

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 12, 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 April 12, 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 McClure. Also attending all or parts of the meeting were Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Ms. Karrie Kay of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Chris Hoffman and Mr. Joshua Board of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. Gary Struzick, candidate for the Board of Directors for West Harris County Regional Water Authority ("WHCRWA"); and Ms. Shaila Shah and Ms. Jane Maher 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. Public Comments. Director Johnson recognized Mr. Struzick, who stated that he is running for a position on the WHCRWA Board of Directors. Mr. Struzick stated that he wanted to give the Board the opportunity to ask any questions that they might have before voting. There were no questions for Mr. Struzick.

2. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of March 8, 2016, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of March 8, 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. 4826 through 4853 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 97.2% of its 2015 taxes.

Ms. Rodriguez stated that the District has entered into one payment plan for the collection of delinquent taxes and that the first payment under such plan was received.

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. 1078 through 1080 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 March 2016, a copy of which is attached hereto as Exhibit "D." 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 H2O recommends spot repairs to the exteriors of both Ground Storage Tanks and the Hydro Tanks at the Water Plant at an estimated cost of \$10,500.

Mr. Board reported that the annual generator preventative maintenance and load tests were completed at a final cost of \$1,625.83. Mr. Board stated that the generator performed well.

Mr. Board stated that annual preventative maintenance of the booster pump was completed at a final cost of \$1,289.11 and that the block heater will need to be replaced.

Mr. Board stated that the annual well engine preventive maintenance was completed at a final cost of \$910.23 and that the engine performed well.

Mr. Board discussed the special meeting for the Automatic Meter Program with the Board. The Board agreed to continue monitoring the progress with other districts before moving forward.

Mr. Board reported that the fire hydrant maintenance was completed at a final cost of \$1,322.36.

Mr. Board reported that the annual flow test was completed on all of the fire hydrants in the District at a final cost of \$1,328.03.

Mr. Board reported that the annual isolation valve survey was completed at a final cost of \$1,199.94.

Mr. Board reported that H2O responded to a sewer back up on Pebble Lake. Mr. Board stated that the main line was blocked with grease and that H2O removed the blockage and restored service. Mr. Board stated that the Texas Commission on Environmental Quality (“TCEQ”) was notified because wastewater did spill from the manhole.

Mr. Board requested approval to begin the Phase E of the cleaning and televising of the sewer line.

Mr. Board reported that H2O submitted the required update for the Total Coliform Rule to the TCEQ on March 31, 2016.

Mr. Board stated that H2O is working on a new Nitrification Action Plan based on the information received from TCEQ on March 28, 2016.

Mr. Board reported on a letter from a customer requesting that the Board waive a late fee in the amount of \$82.18. Discussion ensued.

Mr. Hoffman presented to and reviewed with the Board the 2015 Water Audit, a copy of which is attached hereto as Exhibit “E.” Mr. Hoffman stated that the Water Audit was submitted to the Texas Water Development Board.

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 authorize H2O to complete the spot repairs on the Ground Storage Tanks and the Hydro Tanks, to authorize H2O to begin Phase E of the cleaning and televising of the sewer line, and to deny the waiver request from the resident for \$82.18.

6. 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 BGE provided address and waterline maps to H2O for compliance with the Total Coliform Requirement.

Ms. Efaw reported on the cleaning and televising of Phase E, stating that it will include approximately 9,200 linear feet of sanitary sewer pipes.

7. Vote for Candidate to be elected to WHCRWA Board of Directors. Upon motion by Director Parrish, seconded by Director Rickelman, after full discussion and the question being put to the Board, the Board voted, with four Directors voting in favor, and Director Odell voting nay, to cast their ballot for Mr. Struzick to be elected to the WHCRWA Board of Directors.

8. Discuss Copperfield Joint Operations Board (“CJOB”) meeting. Mr. Board reported that CJOB approved the lightning protection at the Operations Building, the replacement of blower motor #2, and replacements to the belt press. Mr. Board reported that there is no update on the greywater project.

9. Review District website. The Board requested that Ms. Shah invite Off Cinco to present at the May Board meeting. Discussion ensued regarding the payments made to Texas Network.

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 May 10, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

