

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 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 July 14, 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 June 9, 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 four in favor, with Director Parrish abstaining, to approve the minutes of the regular meeting of June 9, 2015, 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." Upon motion by Director Rickelman, seconded by Director Odell, 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. 4614 through 4636 from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report, and to approve the Investment Report.

3. Review 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 97.7% of its 2014 taxes. Ms. Rodriguez reported that the Delinquent Tax Attorney will begin collection of delinquent 2014 taxes within the

month. 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 accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1050 through 1053 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. Review and approve Operations Report and authorize repairs. Mr. Hoffman presented to and reviewed with the Board the Operations Report for the month of June 2015, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 517,000 gallons of water and purchased 10,572,000 gallons of water from the West Harris County Regional Water Authority ("WHCRWA") during the last period and that H2O accounted for 92.6% 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 the three hydrants that need to be raised.

Mr. Hoffman reported on the Southdown valve repairs, stating that three valve stacks were repaired in June at a cost to date of \$4,622.06.

Mr. Hoffman reported on the valve replacement, stating that H2O is waiting for Centerpoint to schedule a time to brace their pole that is in the area of the excavation.

Mr. Hoffman reported on the meter vaults, stating that H2O recommends replacing two meter vaults for commercial meters within the District. Mr. Hoffman stated that the vaults and lids have not been replaced since the 1980s and that the new lids will be aluminum instead of steel. Mr. Hoffman reported that the estimated cost is \$4,300 for both meter vaults. Upon motion by Director Parrish, seconded by Director Odell, after dull discussion and the question being put to the Board, the Board voted unanimously to authorize H2O to replace the two meter vaults at an estimated cost of \$4,300.

Mr. Hoffman reported on a letter regarding a payment plan request from the owner at 15603 Meadow Village Drive. Mr. Hoffman reported that there was a leak in the customer's front yard which lead to a water bill of \$554. Discussion ensued regarding the letter and payment plan options. 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 reduce the bill by \$200 and offer the customer a three month payment plan.

5. Amend Rate Order. Mr. Hoffman presented to and reviewed with the Board the Amended Rate Order, a copy of which is attached hereto as Exhibit "E." Mr. Hoffman noted that the application fee for a new residential connection or reconnection increased from \$45 to \$50 and that the deposit increased from \$200 to \$250. Upon motion by Director Rickelman, seconded by Director Parrish, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Amended Rate Order.

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 "F."

Mr. St. Romain reported on the Middlegate Sanitary Sewer repairs, stating that the repairs are under construction and there is no Pay Estimate at this time.

Mr. St. Romain reported on the water plant driveway repair, stating that there was one bid from Camino Services in the amount of \$29,389. Discussion ensued regarding the bid conference. 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 award the water plant driveway project to Camino Services in the amount of \$29,389.

7. Discuss Copperfield Joint Operations Board “CJOB” meeting. Director McClure reported that the CJOB meeting that was held on June 8, 2015.

Director McClure reported that the Board approved a replacement Grit Pump Motor, as the current motor shorted.

Director McClure reported on the Aeration Basin #7 maintenance, stating that the unit has been cleaned and the stones were scheduled to be placed back in the basin last week.

Director McClure reported on the water reuse program, stating that Harris County Municipal Utility District No. 179 is interested in pursuing the greywater project. Discussion ensued regarding scheduling a meeting with WHCRWA. Mr. Duncan reported that he will follow up with WHCRWA to assist with scheduling the meeting.

8. District Website. Director McClure reported that she would review the website prior to the August meeting.

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

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The foregoing minutes were passed and approved by the Board of Directors on August 11, 2015.


President, Board of Directors

ATTEST:


Secretary, Board of Directors

