

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 8, 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 March 8, 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, except for Director Johnson. 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, Mr. Joshua Board, and Ms. Donnice Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. David Perkins and Mr. Gary Struzick, candidates for the Board of Directors for West Harris County Regional Water Authority ("WHCRWA"); and Ms. Shaila Shah of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The Vice 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. Public Comments. Director McClure recognized Mr. Struzick, who stated that he is running for a position on the WHCRWA Board of Directors. Mr. Struzick discussed his background and qualifications with the Board and requested the District's vote.

Director McClure recognized Mr. Perkins, who stated that he is running for Mr. Struzick's position on the WHCRWA Board of Directors. Mr. Perkins discussed his background and qualifications with the Board and requested the District's vote.

2. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of February 9, 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 February 9, 2016, as presented.

3. Review Bookkeeper's Report and authorize payment of bills. Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report, the

Operating Budget, the Cash Flow Comparison and the Energy Usage Report, copies of which are attached hereto as Exhibit "B."

Upon motion by Director Odell, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of check nos. 4808 through 4825 from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report, and to approve the Investment Report.

4. Review report by Tax Assessor and Collector's Report and authorize payment of certain bills. Ms. Rodriguez presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as Exhibit "C." Ms. Rodriguez stated that the District has collected 96.1% of its 2015 taxes.

Ms. Rodriguez presented a letter from the owner of Sears Roebuck and Company, a copy of which is attached hereto as Exhibit "D." Ms. Rodriguez stated that the owner is requesting that the Board waive the penalty and interest from the bill in the amount of \$272.16. Ms. Rodriguez stated that the tax payment was mailed accidentally to the Harris County Appraisal District and was returned to the owner. Discussion ensued. The Board agreed not take any action due to the rules in the Tax Code regarding penalty and interest.

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. 1074 through 1077 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

5. Review and approve Operations Report and authorize repairs. Mr. Board presented to and reviewed with the Board the Operations Report for the month of February 2016, a copy of which is attached hereto as Exhibit "E." Mr. Board reported that the District pumped 385,000 gallons of water and purchased 8,047,000 gallons of water from the WHCRWA during the last period.

Mr. Board reported that the water plant fence was pressure washed and the project is complete at a final cost of \$3,171.86.

Mr. Board reported that H2O received a propagation study from Neptune. Mr. Board suggested that a special meeting be scheduled for the automatic meter companies to present their products to the Board. The Board agreed to schedule a special meeting the week of March 21st and Ms. Shah agreed to coordinate the meeting.

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

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

Mr. Board presented a letter from the resident at 15815 Knoll Lake Drive, a copy of which is attached to the Operator's Report. Mr. Board stated that the resident is requesting a credit to his \$196.65 bill. Mr. Board discussed the circumstances with the Board, stating that his

October 2015 check was returned and he incurred a \$25.00 NSF fee. Mr. Board stated that the water meter was turned off at a cost of \$20.00 and that the resident turned the water meter back on. Mr. Board stated that the meter was then pulled and once the bill was paid, the meter was re-installed and turned back on at a cost of \$20.00. Extensive discussion ensued regarding credit options to provide to the customer. The Board agreed not to take any action on the request.

6. Automatic Meter Presentations. There was no action taken on this item.

7. Review Engineer's Report. Ms. Efaw presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F." Ms. Efaw stated that the reports from the water plant tank inspections along with recommendations for repairs were sent to H2O for review.

Ms. Efaw stated that the 610k ground storage tank yearly exterior inspection will be scheduled for May 2016.

8. Approve Certification of Unopposed Status. Ms. Shah presented to and reviewed with the Board the Certification of Unopposed Status, a copy of which is attached hereto as Exhibit "G." Ms. Shah stated that there will not be an election for the District. Upon motion by Director Parrish, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Certification of Unopposed Status.

9. Adopt Order Declaring Unopposed Candidates Elected to Office. Ms. Shah presented to and reviewed with the Board the Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as Exhibit "H." 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 adopt the Order Declaring Unopposed Candidates Elected to Office.

10. Discuss Copperfield Joint Operations Board ("CJOB") meeting. Director McClure reported there is no update on the grey water project. Ms. Shah stated that the Project Information Form was submitted to the Texas Water Development Board on February 26, 2016.

Director McClure stated that the engineers presented their rehabilitation recommendations on the shared sewer line on Willow River Drive, stating that the cost of the rehabilitation would be shared between the District and Harris County Municipal Utility District No. 163. Director McClure stated that CJOB did not authorize the rehabilitation and suggested combining the rehabilitation with the next sewer line segment rehabilitation.

11. Review District website. Director McClure stated that the website was up to date, but that the 2016 Calendar of Events had been replaced with the 2014 Calendar of Events.

Director Parrish stated that customers had emailed him and Director Johnson stating that the links do not work.

Ms. Hoffman stated that H2O is working on setting up online bill payment. Ms. Hoffman presented examples from other websites. Discussion ensued.

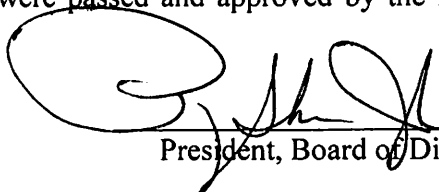
Ms. Shah asked the Board if they are interested in having another website company, Off Cinco, present at the April meeting. Ms. Shah stated that Off Cinco will be

presenting at another Copperfield district in March. The Board requested feedback after the presentation.

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 April 12, 2016.



President, Board of Directors

ATTEST:


Secretary, Board of Directors

