

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 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 7546 Club Lake Drive, Houston, Texas, on July 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 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 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; Ms. Karen Meyer, Ms. Liz Phillips, Ms. Janet Comber, Ms. Carla Laird, Ms. Janet Smith, Mr. Richard Rosenberg, Mr. Cesar Ravines, and Ms. Deeanne Rosenberg, residents of the District; Mr. Frank Garcia from Harris County Flood Control District; and Ms. Jana Cogburn 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. The Vice President recognized the residents of the District who had concerns with the recent flooding. The residents stated that there were five houses on Windy Glen that flooded in April and May. Discussion ensued regarding the houses affected, the amount of rain involved in the flooding, and drainage in the District. The residents requested that the District conduct a study to determine the reason for the flooding on Windy Glen. Ms. Cogburn requested information be sent to the Engineer from the residents regarding the dates of the flooding and the addresses of the houses affected.

The residents exited the meeting.

Ms. Efaw stated that a preliminary drainage impact study could be conducted to determine the need for additional studies and/or repairs. Ms. Efaw stated that the cost for a drainage impact study would be between \$26,000 and \$30,000. The Board requested that Ms. Efaw prepare a proposal for the August meeting.

2. Approve Minutes. Consideration was given to the approval of the minutes of the regular meeting of June 14, 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 June 14, 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 Rickelman, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to authorize payment of check nos. 4910 through 4941 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 97.7% of its 2015 taxes.

Ms. Rodriguez reported that the Hunn's defaulted on their payment plan.

Ms. Rodriguez stated that the Delinquent Tax Attorney began collections on July 1, 2016.

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. 1090 through 1093 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 June 2016, a copy of which is attached hereto as Exhibit "D." Mr. Board reported that the District pumped 450,000 gallons of water and purchased 9,025,000 gallons of water from the West Harris County Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reported that the exterior coating repairs at the Water Plant are almost complete at an estimated cost of \$12,000.

Mr. Board reported that H2O inspected the control room and found that the coating is failing. Mr. Board stated that H2O is recommending coating the lower three feet of the concrete block building at an estimated cost of \$10,500. 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 coating of the block building at an estimated cost of \$10,500.

Mr. Board reported that H2O is recommending installation of a total chlorine and ORP analyzer and an ammonia analyzer for the monitoring of the incoming surface water and the outgoing distribution water. Mr. Board stated that the total chlorine and ORP analyzer is

\$7,380.63 and the ammonia analyzer is \$15,000. Discussion ensued regarding the current analyzers. 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 authorize H2O to purchase a total chlorine and ORP analyzer and ammonia analyzer for the ingoing surface water monitoring. 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 authorize H2O to purchase a total chlorine and ORP analyzer and an ammonia analyzer for the outgoing distribution water monitoring.

Mr. Board discussed the Automatic Meter Program with the Board, stating that he will continue to update the Board with progress from the other districts before moving forward.

Mr. Board reported that the valve survey in Northmead Village is almost complete.

Mr. Board reported that the Phase E cleaning and televising of the sanitary sewer line is complete and that H2O is waiting on the reports.

Mr. Board reported that from the Phase E cleaning and televising of the sanitary sewer line, H2O located clean out #427 buried in the rear easement of 15734 Mesa Gardens. Mr. Board reported that H2O raised the cleanout to grade and installed a box around the cleanout at a final cost of \$2,135.82.

Mr. Board presented to and reviewed with the Board the draft Nitrification Action Plan (“NAP”), a copy of which is attached to the Operator’s Report. Mr. Board stated that H2O is continuing to monitor the Nitrate and Nitrite levels at the Water Plant and in the District. Mr. Board stated that H2O is following the NAP in areas that show elevated levels of Nitrates and Nitrites.

Mr. Board reported on the opening of the Puppy Primper, stating that it opened in the Boardwalk Shopping Center and that the owner has refused to participate in plan review and inspection. Mr. Board reported that if the owner continues to refuse, H2O will contact the property manager and if they still do not comply, the water will be shut off.

6. Review Engineer’s Report. Ms. Efav presented to and reviewed with the Board the Engineer’s Report, a copy of which is attached hereto as Exhibit “E.”

Ms. Efav reported that F&L Coatings is working on the exterior coating repairs to the 610,000 tank at the Water Plant.

Ms. Efav stated that H2O is coordinating the cleaning and televising of Phase E of the sanitary sewer lines.

Ms. Efav reported on a sanitary sewer manhole at 7506 River Garden Drive, stating that the homeowner is concerned about his collapsing driveway around the manhole. Discussion ensued regarding the history of the driveway. Ms. Board stated that the H2O cleaned and televised the line in September 2015 and did not find any issues. Ms. Board stated that this is a Copperfield Joint Operations Board (“CJOB”) issue and he will present it at the CJOB meeting on July 13, 2016.


7. Discuss Copperfield Joint Operations Board (“CJOB”) meeting. Director McClure stated that CJOB is still waiting on the green project ranking from the Texas Water Development Board.

8. Review District website and take any necessary action. The Board agreed to discuss the website and the proposals at the August meeting.

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

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The foregoing minutes were passed and approved by the Board of Directors on August 9, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

