

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 9, 2016

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 February 9, 2016 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 and Ms. Alene Efaw 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 January 12, 2016, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of January 12, 2016, 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 Odell, seconded by Director McClure, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of check nos. 4789 through 4807 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 94.4% of its 2015 taxes.

Ms. Rodriguez reviewed the District payment plans with the Board, stating that the Goshorns paid their remaining balance in full.

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 accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1071 through 1073 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 January 2016, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 370,000 gallons of water and purchased 8,490,000 gallons of water from the West Harris County Regional Water Authority ("WHCRWA") during the last period.

Mr. Hoffman reported that the fence repair at the water plant is complete at a final cost of \$27,347.88.

Mr. Hoffman reported that H2O repaired a tapline leak at 15210 Pebble Lake at a final cost of \$1,863.37.

Mr. Hoffman reported that H2O received a propagation study from Mueller and that they are waiting on studies from Master Meter and Neptune. Discussion ensued regarding presentations at the March meeting from the companies that conducted the propagation studies. Mr. Hoffman reported that he will invite Badger Meter, Mueller, Master Meter, and Neptune to present at the March meeting.

Mr. Hoffman stated that H2O is working with the Texas Commission on Environmental Quality ("TCEQ") on a Nitrification Action Plan.

Mr. Hoffman reported that H2O is working with TCEQ to revise the site sampling due to the new TCEQ coliform rule.

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 that the Middlegate Sanitary Sewer project is complete.

Mr. St. Romain introduced Ms. Elfaw, stating that she will be the new Engineer for the District as he will no longer be with BGE.

6. Adopt Order Calling Directors Election. Ms. Shah presented to and reviewed with the Board the Order Calling Directors Election, a copy of which is attached hereto as Exhibit "F." Ms. Shah informed the Board that a Directors election is scheduled to occur on May 7, 2016 and that three Directors are up for election. Discussion ensued regarding the

Election Judge and location at which to hold the election. Upon motion by Director McClure, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Order Calling Directors Election, to appoint Janet Rickelman as the Election Judge and Early Voting Clerk and to hold the election at 8150 Silent Cedars.

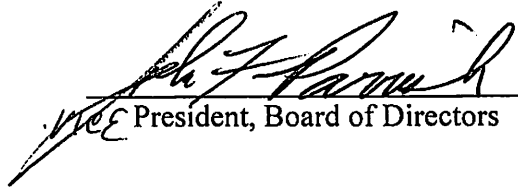
7. Discuss Copperfield Joint Operations Board (“CJOB”) meeting. Director McClure reported that members of CJOB met with WHCRWA on January 11, 2016 to discuss the water reimbursement credits. Director McClure stated that at the suggestion of WHCRWA, AECOM submitted revised spreadsheets that clarified the assumptions and included the revenue from Hearthstone County Club and that Ms. Cogburn prepared a letter specifically stating what CJOB is requesting, which was submitted with the spreadsheets to the WHCRWA for review at their finance committee meeting on January 19, 2016.

8. Review District website. There was no discussion on this item.

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 March 8, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

