

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 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 August 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 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, resident of the District; Ms. Shannon Waugh of Off Cinco; Mr. Tyson Duncan of AECOM; 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. Public Comments.** The President introduced Ms. Meyer, who requested information regarding the studies conducted in the District related to flooding. Ms. Efaw stated that information was gathered by the Copperfield Coalition in the past to conduct a study, but that the study was never completed. Ms. Efaw stated that she would be presenting a proposal for a drainage impact study to the Board at today's meeting.

**2. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of July 12, 2016, copies of which were previously distributed to the Board. Director Parrish stated that there was a mistake on page 1. 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 approve the minutes of the regular meeting of July 12, 2016, as corrected.

**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 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. 4942 through 4961 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 District website and take any necessary action.** Director Parrish reported that the website is still not updated with the correct information.

Ms. Waugh briefly reviewed her proposal with the Board.

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 engage Off Cinco for website design in the terms specified in their proposal.

**5. Discuss Copperfield Joint Operations Board ("CJOB") meeting.** Director McClure introduced Mr. Duncan, Engineer for CJOB. Mr. Duncan reported that the Texas Water Development Board ("TWDB") ranked the CJOB water reuse project no. 7 on the initial invited green project list. Mr. Duncan stated that based on the ranking, the water reuse project has been approved to be subsidized. Mr. Duncan discussed the process to submit the State Revolving Fund ("SRF") application with the Board, stating that they have until the end of September to submit the application in order to be eligible for debt forgiveness. Discussion ensued.

Mr. Duncan discussed the financial responsibility of the individual Copperfield districts, stating that the District would be responsible for between 15% and 17% of the total costs if all six districts in Copperfield participate.

Mr. Duncan reported that CJOB sent a request for additional water reimbursement credits to West Harris County Regional Water Authority ("WHCRWA"). Mr. Duncan stated that two people on the WHCRWA finance committee are opposed to approving the additional water reimbursement credits that the Board is requesting. Mr. Duncan stated that CJOB plans to follow up with the WHCRWA. Discussion ensued.

**6. 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 97.9% of its 2015 taxes.

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. 1094 through 1096 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**7. Review and approve Operations Report and authorize repairs.** Mr. Board presented to and reviewed with the Board the Operations Report for the month of July 2016, a copy of which is attached hereto as Exhibit "D." Mr. Board reported that the District pumped 572,000 gallons of water and purchased 15,593,000 gallons of water from the WHCRWA during the last period.

Mr. Board reported that the exterior coating repairs at the Water Plant are complete at a final cost of \$13,850.43.

Mr. Board reported that the contractor is ordering materials for the control room coating repair project.

Mr. Board reported that H2O is ordering the total chlorine & ORP analyzer and the ammonia analyzer for the surface water and distribution water monitoring.

Mr. Board stated that H2O replaced the ballast, photo cell, wiring, and the conduit on the control room flood light at a final cost of \$3,531.30.

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 complete and that H2O has started the repairs.

Mr. Board reported that H2O is beginning the valve survey in Middlegate.

Mr. Board reported that the Phase E cleaning and televising of the sanitary sewer lines is complete and that H2O is reviewing the tapes at a cost to date of \$20,720.69.

Mr. Board reported that H2O is scheduling the semi-annual line cleaning along Windy Cove and Meadow Village.

Mr. Board stated that H2O is continuing the bench line testing for the Nitrification Action Plan.

**8. Consider the possible termination of water and sewer service to the Puppy Primper and take any necessary action.** Mr. Board reported that the management company for the Boardwalk Shopping Center, where the Puppy Primper is located, contacted H2O to discuss the opening process for the Puppy Primper. Mr. Board stated that he will email the management company regarding what is needed and the management company will follow up with the owner. Discussion ensued regarding how to proceed. Upon motion by Director Parrish, seconded by Director McClure, after full discussion and the question being put to the Board, the Board voted unanimously to authorize H2O to tag the shopping center on September 8, 2016 and shut off the water on September 13, 2016 if the plans are not submitted and approved by BGE and the inspection by H2O is not completed in a timely manner.

**9. 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 "E."

Ms. Efaw stated that she is reviewing the taps from the Phase E cleaning and televising.

**10. Review proposal from Engineer regarding drainage impact study and take any necessary action.** Ms. Efaw presented to and reviewed with the Board a proposal for a topographic survey and a drainage impact study ("study"), a copy of which is attached to the Engineer's Report. Ms. Efaw stated that the total cost of the study will be \$43,400 and that it will

cover 52 acres. Ms. Efav stated that the study is the first step to determine what improvements are needed in the District. She noted that the District will work with Harris County Flood Control. 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 authorize BGE to conduct the study at a cost of \$43,300.

**11. 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 Rickelman, seconded by Director Odell, 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.

**12. Discuss options for Copperfield Water Reuse Project with Financial Advisor.** 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 September 13, 2016.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors

