting and issued a Notice to Proceed to Cruz Tech Inc. for Middlegate Sanitary Sewer repairs.

Mr. St. Romain stated that a cost estimate from Camino Services, LLC regarding the Meadow Village Drive Pavement Repair is pending.

7. Discuss CJOB meeting. Director McClure reported on the Sanitary Sewer Overflow Initiative, stating that Harris County Municipal Utility District No. 208 will consider an application at their April meeting.

Director McClure noted that the Quarterly SWPPP inspection was completed in March and the annual inspection was conducted on April 7, 2015, and that the results were submitted to TCEQ.

Director McClure reported that H2O is still waiting on the replacement arm for the Automatic Bar Screen, which should arrive next week from the fabricator.

Director McClure reported that the gear drive for the clarifier #3 drain valve broke and H2O excavated to the valve and replaced the valve operating unit.

Director McClure reported on Aeration Basin #6, stating that every five years it should be cleaned and inspected. Director McClure stated CJOB voted unanimously to approve the maintenance on the Aeration Basins 6 and 7 at an estimated cost of \$35,000 to \$75,000.

Director McClure reported that price quotes were received from Home Depot and Multi D to build out the lab and kitchen area at the operations building.

Director McClure stated that based on the feedback from other CJOB Districts, there is interest in pursuing the gray water project.

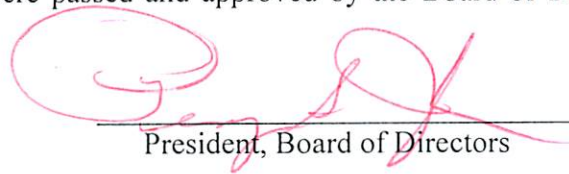
8. District Website. Director McClure stated that the website looked good. Ms. Shah reported that the 2015 minutes had not been posted to the website.

The Board scheduled a Budget Meeting for Tuesday, June 30, 2015 at 6:00pm at the H2O offices.

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 May 12, 2015.



President, Board of Directors

ATTEST:


Secretary, Board of Directors