

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 11, 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 August 11, 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 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 special meeting of June 30, 2015 and the regular meeting of July 14, 2015, copies of which were previously distributed to the Board. Director Parrish noted an error on page 2 of the July 14, 2015 minutes. 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 the minutes of the special meeting of June 30, 2015 and the regular meeting of July 14, 2015, including the correction to the July 14, 2015 minutes.

Ms. Rodriguez entered the meeting at this time.

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 McClure, 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. 4638 through 4665 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 "C." Ms. Rodriguez stated that the District has collected 97.7% of its 2014 taxes. Ms. Rodriguez reported that a \$3,000 partial payment from Copperfield Athletic Corp. was returned, as it was not submitted with the required payment plan request. 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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1054 and 1055 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 July 2015, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 487,000 gallons of water and purchased 15,871,000 gallons of water from the West Harris County Regional Water Authority ("WHCRWA") during the last period and that H2O accounted for 98.56% 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 survey, stating that survey is complete and the repairs are continuing at a cost to date of \$4,622.06.

Mr. Hoffman reported on the valve replacement, stating that H2O ordered the materials needed, but 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 ordered the vault covers.

**5. 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 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 the contracts have been prepared by Camino Services and that the pre-construction meeting will be scheduled shortly. Mr. St. Romain presented the contract documents for signature. The Board requested that BGE send a letter to the HOA stating that a contractor has been hired to repair the District's share of the driveway.

**6. Review Investment Policy and accept party related disclosures from bookkeeper and investment officer.** Ms. Shah presented to and reviewed with the Board the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "Resolution Reviewing Investment Policy") and the Investment Policy, copies of which are attached hereto as Exhibits "F" and "G." Ms. Shah noted that there are no recommended changes at this time. Upon motion by Director Odell, seconded by Director Parrish, after full discussion

and the question being put to the Board, the Board voted unanimously to approve the Resolution Reviewing the Investment Policy and to maintain the current investment policy.

**7. Discuss Copperfield Joint Operations Board ("CJOB") meeting.** Director McClure reported that the August meeting is scheduled for August 12 and the meeting with WHCRWA is scheduled for August 17.

**8. District Website.** Director McClure reported on the website, stating that the President's contact information has been added, but the NRF contact information and the minutes need to be updated. Ms. Shah informed the Board that she will follow up with the website administrator.

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 September 8, 2015.

Sam McChur  
President, Board of Directors

ATTEST:

[Signature]  
Secretary, Board of Directors



MM  
5.00  
mm

002

1180463  
08/05/2015 PERSONAL  
\$9.00 MPR - NOTICE MTG

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162  
1301 MCKINNEY, 51<sup>ST</sup> 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 August 11, 2015. At such meeting, the Board will consider the following:

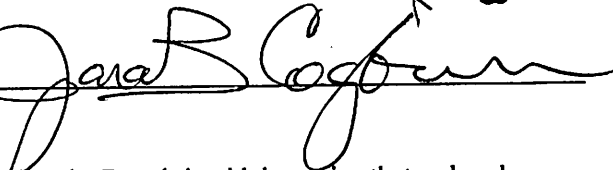
gg

1. Approve minutes of the meetings of July 30, 2015 and July 14, 2015;
2. Review Bookkeeper's Report and authorize payment of bills;
3. Review report by Tax Assessor and Collector and authorize payment of certain bills;
4. Review and approve Operations Report and authorize repairs;
5. Review Engineer's Report;
6. Review Investment Policy and accept party related disclosures from bookkeeper and investment officer;
7. Discuss Copperfield Joint Operations Board "CJOB" meeting;
8. Review District Website;

and such other matters as may properly come before it.



NORTON ROSE FULBRIGHT LLP  
ATTORNEYS FOR THE DISTRICT

By: 

FILED  
2015 AUG -5 AM 10:58  
Stan Stoltz  
COUNTY CLERK  
HARRIS COUNTY TEXAS

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Sections 551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, Section 551.071 - for the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

1180160  
08/04/2015 PERSONAL  
\$9.00 NPR - NOTICE MTG

9 nm  
of HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162  
1301 MCKINNEY, 51<sup>ST</sup> FLOOR  
HOUSTON, TEXAS 77010

NOTICE

el 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 August 11, 2015. At such meeting, the Board will consider the following:

1. Approve minutes of the regular meeting of July 14, 2015;
2. Review Bookkeeper's Report and authorize payment of bills;
3. Review report by Tax Assessor and Collector and authorize payment of certain bills;
4. Review and approve Operations Report and authorize repairs;
5. Review Engineer's Report;
6. Review Investment Policy and accept party related disclosures from bookkeeper and investment officer;
7. Discuss Copperfield Joint Operations Board "CJOB" meeting;
8. Review District Website;

and such other matters as may properly come before it.



NORTON ROSE FULBRIGHT US LLP  
ATTORNEYS FOR THE DISTRICT

By: 

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Sections 551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, Section 551.071 - for the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.



8/11/2015



CASH



23

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

## HARRIS COUNTY MUD #162

### Summary for Cash Report of August 11, 2015

	Debt Service Fund	Capital Projects Fund	General Operating Fund	Collections Account Fund
PREVIOUS CASH BALANCE		0.00	6,396.93	5,240.49
CASH RECEIPTS		0.00	9,037.34	49,393.62
INTEREST		0.00	7.12	0.00
TRANSFERS		0.00	80,000.00	(52,000.00)
DISBURSEMENTS		0.00	(74,529.29)	(139.41)
ENDING CASH BALANCE		0.00	20,912.10	2,494.70
PREVIOUS INVESTMENTS	214,112.45	38,039.32	1,999,648.07	
DEPOSITS	0.00	0.00	0.00	
INTEREST	27.10	5.94	212.64	
TRANSFERS	(154,318.00)	(18.00)	(28,018.00)	
ENDING INVESTMENTS	59,821.55	38,027.26	1,971,842.71	
CURRENT BALANCE	59,821.55	38,027.26	1,992,754.81	2,494.70

155%  
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 August 11th, 2015

### DEBT SERVICE FUND (023BF) : NO CHECKING ACCT

Previous cash balance, July 14th, 2015 0.00

#### DEMAND DEPOSIT INVESTMENTS:

Compass Bank; #2514455123.....	58,592.43
previous balance	212,883.33
06/01 interest	27.10
06/15 service charge	18.00-
Ser 12 principal	135,000.00-
Ser 12 interest	19,300.00-
TexPool; 78539-25659-00001.....	1,229.12
previous balance	1,229.12

previous investments	214,112.45	
interest	27.10	
withdrawals	< 154,318.00 >	
ending investments		59,821.55

DEBT SERVICE FUNDS AVAILABLE August 11th, 2015

=====

\$59,821.55

=====

#### Debt Service Requirements 2015

	3/1		9/1	
	Int	Prin	Int	Prin
1998R	0.00	0.00	--	--
2012R	19,300.00	--	19,300.00	135,000.00
	-----	-----	-----	-----
	19,300.00	0.00	19,300.00	135,000.00
Total due for 2015		\$173,600.00		





HARRIS CO MUD #162

Cash Report for Meeting of August 11th, 2015 Page : 3

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

Previous cash balance, July 14th, 2015	6,396.93
plus: 06/01 interest.....	7.12
plus: 07/22 maint tax ck 1052.....	2,836.23
plus: 07/24 HCMUD208 bulk water purch ck 10433.....	250.10
plus: 07/28 City of Houston SPA May elec.....	5,194.61
plus: 07/30 HCMUD186 bulk wtr purch ck 8090.....	756.40
plus: 08/11 trf frm OQ Central.....	52,000.00
plus: 08/11 trf frm MMS.....	28,000.00
Total Deposits :	89,044.46
less: 06/15 service charge.....	18.00
less: 06/30 rec void (esch) ck 4308.....	31.33
less checks completed at or after last meeting :	
4612 MidAmerican Energy; 15403 willow River act 251820.....	1,787.35
4634 Centerpoint Energy; 15403 willow River act 3905256-8.....	19.05
4635 MidAmerican Energy; 15403 willow River holding.....	0.00
4636 AT&T; 281-550-6429.....	107.13
4637 Karen Odell; AWBD exp.....	1,361.50
6310 director fees	450.00
6354 travel expense	945.93
6514 payroll taxes	34.43-
4638 Susan McClure; AWBD exp.....	1,282.63
6310 director fees	450.00
6354 travel expense	867.06
6514 payroll taxes	34.43-
4639 Steve Rickelman; AWBD exp.....	798.49
6310 director fees	450.00
6354 travel expense	382.92
6514 payroll taxes	34.43-
Beginning cash balance, August 11th, 2015	90,035.91
less checks to be presented at this meeting :	
4640 Karen Odell; 07/14 director fees/expenses.....	138.53
6310 director fees	150.00
6514 payroll taxes	11.47-
4641 Stephen Rickelman; 07/14 director fees & expenses.....	138.53
6310 director fee reg mtg	150.00
6514 payroll taxes	11.47-
4642 John Parrish; 07/14 director fees & expenses.....	138.53
6310 director fee reg mtg	150.00
6514 payroll taxes	11.47-
4643 Penny Johnson; 07/14 director fees/expenses.....	138.53
6310 previous regular mtg	150.00
6514 payroll taxes	11.47-
4644 Susan McClure; 07/14 director fees & expenses.....	277.05
6310 previous regular mtg	150.00
6514 payroll taxes	22.95-
6310 CJOB 7/08	150.00
4645 Myrtle Cruz Inc; Jul 2015 bookkeeping.....	1,900.01
6333 bookkeeping exp	1,700.00
6340 office expenses	200.01
4646 Norton Rose Fulbright US LLP; inv11548014 thru 7/31.....	2,404.75
4647 H2O Consulting Inc; Jul operations/r&m 162-3994.....	18,857.79
6332 operator's fees	3,603.29
6350 postage	862.81
6340 office expenses	596.75
6332 operator-other fees	820.00
6332 administrative	378.59
6342 chemicals	367.20
6324 laboratory expenses	1,060.31
6135 r&m - water plant	2,824.01

HARRIS CO MUD #162

Cash Report for Meeting of August 11th, 2015 Page : 4

6135	r&m - water distrib.	6,910.76	
6135	r&m - meter replace	240.00	
6235	r&m - sewer collect.	1,194.07	
4648	West Harris Co Reg Wtr Auth; Jul assessment.....		34,821.30
6328	reg wtr auth assessm	39,882.30	
1181	cap-credit \$5,061	5,061.00-	
4649	Brown & Gay Engineers; eng thru 7/10 4 6150735/36&7150588/89		7,522.39
6322	6-150736 gen eng	1,107.23	
6322	7-150589 gen eng	3,740.15	
6322	6-150735ss rhb mdlgt	1,487.53	
6322	7-150588ss rhb mdlgt	1,187.48	
4650	The Texas Network; 81400543 yrly host.....		983.40
4651	AWBD; Conf inv 152450/152464/152591.....		825.00
6354	Rickleman wntr 16	275.00	
6354	McClure winter 16	275.00	
6354	Ode11 winter 16	275.00	
4652	CenterPoint Energy; @ 15403 Willow River.....		
4653	MidAmerican Energy; 15403 Willow River.....		
4654	A T & T; @ 281-550-6429.....		
4655	Allen/Bobbie Watson; 8538 Pearl Lake, dep ref.....		106.55
2161	customer meter depos	125.00	
1150	less final bill	18.45-	
4656	Darrell Martin; 15650 Pebble Lake, dep ref.....		45.49
2161	customer meter depos	175.00	
1150	less final bill	129.51-	
4657	Marissa Minton; 15406 Swan Creek, dep ref.....		95.13
2161	customer meter depos	100.00	
1150	less final bill	4.87-	
4658	Donna Bourland; 15415 Pebble Lake, dep ref.....		39.60
2161	customer meter depos	100.00	
1150	less final bill	60.40-	
4659	Tracy Barnett; 15647 Pebble Lake, dep ref.....		121.00
2161	customer meter depos	125.00	
1150	less final bill	4.00-	
4660	Brandon Roth; 15638 Highfield, dep ref.....		97.65
2161	customer meter depos	125.00	
1150	less final bill	27.35-	
4661	Steven Porter; 8211 Silent Cedars, dep ref.....		77.27
2161	customer meter depos	100.00	
1150	less final bill	22.73-	
4662	Lyndon Buu; 8411 Forestside, dep ref.....		121.00
2161	customer meter depos	100.00	
1150	less final bill	21.00	
4663	Johnny/Loan Doan; 8103 Tall Firs, dep ref.....		94.91
2161	customer meter depos	125.00	
1150	less final bill	30.09-	
4664	John/Linda Ostlund; 15719 Woodcroft, dep ref.....		73.67
2161	customer meter depos	125.00	
1150	less final bill	51.33-	
4665	Gregory Holiday; 7518 River Garden, dep ref.....		105.73
2161	customer meter depos	125.00	
1150	less final bill	19.27-	

previous cash balance	6,396.93	
7 receipts	89,044.46	
26 current checks	< 69,123.81 >	
other disbursements	< 5,405.48 >	
ending cash balance		20,912.10

TIME DEPOSIT INVESTMENTS:

Icon Bank; dated 8/11/14 due 8/11/15 @ .61 %.....	241,192.33
Plains State Bank; 05/12/15 due 11/12/15 @ .30%.....	240,959.28
Independent Bank formerly BOH; 06/14/15 due 12/14/15 @ .45%.	241,496.41
Texan Bank; 5/15/15 due 5/15/16 @ .75%.....	99,595.64

HARRIS CO MUD #162

Cash Report for Meeting of August 11th, 2015      Page :    5

DEMAND DEPOSIT INVESTMENTS:

Compass Bank; #43836.....		935,170.23
balance last report	963,055.51	
06/01 interest	132.72	
06/15 service charge	18.00-	
08/11 trf to chck	28,000.00-	
Texpool; 78539-25659-00002.....		5,077.78
previous balance	5,077.48	
06/30 interest	0.30	
Spirit of Texas MM 7002262.....		208,351.04
previous balance	208,271.42	
06/25 interest	79.62	
previous investments	1,999,648.07	
interest	212.64	
transfers	28,000.00-	
withdrawals	< 18.00 >	
ending investments		1,971,842.71

GENERAL OPERATING FUNDS AVAILABLE August 11th, 2015

=====

\$1,992,754.81

=====

4

HARRIS CO MUD #162

Cash Report for Meeting of August 11th, 2015 Page : 6

COLLECTIONS ACCOUNT (0230Q) : CENTRAL BANK 3290551

Previous cash balance, July 14th, 2015	5,240.49
plus: 1150: water & sewer revenue.....	21,533.59
plus: 2161: customer meter deposits.....	2,250.00
plus: 4300: reg wtr auth revenue.....	23,970.52
plus: 4330: penalties & interest-svc accts.....	1,639.51
Total Deposits :	49,393.62
less: 06/02 ret fee.....	7.50
less: 06/02 elec db.....	28.00
less: corr 5/29 dep.....	10.00
less: rev 5/5 cc not clrd.....	93.91
less: 08/11 trf to OP Compass.....	52,000.00
Beginning cash balance, August 11th, 2015	2,494.70
06/01-07/31 previous cash balance	5,240.49
63 receipts	49,393.62
other disbursements	< 52,139.41 >
ending cash balance	2,494.70
COLLECTIONS ACCOUNT FUNDS AVAILABLE August 11th, 2015	<u><u>\$2,494.70</u></u>

**HARRIS COUNTY M.U.D. # 162**

Operating Budget for Fiscal Year Ending 7/31/2015

Comparison as of August 11, 2015

Recap of Revenues and Expenditures

	AMENDED 12/9/2014			12 months		
	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	dollar variance
<b>REVENUES</b>						
Water and Sewer	29,557.97	38,833.33	466,000	494,154.15	466,000.00	28,154.15
Water Revenue	6,036.05	16,666.67	200,000	198,164.51	200,000.00	(1,835.49)
Sewer Revenue	15,681.30	14,583.33	175,000	172,311.84	175,000.00	(2,688.16)
Penalty & Interest	1,639.51	1,250.00	15,000	17,438.82	15,000.00	2,438.82
Bulk Water Sales	1,006.50	1,666.67	20,000	13,486.35	20,000.00	(6,513.65)
SPA Revenue	5,194.61	4,583.33	55,000	74,257.63	55,000.00	19,257.63
Tap Connection Fees	0.00	0.00	0	17,935.00	0.00	17,935.00
Facility / Sewer Inspects	0.00	83.33	1,000	560.00	1,000.00	(440.00)
Other Revenue	32,087.51	77,065.50	924,786	888,592.17	924,786.00	(36,193.83)
Maintenance Tax	2,836.23	44,796.17	537,554	564,077.34	537,554.00	26,523.34
Interest Income	219.76	250.00	3,000	5,217.31	3,000.00	2,217.31
Xfer from Capital Projects	0.00	0.00	0	10,043.31	0.00	10,043.31
WHCRWA Revenue	23,970.52	26,541.67	318,500	248,449.21	318,500.00	(70,050.79)
WHCRWA Capital Credits	5,061.00	5,061.00	60,732	60,732.00	60,732.00	0.00
Miscellaneous *	0.00	416.67	5,000	73.00	5,000.00	(4,927.00)

<b>TOTAL REVENUES</b>	61,645.48	115,898.83	1,390,786	1,382,746.32	1,390,786.00	(8,039.68)
-----------------------	-----------	------------	-----------	--------------	--------------	------------

	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	dollar variance
<b>EXPENDITURES</b>						
District Management	5,098.79	3,066.67	49,800	34,778.65	49,800.00	15,021.35
District Consultants	13,754.01	11,541.67	147,300	132,093.28	147,300.00	15,206.72
District Operations	57,078.65	68,575.00	822,900	904,594.82	822,900.00	(81,694.82)
Special Projects	2,675.01	22,000.00	264,000	56,060.35	264,000.00	207,939.65

<b>TOTAL EXPENDITURES</b>	78,606.46	105,183.33	1,284,000	1,127,527.10	1,284,000.00	156,472.90
---------------------------	-----------	------------	-----------	--------------	--------------	------------

<b>SURPLUS OR (DEFICIT)</b>	(16,960.98)	10,715.50	106,786.00	255,219.22	106,786.00	
-----------------------------	-------------	-----------	------------	------------	------------	--

() indicates an unfavorable variance

Beginning Balance	2,011,285.49	1,735,636.54
Net Surplus or (Deficit)	(16,960.98)	255,219.22
Deposits Received	2,250.00	15,550.00
Deposits Refunded	(1,325.00)	(11,156.25)
Ending Balance	1,995,249.51	1,995,249.51

Cash Report Balance	1,995,249.51	
Customer Deposits	60,925.00	Customer Deposits on file as of 10/31/2014
Cash Available	1,934,324.51	

Operating acct	1,992,754.81
Collections acct	2,494.70
	1,995,249.51

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

8

**HARRIS COUNTY M.U.D. # 162**

Operating Budget for Fiscal Year Ending 7/31/2015

Comparison as of August 11, 2015

Breakout of Expenditures

	12 months					
	MTD	MTD	Annual	YTD	YTD	dollar
	Actual	Budget	Budget	Actual	Budget	variance
<b>EXPENDITURES</b>						
<b>DISTRICT MANAGEMENT</b>	<b>5,098.79</b>	<b>3,066.67</b>	<b>49,800</b>	<b>34,778.65</b>	<b>49,800.00</b>	<b>15,021.35</b>
Director Fees	2,250.00	1,916.67	23,000	14,700.00	23,000.00	8,300.00
Director Payroll Taxes	-172.12	150.00	1,800	1,046.83	1,800.00	753.17
Election Expense	0.00	0.00	0	0.00	0.00	0.00
Publish Legal Notices	0.00	83.33	1,000	0.00	1,000.00	1,000.00
Travel Expenses/Registration	3,020.91	916.67	11,000	6,602.82	11,000.00	4,397.18
Membership Dues	0.00	0.00	1,000	1,525.00	1,000.00	(525.00)
Insurance & Bonds	0.00	0.00	12,000	10,904.00	12,000.00	1,096.00
<b>DISTRICT CONSULTANTS</b>	<b>13,754.01</b>	<b>11,541.67</b>	<b>147,300.00</b>	<b>132,093.28</b>	<b>147,300.00</b>	<b>15,206.72</b>
Legal Fees	2,404.75	3,333.33	40,000	32,670.77	40,000.00	7,329.23
Legal - General	2,404.75	3,333.33	40,000	32,670.77	40,000.00	7,329.23
Legal - Special	0.00	0.00	0	0.00	0.00	0.00
Auditing Fees	0.00	0.00	8,800	9,000.00	8,800.00	(200.00)
Engineering Fees	4,847.38	2,500.00	30,000	19,193.97	30,000.00	10,806.03
Engineering - General	4,847.38	2,500.00	30,000	19,193.97	30,000.00	10,806.03
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	1,700.00	1,333.33	16,000	20,625.00	16,000.00	(4,625.00)
Operator	4,801.88	4,375.00	52,500	50,603.54	52,500.00	1,896.46
Operator Fees - General	4,801.88	4,375.00	52,500	50,603.54	52,500.00	1,896.46
Operator Fees - Special	0.00	0.00	0	0.00	0.00	0.00
<b>DISTRICT OPERATIONS</b>	<b>57,078.65</b>	<b>68,575.00</b>	<b>822,900</b>	<b>904,594.82</b>	<b>822,900.00</b>	<b>(81,694.82)</b>
Repairs and Maintenance	11,168.84	19,000.00	228,000	152,584.24	228,000.00	75,415.76
R&M - Water Plant	2,824.01	5,500.00	66,000	37,020.94	66,000.00	28,979.06
R&M - Water Distribution	6,910.76	8,833.33	106,000	94,630.32	106,000.00	11,369.68
R&M - Wastewater Collection	1,194.07	3,500.00	42,000	15,702.98	42,000.00	26,297.02
R&M - General	240.00	1,166.67	14,000	5,230.00	14,000.00	8,770.00
Bulk Water Purchased	0.00	83.33	1,000	0.00	1,000.00	1,000.00
Sewer Service Purchased	0.00	12,916.67	155,000	168,914.71	155,000.00	(13,914.71)
Lab Fees	1,060.31	833.33	10,000	7,331.69	10,000.00	2,668.31
Chemicals	367.20	333.33	4,000	2,427.93	4,000.00	1,572.07
Utilities	1,913.53	2,333.33	28,000	23,008.92	28,000.00	4,991.08
Permits & Assessments	0.00	625.00	7,500	7,394.20	7,500.00	105.80
Cost of Taps & Inspections	0.00	83.33	1,000	9,525.00	1,000.00	(8,525.00)
Office Expense	840.26	791.67	9,500	9,869.12	9,500.00	(369.12)
Postage	862.81	783.33	9,400	9,443.23	9,400.00	(43.23)
Water Conservation	0.00	208.33	2,500	0.00	2,500.00	2,500.00
Miscellaneous	983.40	208.33	2,500	218,280.03	2,500.00	(215,780.03)
Surface Water Fees	39,882.30	30,375.00	364,500	295,815.75	364,500.00	68,684.25
<b>SPECIAL PROJECTS</b>	<b>2,675.01</b>	<b>22,000.00</b>	<b>264,000</b>	<b>56,060.35</b>	<b>264,000.00</b>	<b>207,939.65</b>
Ammonia Analyzer	0.00	4,166.67	50,000	0.00	50,000.00	50,000.00
Sewer line cleaning/televising	0.00	3,541.67	42,500	19,734.21	42,500.00	22,765.79
Middlegate Sanitary Rehab	2,675.01	12,083.33	145,000	29,176.27	145,000.00	115,823.73
Engineering	2,675.01	2,083.33	25,000	18,597.63	25,000.00	6,402.37
Construction	0.00	10,000.00	120,000	10,578.64	120,000.00	109,421.36
Driveway	0.00	2,208.33	26,500	7,149.87	26,500.00	19,350.13
<b>TOTAL EXPENDITURES</b>	<b>78,606.46</b>	<b>105,183.33</b>	<b>1,284,000</b>	<b>1,127,527.10</b>	<b>1,284,000.00</b>	<b>156,472.90</b>

## Fiscal Year 8/1/14-7/31/15

	02/14	10/14/14	11/11/14	12/01/14	1/13/15	2/10/15	3/10/15	04/14/15	05/12/15	06/09/15	07/14/15	08/11/15	Totals
REVENUES:													
WATER & SEWER REVENUE	40,388.85	35,288.92	49,067.17	37,887.91	38,618.51	55,379.51	57,060.21	37,729.17	40,630.55	38,789.10	35,769.28	29,557.97	494,164.16
Water Revenue	19,065.37	12,775.84	29,735.07	19,958.68	23,610.65	12,731.24	26,105.50	9,384.17	10,918.48	13,729.47	14,555.39	6,036.05	197,585.91
Sewer Revenue	14,599.11	15,952.10	14,005.84	15,220.87	13,423.27	15,712.93	11,272.33	13,973.88	14,126.51	14,709.87	14,212.43	15,681.30	172,890.44
Penalty & Interest	1,592.83	1,467.03	1,452.56	1,626.96	1,584.59	1,641.71	1,323.98	1,420.68	1,291.43	1,271.50	1,126.08	1,636.51	17,438.82
Bulk Water Sales	0.00	0.00	0.00	1,061.40	0.00	971.50	423.40	0.00	8,975.50	353.80	794.25	1,006.50	13,488.35
SPA Revenue	5,128.54	5,093.95	4,873.70	0.00	0.00	23,762.13	0.00	12,970.48	5,418.63	6,734.46	5,081.15	5,194.61	74,257.63
Tap Connection Fees	0.00	0.00	0.00	0.00	0.00	0.00	17,935.00	0.00	0.00	0.00	0.00	0.00	17,935.00
Inspections	0.00	0.00	0.00	0.00	0.00	560.00	0.00	0.00	0.00	0.00	0.00	0.00	560.00
OTHER REVENUE	35,607.80	35,013.84	30,256.48	51,924.19	58,159.13	379,815.16	141,787.83	31,085.74	27,101.21	39,982.82	25,810.66	32,087.51	888,892.17
Maintenance Tax	981.47	1,092.82	286.77	5,458.69	34,504.68	356,749.99	140,058.48	10,373.11	4,923.38	4,453.97	2,357.95	2,836.23	564,077.34
Interest Income	565.18	96.53	230.39	642.04	718.72	86.64	170.49	201.36	206.46	1,314.25	765.49	219.76	5,217.31
Xfer from Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,043.31	0.00	0.00	10,043.31
WHCROWA Revenue	28,827.15	28,763.49	24,878.32	22,827.45	17,874.73	17,917.53	14,412.66	15,450.27	16,910.37	19,090.29	17,626.22	23,970.52	248,449.21
WHCROWA Capital Credits	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	5,061.00	60,732.00
Miscellaneous	73.00	0.00	0.00	17,935.00	0.00	0.00	(17,935.00)	0.00	0.00	0.00	0.00	0.00	73.00
TOTAL REVENUES	75,993.65	70,302.56	79,323.65	69,782.10	96,777.64	435,194.57	198,828.04	68,814.91	67,731.76	76,781.82	61,579.94	61,845.48	1,382,746.32
EXPENDITURES:													0.00
Director Fees	900.00	750.00	1,500.00	900.00	900.00	1,800.00	600.00	1,350.00	1,200.00	900.00	1,650.00	2,250.00	14,700.00
Director Payroll Taxes	587.79	-68.38	-140.75	450.11	-68.87	-137.68	459.02	-103.28	(91.80)	458.99	(126.22)	(172.12)	1,048.63
Election Expense	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
Publish Legal Notices	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
Travel Expenses/Registration	0.00	5.16	5.94	3.36	2.80	1,333.58	1,455.75	465.82	34.50	0.00	275.00	3,020.91	6,602.82
Membership Dues	0.00	180.00	455.00	890.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,525.00
Insurance & Bonds	0.00	0.00	9,654.00	1,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,904.00
Legal Fees	2,130.10	2,772.81	2,234.59	2,549.24	2,626.80	2,621.95	3,558.28	3,605.78	2,828.10	0.00	5,338.40	2,404.78	32,670.77
General Legal	2,130.10	2,772.81	2,234.59	2,549.24	2,626.80	2,621.95	3,558.28	3,605.78	2,828.10	0.00	5,338.40	2,404.78	32,670.77
Special Legal	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
Auditing Fees	0.00	0.00	7,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00
Engineering Fees	1,781.39	160.26	0.00	6,371.52	0.00	885.92	2,127.27	879.66	1,132.78	1,007.79	0.00	4,847.38	19,193.97
General Engineering	1,781.39	160.26	0.00	6,371.52	0.00	885.92	2,127.27	879.66	1,132.78	1,007.79	0.00	4,847.38	19,193.97
Special Engineering	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
Financial Advisor Fees	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
Bookkeeper Fees	3,100.00	1,500.00	1,650.00	1,500.00	1,700.00	1,500.00	1,550.00	1,700.00	1,550.00	1,625.00	1,550.00	1,700.00	20,625.00
Operator	4,789.04	4,817.68	3,631.60	3,320.33	3,225.38	3,498.62	3,848.79	3,785.07	4,026.80	3,737.06	6,921.13	4,801.88	60,603.64
General Operator	4,789.04	4,817.68	3,631.60	3,320.33	3,225.38	3,498.62	3,848.79	3,785.07	4,026.80	3,737.06	6,921.13	4,801.88	50,603.54
Special Operator	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
Repairs and Maintenance	7,993.85	5,437.18	17,906.30	3,672.85	8,419.51	8,579.33	8,469.84	10,852.66	12,156.77	48,888.16	11,069.93	11,168.84	162,684.24
R&M - Water Plant	6,307.77	3,080.75	3,453.36	2,914.31	2,188.38	1,396.91	1,475.12	6,078.27	943.79	3,403.48	2,954.79	2,824.01	37,020.94
R&M - Water Distribution	954.58	1,391.43	11,038.84	663.54	5,231.13	5,359.07	6,429.36	2,412.48	11,161.98	36,773.89	6,303.26	6,910.76	94,630.32
R&M - Wastewater Collection	38.50	490.00	2,749.10	0.00	525.00	208.35	280.36	1,696.91	0.00	6,710.81	1,811.88	1,194.07	15,702.98
R&M - General	665.00	475.00	665.00	95.00	475.00	1,615.00	285.00	665.00	50.00	0.00	0.00	240.00	5,230.00
Bulk Water Purchased	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
Sewer Service Purchased	10,854.00	10,854.00	10,836.00	10,836.00	21,726.00	0.00	10,890.00	25,148.41	0.00	11,830.73	55,939.57	0.00	168,914.71
Lab Fees	1,150.22	1,086.17	489.14	241.00	711.25	479.29	474.26	601.60	642.50	196.37	199.58	1,060.31	7,331.69
Chemicals	0.00	347.28	569.71	347.48	0.00	0.00	0.00	0.00	430.28	0.00	365.98	387.20	2,427.93
Utilities	4,000.58	2,092.77	21.91	3,728.71	21.91	125.08	3,567.75	2,104.78	3,352.41	226.24	1,853.25	1,913.53	23,006.92
Permits & Assessments	0.00	0.00	0.00	1,898.45	3,639.60	1,856.15	0.00	0.00	0.00	0.00	0.00	0.00	7,394.20
Cost of Taps & Inspections	325.00	5,250.00	325.00	275.00	0.00	0.00	3,200.00	0.00	150.00	0.00	0.00	0.00	9,825.00
Office Expense	1,056.01	846.29	815.81	788.89	786.95	784.43	743.08	1,019.85	371.23	1,001.26	835.06	840.26	9,669.12
Postage	874.36	759.60	781.63	824.65	830.94	884.25	758.95	483.96	831.89	760.00	810.19	862.81	9,443.23
Water Conservation	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
Miscellaneous	0.00	0.00	25.00	0.00	0.00	78.00	0.00	10,607.68	205,896.27	689.70	0.00	983.40	218,280.03
Surface Water Fees	33,112.40	28,943.70	26,268.60	19,448.20	18,341.60	16,902.25	23,745.45	18,451.55	21,520.45	22,240.00	28,961.25	39,882.30	285,815.75
Ammonia Analyzer	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
Sewer line cleaning/televising	19,067.39	0.00	0.00	609.94	0.00	56.68	0.00	0.00	0.00	0.00	0.00	0.00	19,734.21
Middlegate Sanitary Rehab	0.00	0.00	0.00	0.00	0.00	0.00	9,757.33	2,782.13	2,682.25	700.91	10,578.64	2,675.01	29,176.27
Engineering	0.00	0.00	0.00	0.00	0.00	0.00	9,757.33	2,782.13	2,682.25	700.91	0.00	2,675.01	18,597.63
Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,578.64	0.00	10,578.64
Driveway	0.00	0.00	0.00	5,188.94	0.00	1,670.11	32,494.35	310.82	0.00	-32,494.35	0.00	0.00	7,149.87
	91,692.13	65,734.70	84,229.48	65,072.67	64,893.65	42,998.16	107,700.12	84,026.48	258,713.43	59,787.88	124,221.76	78,806.46	1,156,703.37
Net Surplus/(Deficit)	(15,698.48)	4,667.66	(4,905.83)	24,719.43	31,913.79	392,296.51	91,127.92	(18,211.85)	(190,881.67)	16,994.04	(62,841.82)	(16,960.98)	226,042.96
Customer Deposits	1,675.00	1,925.00	1,800.00	1,350.00	800.00	725.00	475.00	845.36	1,329.64	1,075.00	1,300.00	2,250.00	15,550.00
Customer Deposits Refunds	-850.00	-2,840.00	-900.00	0.00	-1100.00	-1426.25	-450.00	-575.00	-485.00	-1035	-470	-1325	-11166.25
Due To / (From) C A													0.00
Cash balance at FYE 51 735 836 54	1,720,763.06	1,724,715.92	1,720,710.09	1,746,779.52	1,778,393.31	2,169,988.57	2,261,141.49	2,246,200.30	2,058,083.27	2,073,097.31	2,011,285.49	1,995,249.51	1,986,073.24



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

'200

<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>	<u>Ck #</u>	<u>Karen Odell</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		
1/13/2015	4489	150.00	4485	300.00	4487	150.00	4488	150.00	4486	150.00		
2/10/2015	4517	450.00	4513	300.00	4515	450.00	4516	150.00	4514	450.00		
3/10/2015	4536	150.00			4534	150.00	4535	150.00	4533	150.00		
4/14/2015	4557	600.00			4555	150.00	4556	150.00	4554	150.00	4553	300.00
5/12/2015	4577	300.00			4575	300.00	4576	300.00			4574	300.00
6/9/2015	4597	300.00			4592	150.00	4593	150.00	4595	150.00	4591	150.00
7/14/2015	4619	450.00			4616	300.00	4618	300.00	4617	300.00	4615	300.00
8/11/2015	4638 4644	450.00 300.00			4639 4641	450.00 150.00	4643	150.00	4642	150.00	4637 4640	450.00 150.00
Total Paid to Date		3,900.00	1,950.00		3,000.00		2,100.00		2,100.00		1,650.00	
REMAINING AMOUNT JULY 31, 2015		3,300.00	5,250.00		4,200.00		5,100.00		5,100.00		5,550.00	

ENERGY REPORT 2014-2015

MID-AMERICAN ENERGY

												YTD TOTAL	
Service Address	7/1-7/31	7/31-8/29	8/29-9/30	9/30-10/29	10/29-12/1	12/1-1/2	1/2-2/2	2/2-3/3	3/3-4/1	4/1-5/1	5/1-6/2	6/2-7/1	
15403 Willow River	11,712	13,440	12,864	10,560	10,752	10,752	10,176	11,904	9,005	9,408	10,368	10,752	48,676
AMOUNT PAID	\$1,942.94	\$24.33	\$1,946.72	\$1,748.35	\$1,761.44	\$1,743.81	\$1,699.60	\$1,863.18	\$1,584.78	\$1,659.30	\$1,722.50	\$1,787.35	14,313.15

CENTERPOINT

												YTD TOTAL	
Service Address	7/3-8/4	8/4-8/3	9/3-10/2	10/2-10/31	10/31-12/3	12/3-1/6/15	1/6-2/5/15	2/5-3/6	3/6-4/6	4/6-5/5	5/5-6/4	6/4-7/2	
15403 Willow River	12	7	7	8	5	13	13	12	8	12	12	12	86
AMOUNT PAID	\$25.23	\$22.57	\$21.91	\$22.57	\$21.91	\$25.91	\$25.09	\$24.48	\$23.12	\$24.49	\$24.49	\$19.05	212.80
TOTAL ENERGY PAID	\$1,968.17	\$46.90	\$1,968.63	\$1,768.92	\$1,783.35	\$1,769.72	\$1,724.69	\$1,887.67	\$1,607.90	\$1,683.79	\$1,746.99	\$1,806.40	\$14,525.95

# INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for  
HARRIS COUNTY MUD #162

Prepared for the reporting period ("Period") from

7/1/2015

to

7/31/2015

13

Demand Deposit Accounts		Rate			Begin Value for Period	Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period		
fund	Money Market Savings									
DS	Compass Bank	0.20%			212,883.33	27.10	(154,318.00)	58,592.43		
CA	Compass Bank	0.20%			36,538.21	5.94	(18.00)	36,526.15		
OA	Compass Bank	0.20%			963,055.51	132.72	(18.00)	963,170.23		
OA	Spirit of Texas	0.60%			208,271.42	79.62	0.00	208,351.04		
		0.27%			1,420,748.47	245.38	-154,354.00	1,266,639.85		

<i>Investment Pools</i>		Rate	Beginning Value for Period			Interest earned	Deposits or	Ending Value for Period		
fund			Book	N.A.V.	Market	this period	(Withdrawals)	Book	N.A.V.	Market
DS	Texpool	0.0630%	1,229.12	1.00004	1,229.17	0.00	0.00	1,229.12	1.00005	1,229.18
CA	Texpool	0.0630%	1,501.11	1.00004	1,501.17	0.00	0.00	1,501.11	1.00005	1,501.19
OP	Texpool	0.0630%	5,077.43	1.00004	5,077.63	0.35	0.00	5,077.78	1.00005	5,078.03
		0.0630%	7,807.66		7,807.97	0.35	0.00	7,808.01		7,808.40

<i>Certificates of Deposits</i>			Purchase	Term in	Begin Value	Interest accrued	Deposits or	Ending Value	Date of	Date of
fund			Value	Days	for Period	this period	(Withdrawals)	for Period	Purchase	Maturity
OA	Icon Bank	0.61%	240,807.94	365	242,111.87	124.76	0.00	242,236.62	08/11/14	08/11/15
OA	Independent Bank/BOH	0.45%	241,496.41	183	241,547.03	92.30	0.00	241,639.32	06/14/15	12/14/15
OA	Plains State Bank	0.30%	240,959.28	184	241,058.30	61.40	0.00	241,119.70	05/12/15	11/12/15
OA	Texan Bank	0.75%	99,595.64	366	99,691.82	63.44	0.00	99,755.27	05/15/15	05/15/16
		0.4892%	822,859.27	366	824,409.02	342.59	0.00	840,366.93	106	

total investments      0.3527%      830,666.93      366      2,252,965.46      588.32      -154,354.00      2,114,814.79      wam:      43

## 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.

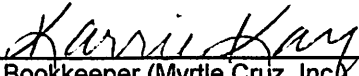
## Review.

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.

Myrtle Cruz, Inc. Invest.xls version 2.4

  
Investment Officer (please sign & date)  
Karrie Kay - Recent PFIA Training Date: 10/2013

  
Bookkeeper (Myrtle Cruz, Inc.)  
Karrie Kay - Recent PFIA Training Date: 10/2013

# Deposit / Collateral Report by District

# PLEDGE

## HARRIS COUNTY MUD 162

BBVA Compass Bank

Tax ID - Pledge: 742058283-20081

Pledge Date: 08/03/2015

1st. Consultant: MCI-MYRTLE CRUZ, INC.

Accounts Through: 7/31/2015 10:00 PM

2nd. Consultant:

Memo Posts Through: NO MEMO POSTS

## Deposits

### Interest Account

Acct No	Funds Type	Class	Balance	Interest	Total
0000043836	Interest Account		\$963,274.11	\$0.00	\$963,274.11
0000070490	Interest Account		\$65,010.58	\$0.00	\$65,010.58
0000073072	Interest Account		\$36,513.07	\$0.00	\$36,513.07
Subtotal Interest Account			\$1,064,797.76	\$0.00	\$1,064,797.76

### Bond Fund

Acct No	Funds Type	Class	Balance	Interest	Total
2514455123	Bond Fund		\$212,900.67	\$0.00	\$212,900.67
Subtotal Bond Fund			\$212,900.67	\$0.00	\$212,900.67
Total Deposits			\$1,277,698.43	\$0.00	\$1,277,698.43

## Securities

Agency	Custodian	CUSIP	Maturity Date	Date Pledged	Units Pledged	Market Value
FHLB-A-LO	CH	80426	06/26/2016	06/26/2015 02:44 PM	1,500,000	\$1,500,000.00
Total Securities Pledged					1,500,000	\$1,500,000.00

## DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	\$1,064,797.76
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$212,900.67
TOTAL DEPOSITS	\$1,277,698.43
LESS APPLICABLE FDIC	
Subtotal Interest Deposits	\$250,000.00
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$212,900.67
Deposits Requiring Collateral	\$814,797.76
TOTAL SECURITIES PLEDGED	\$1,500,000.00
DEPOSIT COLLATERAL POSITION - 100%	\$685,202.24
DEPOSIT COLLATERAL POSITION - 105%	\$644,462.35
	184%

14

TAX COLLECTOR'S OATH

Harris County MUD #162 }

STATE OF TEXAS

COUNTY OF Harris }

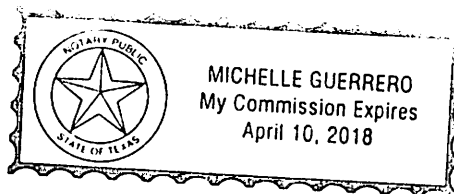
BOB LEARED, BEING duly sworn, states that he is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Bob Leared  
BOB LEARED

SWORN TO AND SUBSCRIBED BEFORE ME, this 1st day of  
August, 2015.

Michelle Guerrero  
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on \_\_\_\_\_.

Exhibit C

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

7/31/2015

Taxes Receivable: 8/31/2014	\$	28,272.07	
Reserve for Uncollectables	(	6,571.02)	
Adjustments		<u>77.02</u>	\$ <u>21,778.07</u>
Original 2014 Tax Levy	\$	675,831.05	
Adjustments		<u>90,751.70</u>	<u>766,582.75</u>
<b>Total Taxes Receivable</b>			<b>\$ 788,360.82</b>
Prior Years Taxes Collected	\$	8,514.96	
2014 Taxes Collected ( 97.7%)		<u>749,539.82</u>	<u>758,054.78</u>
<b>Taxes Receivable at: 7/31/2015</b>			<b>\$ <u>30,306.04</u></b>

2014 Receivables:

Debt Service	4,338.20
Maintenance	12,704.73

---

*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**

	<b>Month of 7/2015</b>	<b>Fiscal to Date 8/01/2014 - 7/31/2015</b>
<b>Beginning Cash Balance</b>	\$ 28,929.20	43,816.13
<b>Receipts:</b>		
Current & Prior Years Taxes	134.27-	757,921.46
Penalty & Interest		6,376.43
Additional Collection Penalty		2,935.57
Overpayments		1,485.44
Refund - due to adjustments	137.50	3,555.46
Notice to Purchaser		10.00
Rendition Penalty		305.88
<b>TOTAL RECEIPTS</b>	\$ 3.23	772,590.24
<b>Disbursements:</b>		
Atty's Fees, Delq. collection	148.65	3,115.23
CAD Quarterly Assessment		5,944.00
Publications, Legal Notice		850.90
Refund - due to adjustments	137.50	3,555.66
Refund - due to overpayments		1,483.80
Transfer to Debt Service Fund		200,000.00
Transfer to General Fund	2,836.23	564,077.34
Internal Bank Charges		78.14
Tax Assessor/Collector Fee	922.90	11,020.80
CAD Map Copy Fees		13.00
Rendition Penalty		12.20
Postage	15.26	444.57
Audit Preparation		200.00
Records Maintenance	30.00	120.00
Copies		434.50
Envelopes		96.15
Notice to Purchaser		10.00
Duplicate Statements		4.75
Parking Expense		15.00
Mileage Expense	13.80	102.24
<b>TOTAL DISBURSEMENTS</b>	(\$ 4,104.34 )	( 791,578.28 )
<b>CASH BALANCE AT: 7/31/2015</b>	\$ <u>24,828.09</u>	<u>24,828.09</u>

HARRIS COUNTY M.U.D. #162

Disbursements for month of August, 2015

Check #	Payee	Description	Amount
1054	West Patricia A	Refund - due to adjustments	\$ 137.50
1055	Bob Leared	Tax Assessor/Collector Fee	945.56
TOTAL DISBURSEMENTS			\$ 1,083.06
Remaining Cash Balance			\$ <u>23,745.03</u>

Wells Fargo Bank, N.A.



# HARRIS COUNTY M.U.D. #162

## HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 7/2015	Adjustments To Collections 7/2015	Total Tax Collections at 7/31/2015	Total Taxes Receivable at 7/31/2015	Collection Percentage
2014	3.23	137.50-	749,539.82	17,042.93	97.777
2013			713,070.83	3,061.78	99.572
2012			711,367.51	2,025.79	99.716
2011			709,934.09	2,888.59	99.595
2010			709,313.42	1,275.64	99.820
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 98.842 )

# HARRIS COUNTY M.U.D. #162

## HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2014	139,378,610	00/11	.550000	90,751.70		766,582.75
2013	126,413,486	00/17	.566500	34,472.65		716,132.61
2012	125,929,939	00/28	.566500	61,327.20		713,393.30
2011	125,829,222	00/39	.566500	53,152.89		712,822.68
2010	126,893,627	07/42	.560000	89,938.05	15.26	710,589.06
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	195,130.19	.410000	571,452.56
2013	.200000	252,827.04	.366500	463,305.57
2012	.200000	251,859.94	.366500	461,533.36
2011	.210000	264,241.44	.356500	448,581.24
2010	.250000	317,227.28	.310000	393,361.78
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 REPORT. TRANSFERRED TO  
REFUNDS DUE TO ADJ# 11, 2014 TAXES, ACCT# 0101-001-0170

**HARRIS COUNTY M.U.D. #162**

<b>Tax Exemptions:</b>	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	10/03/2013	250.00
11/1/13-11/1/16		

<b>Adjustment Summary:</b>	2014	
10/2014	/ CORR 002	65,767.57
11/2014	/ CORR 003	17,919.94
12/2014	/ CORR 004	6,443.24
1/2015	/ CORR 005	620.48
2/2015	/ CORR 006	205.90-
3/2015	/ CORR 007	7.83
4/2015	/ CORR 008	607.81
5/2015	/ CORR 009	565.65
6/2015	/ CORR 010	837.42-
7/2015	/ CORR 011	137.50-
<b>TOTAL</b>		<b>90,751.70</b>

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

<u>Account no.</u>	<u>Property Owner</u>	<u>Tax</u> <u>Year</u>	<u>Last</u> <u>Payment</u> <u>Amount</u>	<u>Last</u> <u>Payment</u> <u>Date</u>	<u>Balance</u> <u>Due</u>
*Total	Count 0				
(I) - BLI Contract	(A) - Delinquent Attorney Contract				

**HARRIS COUNTY M.U.D. #162****Top Delinquent Taxpayers**

7/30/15 (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

<b>Taxpayer</b>	<b>2014</b>	<b>Prior Years</b>	<b>This Month Totals</b>
<b><u>COMMERICAL</u></b>			
COPPERFIELD ATHLETIC CORP 15800 LOGENBAUGH 77095	9,125.98		9,125.98
NORTHWEST PETROLEUM LP 8497 HIGHWAY 6 N 77095	206.20		206.20
*	9,332.18		9,332.18
<b><u>PERSONAL</u></b>			
REMAX WEST HOUSTON 07825 HIGHWAY 6 N 77095	111.65		111.65
NORTHWEST PETROLEUM INC 08497 HIGHWAY 6 N 77095	99.87		99.87
DEBBY FAY MCCOLLUM 08319 CLOVER GARDENS DR	35.27	85.21	120.48
AR CUSTOM FLOORS	12.29	25.32	37.61
HOUSTON BUSINESS SALES 15418 GLENWOOD PARK DR 7	3.45		3.45
EROSION SOLUTIONS 07802 PINE FALLS DR 7709	2.75	6.18	8.93
AMERICAN LIMOS AND SEDANS		411.10	411.10
FHCO 08303 HIGHWAY 6 N 77095		189.76	189.76
*	265.28	717.57	982.85
<b><u>RESIDENTIAL</u></b>			
HOLLIDAY GREGORY S 7518 RIVER GARDEN DR 770	971.53		971.53
GOSHORN LILY & DANIEL 7702 CLUB LAKE DR 77095	913.55		913.55
S GREEN MARVIN 8302 TOWN CREEK DR 77095	838.10	2,361.90	3,200.00
BERROSPE PHILIP & MARIA L 8407 FORESTSIDE LN 77095	768.76		768.76
Q BYRD RONALD E 7610 CLUB LAKE DR 77095	701.25		701.25
ESLAMI PAULETTE S 15334 PEBBLE LAKE DR 770	637.31		637.31
D RAVIN JESSE L & ALICE 8111 TOWN CREEK DR 77095	612.00	2,930.21	3,542.21

**HARRIS COUNTY M.U.D. #162**

**Top Delinquent Taxpayers**

7/30/15 (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
VONBADEN GREGORY & LANNA 15330 MEADOW VILLAGE DR	599.50	526.85	1,126.35
D PHILLIPS THOMAS W 8207 SILENT CEDARS DR 77	591.98	5,678.87	6,270.85
JOHNSON ARTHUR LEE SR 8134 SILENT CEDARS DR 77	353.31		353.31
Q AMADOR G C & MARY 8530 PEARL LAKE DR 77095	158.70		158.70
D BACHEMIN GLORIA 15302 QUIET CREEK DR 770		1,047.71	1,047.71
*	7,145.99	12,545.54	19,691.53
<b>Report Totals</b>	16,743.45	13,263.11	30,006.56
<b>Total delinquent</b>	16,743.45	13,263.11	30,006.56



CERTIFICATE OF POSTING NOTICE  
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

I hereby certify that at 11:27 A.M. on August 5, 2015, 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 Norton Rose Fulbright US LLP, 1301 McKinney, 47<sup>th</sup> floor, Houston, Texas, being a place convenient to the public in the administrative office of the District.

EXECUTED this 5 day of August 2015.

  
\_\_\_\_\_



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 July-15

### WATER PLANT SUMMARY

		July-15	HGCSD YTD
Produced from Well	2.98%	487,000 gal	3,476,000 gal
Purchased from WHCRWA	97.02%	15,871,000 gal	74,337,000 gal
WHCRWA Allocated Withdrawal	12/1/14 to 11/30/15		180,000,000 gal
Amount Remaining on WHCRWA allocation			102,187,000 gal
Months Remaining on WHCRWA allocation			3 months

COMMENTS:

### ACCOUNTABILITY SUMMARY

		July-15	Last 13 Months
Metered & Billed	6/30/2015 to 7/29/2015	14,433,000 gal	See attached Spreadsheet
Amount Used to Maintain System		53,000 gal	
STP usage		28,000 gal	
Amount Produced From Well	6/30/2015 to 7/29/2015	488,000 gal	
Water Purchased - WHCRWA		14,808,000 gal	
<b>Water Sold - MUD 163</b>		<b>330,000 gal</b>	
Water Sold - MUD 186	Monthly	114,000 gal	
Water Sold - MUD 208	Monthly	146,000 gal	
Percent Water Accountability		98.56%	93.51%

Comments:

### BUILDER DAMAGES

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

### OPERATIONS EXPENSES

	July-15	12 Months (FYTD)
Operational Services	\$ 5,062.85	\$ 50,879.48
Customer Account Transfers	\$ 480.00	\$ 3,180.00
Terminations	\$ 340.00	\$ 1,940.00
Administrative Services	\$ 378.59	\$ 5,646.00
Taps/Inspections	\$ -	\$ 9,525.00
Temporary Meter Maintenance	\$ 50.00	\$ 100.00
Chemicals	\$ 367.20	\$ 2,418.93
Laboratory Expense	\$ 1,060.31	\$ 7,135.32
Water Plant Expense	\$ 2,824.01	\$ 33,644.45
Water Distribution Repairs	\$ 6,910.76	\$ 57,856.43
Meter Replacement	\$ 190.00	\$ 5,130.00
Wastewater Collection Repairs	\$ 1,194.07	\$ 25,292.17
Special Projects	\$ -	\$ 2,762.69
<b>TOTAL AMOUNT INVOICED</b>	<b>\$ 18,857.79</b>	<b>\$ 205,510.47</b>

Exhibit D

# MAINTENANCE SUMMARY

July-15

## Water Plant Maintenance

### No New Items to Report

## Water Line Maintenance

### Hydrant Maintenance

We are continuing to repair the items noted during the hydrant survey. Three hydrants are scheduled to be raised  
We are waiting on parts.

Estimated Cost	\$	5,150.00	Cost to Date	\$	1,367.86
----------------	----	----------	--------------	----	----------

### Valve Survey

#### Budget Item

Approved 1/15

Southdown valve survey is complete. Repairs are continuing.

Estimated Cost	\$	7,500.00 including repairs	Cost to Date	\$	4,622.06
----------------	----	----------------------------	--------------	----	----------

### Valve Replacement

Approved 6/15

We are waiting on Centerpoint to schedule a time to brace their pole that is in the area of the excavation.

Estimated Cost	\$	10,000.00	Cost to Date	\$	4,150.05
----------------	----	-----------	--------------	----	----------

### Meter Vaults

The new vault covers have been ordered.

1) Hwy 6 at Forest Trails

Approved 7/15

Estimated Cost	\$	1,850.00
----------------	----	----------

2) Lowery Elementary School Vault

Approved 7/15

Estimated Cost	\$	2,450.00
----------------	----	----------

## Sewer Line Maintenance

### No New Items to Report

## Administrative

### No New Items to Report



**HARRIS COUNTY MUD No.162**  
**WATER ACCOUNTABILITY REPORT**  
 July-15

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	163	179	208				WHCROWA	186	208		
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	26	6965	76	100	0	0	0	0	246	7387	292	7629	0	0	7921	93.26%
11/28/2014 12/31/2014	5555	1197	252	313	29	7346	79	67	0	0	0	0	237	7729	399	8089	0	0	8488	91.06%
12/31/2014 1/30/2015	5044	1032	52	191	35	6354	78	70	0	0	0	0	180	6682	430	6521	0	0	6951	96.13%
1/30/2015 2/27/2015	4845	954	111	248	29	6187	92	74	0	0	2596	0	129	9078	300	9446	0	0	9746	93.15%
2/27/2015 3/31/2015	5265	1095	189	382	33	6964	55	61	0	0	0	0	87	7167	390	7344	0	0	7734	92.67%
3/31/2015 4/30/2015	5657	1272	356	518	31	7834	86	86	0	0	0	0	146	8152	448	8367	0	0	8815	92.48%
4/30/2015 5/29/2015	5415	1252	432	606	24	7729	79	82	0	0	0	0	210	8100	505	8288	0	0	8793	92.12%
5/29/2015 6/30/2015	6896	1500	552	969	36	9953	82	80	0	480	0	0	105	10700	517	11038	0	0	11555	92.60%
6/30/2015 7/29/2015	10937	1408	738	1322	28	14433	146	114	0	330	0	0	53	15076	488	14808	0	0	15296	98.56%
<b>Total</b>	<b>89033</b>	<b>16341</b>	<b>4755</b>	<b>8679</b>	<b>380</b>	<b>119188</b>	<b>1211</b>	<b>1304</b>	<b>0</b>	<b>810</b>	<b>2596</b>	<b>0</b>	<b>1994</b>	<b>127103</b>	<b>5466</b>	<b>130453</b>	<b>0</b>	<b>0</b>	<b>135919</b>	<b>93.51%</b>

Meter Reading Cycle	WHCROWA billed to Customers	WHCROWA bill	WHCROWA Credit	Total
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
11/28/2014 12/31/2014	\$ 16,875.10	\$ 19,362.80	\$ 5,061.00	\$ 2,573.30
12/31/2014 1/30/2015	\$ 15,542.80	\$ 16,857.95	\$ 5,061.00	\$ 3,745.85
1/30/2015 2/27/2015	\$ 15,158.15	\$ 23,757.70	\$ 5,061.00	\$ (3,538.55)
2/27/2015 3/31/2015	\$ 17,061.80	\$ 18,792.30	\$ 5,061.00	\$ 3,330.50
3/31/2015 4/30/2015	\$ 19,193.30	\$ 21,417.55	\$ 5,061.00	\$ 2,836.75
4/30/2015 5/29/2015	\$ 18,923.80	\$ 21,340.85	\$ 5,061.00	\$ 2,643.95
5/29/2015 6/30/2015	\$ 24,318.70	\$ 29,278.95	\$ 5,061.00	\$ 100.75
6/30/2015 7/29/2015	\$ 35,294.70	\$ 38,088.50	\$ 5,061.00	\$ 2,267.20
<b>TOTAL</b>	<b>\$ 254,841.69</b>	<b>\$ 294,586.80</b>	<b>\$ 60,732.00</b>	<b>\$ 20,986.89</b>

January 2015 WHCROWA rate

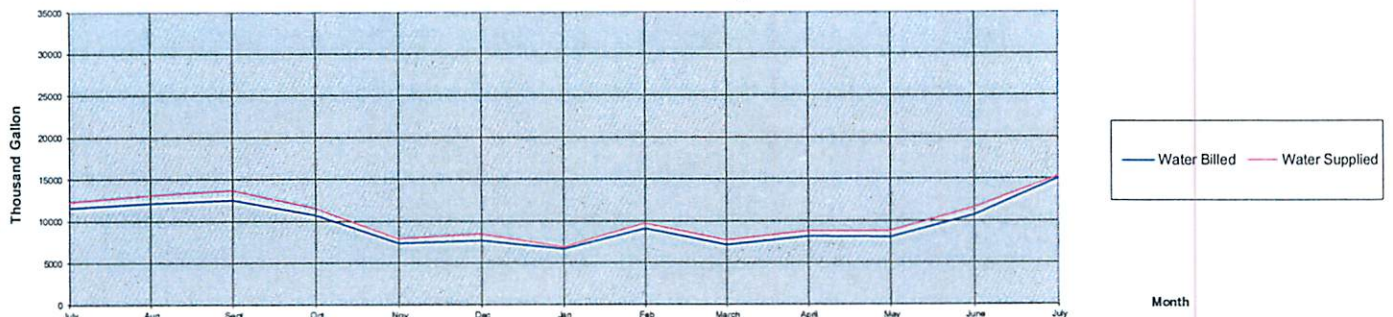
\$2.45 /gal

Includes water sold to MUD 179

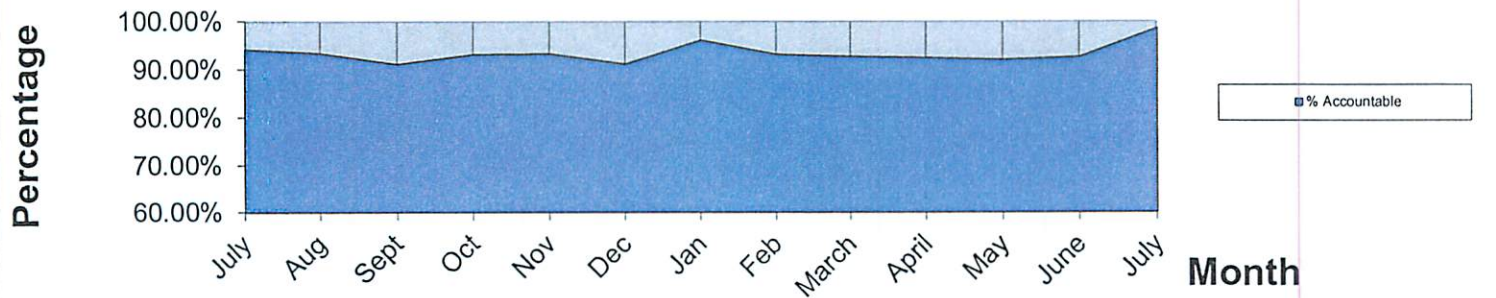
Includes water sold to MUD 163

Includes water sold to MUD 163

### Water Accountability



### % Accountable



Water Sold

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

Unmetered  
 Unmetered  
 Metered  
 Metered



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**  
**July-15**

**TAP CONNECTION SUMMARY**

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Connections	835	51	886
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
Comments:			

**WATER BILL PAYMENTS**

Last Month Receivables		
Deposit	\$	-
Penalty	\$	2,159.95
Sewer	\$	14,747.42
Water	\$	19,746.65
Application Fee	\$	32.50
Grease Trap	\$	514.60
Work Order	\$	(108.62)
WHCRWA	\$	37,489.65
Current Billing		
Sewer	\$	15,316.80
Water	\$	22,549.20
Application Fee	\$	-
Grease Trap	\$	-
Work Order	.	
WHCRWA	\$	35,294.70
Arrears		
30 Day	\$	11,042.35
60 Day	\$	2,739.52
90 Day	\$	10,417.75

**DEPOSIT INFORMATION**


Deposits Balance on File	\$	63,975.00
--------------------------	----	-----------

**BILLING ACTIVITY**





## ENGINEER'S REPORT

Date: August 11, 2015  
To: Harris County MUD No. 162  
From:   
Jonathan M. St. Romain, P.E.  
District Engineer

5. Engineering matters:

- a) Middlegate Village Sanitary Sewer Repairs are currently under construction. We have not had a request for Pay Estimate 2.
- b) We received bids for the water plant driveway repair. Low bid is Camino Services in the amount of \$29,389. We request the Board sign the contract documents. We plan to hold a pre-construction meeting and issue a NTP shortly.
- c) We are due for October tank inspections:

DISTRICT	WATER PLANT	TANK	INSPECTION TYPE	MONTH DUE
HCMUD162	WP1	500K GST W	1-yr	October
HCMUD162	WP1	22.5K HPT N	1-yr	October
HCMUD162	WP1	10K HPT S	1-yr	October

We will be happy to answer any questions.

RESOLUTION REVIEWING INVESTMENT POLICY  
AND MAKING ANY DESIRABLE CHANGES THERETO

WHEREAS, the Board of Directors (the "Board") of Harris County Municipal Utility District No. 162 has adopted an investment policy; and

WHEREAS, the Board of Directors now wishes to review the investment policy and make any desirable changes thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board that:

1. The Board reviewed its investment policy and investment strategies.
2. The Board hereby confirms that a designated representative of the bookkeeper has been designated as the District's Investment Officer.
3. The Board adopts the following revised investment policy and investment strategies:

Updated list of Authorized Brokers

4. The Board has reviewed its methods of purchasing investments and hereby adopts the brokers on the attached list as those brokers that are authorized to engage in investment transactions with the Government Entity.

DATED THIS 11<sup>th</sup> day of August, 2015.

HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 162

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary

RESOLUTION ADOPTING AN AMENDED  
CODE OF ETHICS, FEES AND EXPENSE POLICY,  
INVESTMENT POLICY, POLICIES AND PROCEDURES  
FOR SELECTION AND REVIEW OF CONSULTANTS,  
POLICIES CONCERNING THE USE OF MANAGEMENT  
INFORMATION INCLUDING THE FORMATION OF AN AUDIT  
COMMITTEE, APPOINTING INVESTMENT OFFICER,  
AND CERTAIN OTHER MATTERS

WHEREAS, Harris County Municipal Utility District No. 162 (the "District") is a water district operating pursuant to chapters 49 and 54 of the Texas Water Code; and

WHEREAS, Tex. Water Code Ann. §49.199 requires that the Board of Directors of the District (the "Board") adopt certain policies and procedures in writing, including a code of ethics, an expense policy, an investment policy, policies and procedures for selection and review of consultants, and policies concerning the use of management information and the formation of an audit committee; and

WHEREAS, Tex. Gov't Code §2256.005 (the "*Act*") requires that the Board adopt rules governing the investment of District Funds (defined herein as those funds in the custody of the District that the District has the legal authority to invest); and

WHEREAS, the Board has previously adopted such policies, procedures and rules and now deems it necessary to amend and restate its policies, procedures, and rules; and

WHEREAS, the Board deems it necessary and advisable to designate its bookkeeper as the District's investment officer;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162 THAT:

I.

The Board hereby adopts Attachments A through E hereof as its written policies and procedures required by Tex. Water Code Ann. §49.199 and the Act.

II.

The Board hereby authorizes the District's bookkeeper and any successor bookkeeper to be the District's investment officer and to exercise responsibility for the investment of District Funds in accordance with the provisions of the Act.

III.

The President and the Secretary of the Board are authorized to evidence adoption of this Resolution on behalf of the Board and to do all other things proper and necessary to carry out the intent hereof. This resolution supersedes all previous Resolutions adopting any of the following:



a Code of Ethics, a Travel Expense Policy, an Investment Policy, Policies and Procedures for Selection and Review of Consultants, or Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, and shall be effective on the date of adoption hereof.

## ATTACHMENT A

### CODE OF ETHICS

SECTION 1.           *Purpose.* The purpose of this Code of Ethics is to set forth the standards of conduct and behavior for the members of the Board of the District, and its officers, employees, and persons handling investments for the District (collectively with the Directors, the "District Officials").

SECTION 2.           *Conflicts of Interest.* The District adopts Chapter 171, Government Code, as its Conflict of Interest Policy, the principal provisions of which are as follows: Except where a majority of the Board is required to abstain from participation in a vote because of conflict of interest, a Director will abstain from participating in a decision of the Board which either (1) confers an economic benefit on a business in which the Director or a close relative has a substantial interest, or (2) affects the value of property in which the Director or a close relative has a substantial interest differently from how it affects other real property in the District. For these purposes, a person is considered to have a "substantial interest" in a business if (1) he owns 10% or more of the voting stock or shares of the business entity or owns either 10% or more or \$5,000 or more of the fair market value of the business entity; or (2) funds received from the business exceed 10% of his gross income for the previous year. A Person has a substantial interest in real property if the interest is an equitable or legal interest with a market value of \$2,500 or more. A "close relative" of a Director for these purposes is a person related to the Director within the first degree of affinity or consanguinity.

SECTION 3.           *Conduct of District Business.* Each District Official will conduct all business of the District in a manner consistent with the requirements of the Texas Open Meetings Act.

SECTION 4.           *Acceptance of Gifts.* No District Official shall accept any benefit as consideration for any decision, opinion, recommendation, vote, or other exercise of discretion in carrying out his official acts for the District. No District Official shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the District's Official's discretion. As used herein, "benefit" shall not include:

- (1) A fee prescribed by law to be received by a public servant or any other benefit to which the District Official is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a District Official;
- (2) A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the status of the recipient as a District Official;
- (3) A political contribution, as defined by the Election Code;
- (4) A benefit consisting of food, lodging, transportation, or entertainment accepted as a guest; or

(5) A benefit to a District Official required to file a financial statement under the Texas Election Code that is derived from a function in honor or appreciation of the recipient if

(A) The benefit and the source of any benefit in excess of \$50.00 is reported in the required financial statement;

(B) The benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with its official duties for the District which are non-reimbursable by the District; or

(6) An item with value of less than \$50, excluding cash or a negotiable instrument; or

(7) An item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity.

SECTION 5. *Investment Officer.* An investment officer of the District who has a personal business relationship with an entity seeking to sell an investment to the District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file statement disclosing that relationship. A statement required under this section must be filed with the Board.

## ATTACHMENT B

### FEES AND EXPENSE POLICY

SECTION 1. *Purpose.* The purpose of this Expense Policy is to set forth the policies of the District concerning per diem and travel expenses for members of the Board of the District.

SECTION 2. *Per Diem for Directors.* The Directors are entitled to receive as fees of office \$150 a day for each day of service necessary to discharge their duties; provided the fees shall not exceed a sum of \$6,000 per annum.

SECTION 3. *Attendance at Meetings and Conduct of Other District Business.* Board members may attend conferences and meetings of the Association of Water Board Directors, at the District's expense, whether within or outside the City of Houston. Attendance at other conferences, hearings, or other meetings outside the Houston metropolitan area by the members of the Board must be sanctioned by the Board; attendance at local meetings or conduct of other local District business will be at each Director's discretion. Directors attending any meeting or conducting any District business shall report to the Board concerning the meeting or activity.

SECTION 4. *Expenses Outside of Metropolitan Houston.* The District will pay a reasonable room rate for a director's hotel room, if District business requires that the director be out of Metropolitan Houston, reasonable tips incurred in making the trip, roundtrip mileage at the current IRS mileage rate and parking, if any, for travel by car or roundtrip airfare at current commercial rates for standard (not first class) air fare and reasonable rental car or taxi charges. The District will pay for meals actually eaten and paid for by the Director on a sanctioned trip outside of Metropolitan Houston; provided, however, reimbursement for meals will be limited to \$50 per day. The District will not pay for alcoholic beverages or personal entertainment expenses.

SECTION 5. *Expenses for Local Meetings and Activities.* The District will pay for roundtrip mileage at the current IRS rate for travel by car, parking, and will pay meals directly related to the meeting or activity. Reimbursement for meals will be limited to \$50 per day.

SECTION 6. *Reimbursement.* Directors attending meetings or other activities and wishing to receive a per diem and/or expenses must submit a verified statement showing the number of days actually spent in service to the District and a general description of the duties performed for each day of service. To receive reimbursement for expenses, a Director must also submit an itemized expense report to the bookkeeper before reimbursement is approved by vote of the Board. Items on the expense report shall include lodging, meals, tips, parking and transportation. Directors sharing expense items may split reported expenses in any manner they deem equitable, but the Board will pay no more than 100% of the actual total cost of reimbursable items.

SECTION 7.           *Extraordinary Expenses.* Any extraordinary expenses for a Director attending a sanctioned activity of the District must be approved by the Board prior to incurring the expense.

## ATTACHMENT C

### INVESTMENT POLICY

SECTION 1.       *Purpose.* The purpose of this Investment Policy is to adopt rules and regulations which clearly set forth the District's investment strategy for each of the accounts under its control, emphasize safety of principal and liquidity, address investment diversification, investment limitations, and the quality and capability of investment management, to specify the scope of authority of those officers or employees of the District designated to invest District Funds (defined herein as those funds in the custody of the District and that the District has the legal authority to invest), to designate one or more officers or employees of the District to be responsible for the investment of such District Funds, and to provide for periodic review of the investment of District Funds.

SECTION 2.       *Investment Rules.* The Board of the District adopts the rules attached to this Attachment C as Exhibits 1 through 6 to govern the investment of District Funds and to specify the scope of authority of those officers and employees of the District designated to invest District Funds, which rules shall supersede any investment rules previously adopted by the District. The Board directs that its Investment Officer, the Bookkeeper for the District, and the Tax Assessor/Collector for the District maintain the investments of the District in a manner consistent with those rules and regulations, and with the Public Fund Investment Act, Chapter 2256, Government Code.

SECTION 3.       *Review of District Investments.* The Bookkeeper for the District will report to the Board of the District at each of their regular meetings concerning the status of District investments.

SECTION 4.       *Review of Policy.* The Board shall review this Investment Policy and its investment strategies at least once on an annual basis. In conjunction with its annual financial audit, the Board shall cause to be performed a compliance audit of management controls on investments and adherence to the District's established investment policies.

## EXHIBIT "1"

The following rules shall apply to those funds in the custody of the District that the District has the legal authority to invest ("District Funds").

### A. General Principles

The investment policy of the district is to invest District Funds only in instruments which maintain the principal and liquidity of District Funds, to the extent necessary for District activities. Yield earned on District Funds is a secondary consideration compared to safety of principal and liquidity; however, if safety of principal and liquidity needs are met, the District will invest in instruments which give it the highest yield, except when it must limit yield to comply with any limitations on the investment of District Funds imposed on the District in connection with the issuance of bonds in order to comply with the provisions of section 148 of the Internal Revenue Code of 1986, as amended, or any regulations or rulings pertaining thereto.

### B. Diversification

The District will continuously attempt to diversify its portfolio to reduce risk. The District recognizes that by investing District Funds in investment pools, it can diversify its portfolio because each participant in the pool has a pro rata share of a number of instruments, such as repurchase agreements with various providers.

### C. Maturity

The District will not invest in an obligation which matures more than two years from the date of purchase.

### D. Quality and Capability of Investment Management

The District will employ a Bookkeeper who is experienced in investing public funds and will consult with the Bookkeeper on investment opportunities. The Board will consult with its financial adviser before investing in any investments which are new to it. The Board also recognizes that it may take advantage of professional investment advice by investing in investment pools.

### E. Depositories.

All uninvested District Funds shall be deposited in the District's depository bank or banks unless otherwise required by orders or resolutions authorizing the issuance of the District's bonds. To the extent such District Funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided by law for the security of District funds and each depository shall report the market value of such collateral on its reports to the District. The District shall enter into a depository pledge agreement meeting the standards of the Financial Institutions Reform and Recovery Act with each of its depositories in which it invests more than the Federal Deposit Insurance Corporation insured amount.

F. Disbursements.

Any transfer of District Funds for the benefit of a third person shall, after approval by the Board, be made by a draft executed by at least three directors or by wire transfer pursuant to the District's Wire Transfer Agreement with its depository bank.

G. Authorized Brokers.

The bookkeeper for the District shall present to the Board at least annually a list of Authorized Brokers for approval by the Board.

H. Amendment.

In the event State law changes and the District cannot invest in the investments described in this policy, this policy shall automatically be conformed to existing law.



## EXHIBIT “2”

### Authorized Investments

District Funds may be invested in any category of investments authorized under the Public Funds Investment Act, which has been approved by the Board. The following categories are approved:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
2. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States if the obligation is not:
  - a. an obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
  - b. an obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
  - c. a collateralized mortgage obligation that has a stated final maturity date of greater than 10 years; and
  - d. a collateralized mortgage obligation the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
4. Certificates of deposit issued by a depository institution that has its main office or a branch office in this state which are (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or (2) secured by (a) obligations described in subcaption 1, 2, or 3 above, or (b) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, or (c) secured in any other manner and amount provided by law for deposits of the District; provided such obligations are marked to market at least monthly, have a market value at least equal to the deposit and are pledged to the District only and held by a third-party custodian;
5. An investment pool that meets the requirements of the Public Funds Investment Act, including the maintenance of an AAA, AAA-m or an equivalent rating by at least one nationally recognized rating service; and

6. Other investments authorized by law and approved by the Board by resolution or minute entry.

All transactions, except investments in investment pools and mutual funds (to the extent authorized), shall be settled on a delivery versus payment basis.

## EXHIBIT “3”

### Investment Strategies

The District’s investment strategy for each of its accounts follows:

1. Operating Account. The Operating Account is used for all operations and maintenance needs of the District. The highest priority for this account is safety of principal and liquidity; when these are met, yield is considered. An amount equal to two months of normal operations costs must be kept extremely liquid for normal use; the amount in excess of two months of normal operational costs should be kept in investments that may be liquidated easily if the need arises. The District’s general guidelines for diversification and maturity apply to this account.

2. Debt Service Account. The Debt Service Account is used to pay the District’s debt service. The highest priority for this account is safety of principal. Since the District knows the amount of its debt service and when it becomes due, investments for this account should be structured so that they match debt service needs. When safety of principal and liquidity to match debt service are assured, yield is considered. Since District Funds in this account may not be needed for a year or more, longer term instruments should be considered, within the general guideline for maturity set forth in this investment policy, to increase yield. Since the amount of District Funds in this account will probably be quite large, diversification of investments may be necessary and the District’s general policy on diversification should be used.

3. Capital Projects Account. The Capital Projects Account is used to pay for capital projects of the district. The highest priority for this account is safety of principal. The District believes that it will know ahead of time when disbursements need to be made from this account. Therefore, investments in this account should be structured so they mature or can be liquidated on the dates disbursements must be made. When safety of principal and liquidity to match disbursement dates are assured, yield is considered. Since District Funds in this account may not be needed for a year or more, longer term instruments should be considered, within the general guideline for maturity set forth in this investment policy, to increase yield. Alternatively, bond proceeds which will reimburse the developer may only be in the account for a day or two; in this case, an investment pool should be utilized. Investment diversification for the large amount of District Funds that may be deposited to this account for a day or two can be achieved through use of an investment pool. In cases where the District has a large amount of District Funds in this account for longer periods, the District’s general policy on diversification should be used.

## EXHIBIT "4"

### Authority and Duties of Persons Investing District Funds

The following rules shall apply to those persons designated by the District to invest District Funds.

1. No person may deposit, withdraw, invest, transfer, or otherwise manage District Funds without express written authority of the Board of the District.
2. The bookkeeper for the District, under the supervision of the Board, shall invest and reinvest District Funds only in those investments authorized under this investment policy or by the Board.
3. The bookkeeper for the District, under the supervision of the Board, shall prepare, at the end of each fiscal year, a written report concerning the District's investment transactions for such year and describing in detail the investment position of the District as of the date of the report. The report shall contain a summary statement, of each fund that states the beginning market value for the reporting period, ending market value for the period, and fully accrued interest for the reporting period. The report shall also state (a) the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested, (b) the maturity date of each separately invested asset that has a maturity date, (c) the account for which each individual investment was acquired, and (d) whether the investment portfolio complies with the investment strategy expressed in these investment policies and the Public Funds Investment Act. The report shall be presented to the Board at least quarterly within a reasonable time after the end of the period.
4. In the event District Funds are invested in certificates of deposit, the bookkeeper shall solicit bids from at least two bidders. Bids may be obtained orally, in writing, electronically, or in any combination of those methods.
5. The bookkeeper for the District shall secure an executed copy of the form attached as Exhibit "1-5" from any person selling an authorized investment to the District before the District purchases such authorized investment.

EXHIBIT "5"

ACKNOWLEDGEMENT OF RECEIPT OF INVESTMENT POLICY

1. I am a qualified representative of \_\_\_\_\_ (the "Seller").
2. The Seller proposes to sell certain investments to \_\_\_\_\_  
\_\_\_\_\_ (the "Government").
3. I acknowledge that the Seller has received and thoroughly reviewed the Government's investment policy.
4. I acknowledge that the Seller has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Government and the Seller that are not authorized by the Government's investment policy, except to the extent that this authorization is dependent on an analysis of the make up of the Government's entire portfolio or requires an interpretation of subjective investment standards.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Title:

Business:

## EXHIBIT "6"

### Monitoring Market Price and Ratings of Investments

The bookkeeper will monitor the market price of the District's investments at least quarterly and such information shall be included on each investment report. The following methods of monitoring investments shall be utilized:

1. Certificates of deposit may be valued at their face value plus any accrued but unpaid interest.
2. Shares in money market funds and investment pools may be valued at the current share price.
3. Other investment securities may be valued in any of the following ways, at the discretion of the bookkeeper:
  - a. the lower of two bids for such investment securities from securities dealers;
  - b. the average of the bid and asked prices for such investment securities as published in The Wall Street Journal or The New York Times;
  - c. the bid price published by a nationally recognized pricing service;or
  - d. such other method as may be approved by the Board.

The bookkeeper shall monitor credit ratings of the District's investments and will take all prudent measures consistent with this Investment Policy to liquidate any of the District's investments that fail to meet the minimum required rating for such investment as set forth in the Public Funds Investment Act or Exhibit 2 hereof.

## ATTACHMENT D

### POLICY CONCERNING SELECTION, MONITORING, REVIEW, AND EVALUATION OF PROFESSIONAL CONSULTANTS

SECTION 1.       *Purpose.* The purpose of this Policy Concerning Selection, Monitoring, Review, and Evaluation of Professional Consultants is to set guidelines for the Board concerning its Professional Consultants.

SECTION 2.       *Definition of Professional Consultant.* “Professional Consultant” shall include the District’s attorney, auditor, bookkeeper, financial advisor, and tax assessor/collector, and such other consultants other than employees that the District may hereafter engage.

SECTION 3.       *Selection of Consultants.* Whenever the Board decides to terminate the services of one or more of its Professional Consultants, the Board shall request one or more proposals as required by the Professional Services Procurement Act, Section 2254.001 *et seq.*, Government Code, except where selection of professional consultants is to be conducted by the Board in an open meeting, shall appoint a committee of one or two Directors to review any proposals received by the Board, to interview applicants, and to make a recommendation to the entire Board of Directors concerning the selection.

SECTION 4.       *Monitoring of Professional Consultants.* For those Professional Consultants with annual contracts, the Board will review the performance of the Professional Consultants for the prior year at the time the contract is renewed. The Board of Directors shall review the performance of its other Professional Consultants, upon the request of one or more Directors.

## ATTACHMENT E

### POLICIES RELATING TO USE OF MANAGEMENT INFORMATION AND FORMATION OF AN AUDIT COMMITTEE

SECTION 1.       *Purpose.* The purpose of this Policy Relating to the Use of Management Information and Formation of an Audit Committee for District is to provide written policies concerning the use of management information.

SECTION 2.       *Annual Budget.* Prior to each fiscal year, the Board shall adopt an annual budget for the next fiscal year for use in planning and controlling of costs.

SECTION 3.       *Audit Committee.* The District hereby appoints its Board of Directors as an audit committee to review the annual audit prepared by the District Auditor.

SECTION 4.       *Accounting Standards.* The District hereby directs its auditor to adopt uniform auditing reporting requirements that use "Audits of State and Local Governmental Units" as a guide on audit working papers and that uses "Governmental Accounting and Financial Reporting Standards" for final audit reports (subject to the standards for audits prescribed by applicable Rules of the Texas Commission on Environmental Quality.