

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 9, 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 June 9, 2015 at 3:00 p.m.; whereupon the roll was called of the members of the Board, to-wit:

Penny Johnson, President
Susan McClure, Vice President
Steve Rickelman, Treasurer
Karen Odell, Secretary
John Parrish, 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 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 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 May 12, 2015, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of May 12, 2015, as presented.

2. Approve budget for fiscal year ending July 31, 2016. There was no action taken at this time, as the budget meeting is scheduled for June 30, 2015.

3. 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 "B." Ms. Rodriguez stated that the District has collected 97.2% of its 2014 taxes. Ms. Rodriguez reported that based on the 2015 preliminary tax report, the District's tax value has increased by approximately 11.25%. 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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1046 through 1049 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

Ms. Kay entered the meeting at this time.

4. Review Bookkeeper's Report and authorize payment of bills. Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report, the Operating Budget, the Cash Flow Comparison and the Energy Usage Report, copies of which are attached hereto as Exhibit "C." Upon motion by Director Odell, seconded by Director McClure, 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. 4591 through 4613 from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report, and to approve the Investment Report.

5. Review and approve Operations Report and authorize repairs. Mr. Hoffman presented to and reviewed with the Board the Operations Report for the month of May 2015, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 505,000 gallons of water and purchased 8,655,000 gallons of water from the West Harris County Regional Water Authority during the last period and that H2O accounted for 92.65% of the water pumped and purchased by the District during the last period.

Mr. Hoffman reported on the hydrant maintenance, stating that they are waiting on parts for three hydrants that need to be raised.

Mr. Hoffman reported that the cost to date for the Southdown valve repairs is \$1,206.11.

Mr. Hoffman reported that the interconnect valve with Harris County Municipal Utility District No. 163 is broken and in the closed position. Mr. Hoffman reported that H2O recommends replacing the valve and moving it slightly north. 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 replace the valve and move it north at an estimated cost of \$10,000.

Mr. Hoffman reported on the sinkhole at 8150 Silent Cedars, stating that it was excavated and a repair was found on a 6-inch clay pipe. Mr. Hoffman reported that the repair was resealed and the hole backfilled at a final cost of \$4,234.16.

Mr. Hoffman reported that H2O located a clean out at 8146 Silent Cedars and raised it to proper elevation at a final cost of \$1,668.02.

Mr. Hoffman reported that the Consumer Confidence Report is scheduled to be mailed to the residents with the water bill on June 10, 2015.

6. Review Engineer's Report. Mr. St. Romain presented to and reviewed with the Board the Engineer's Report and Pay Estimate No. 1 from Cruz Tec, Inc., a copy of which is attached hereto as Exhibit "E." Mr. St. Romain requested Board approval for Pay Estimate No. 1 in the amount of \$10,578.64 for the Sanitary Sewer repairs in Middlegate Village. Upon motion by Director McClure, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. 1 in the amount of \$10,578.64.

Mr. St. Romain requested Board approval to request additional bids for the water plant driveway repair, as Camino Services, Inc. quoted an amount over \$25,000. Mr. St. Romain stated that BGE would like to request bids to present at the July Board meeting from Camino Services, Inc., ClearPave, LLC, and D & J Construction, Inc. Upon motion by Director Rickelman, seconded by Director McClure, after full discussion and the question being put to the Board, the Board authorized Mr. St. Romain to solicit bids from Camino Services, Inc., ClearPave, LLC, and D & J Construction, Inc.

7. Review Ethics Policy. Director Johnson presented to and reviewed with the Board the Ethics Policy, a copy of which is attached hereto as Exhibit "F."

8. Discuss Copperfield Joint Operations Board "CJOB" meeting. Director McClure reported that the CJOB meeting that was held on May 13, 2015.

Director McClure reported that replacement arm for the Automatic Bar Screen was installed.

Director McClure reported that H2O completed preventative maintenance and the annual load test and fuel filtering on the generators.

Director McClure that the Aeration Basin #6 Drain Valve was excavated and repaired.

Director McClure reported on foreign debris, stating that H2O had to remove a large amount of debris in April from the influent channel.

Director McClure reported on the memorandum prepared by AECOM regarding the Copperfield Effluent Reuse Funding options, stating that different funding options were presented and discussed at the meeting. Director McClure reported on the SWIFT application, stating that the initial cost to obtain the loan would be \$10,000 and that it could be split between the Copperfield Municipal Utility Districts. It was the consensus of the Board to move forward with the loan option if approved at the June CJOB meeting.

9. District Website. Director McClure reported that she reviewed the website and that all information is up to date and accurate.

Discussion ensued regarding the contact information on the website. The Board agreed that along with the H2O contact information, the President email should be included.

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 July 14, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors