

MINUTES OF MEETING OF BOARD OF DIRECTORS  
January 10, 2017

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 January 10, 2017 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 and Mr. Yousef Husain of BGE, Inc. ("BGE"), engineers for the District; 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. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of December 13, 2016, copies of which were previously distributed to the 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 approve the minutes of the regular meeting of December 13, 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 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. 5086 through 5109 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 73.7% of its 2016 taxes.

Ms. Rodriguez reviewed the delinquent account list with the Board and stated that the Goshorns and Johnsons are on payment plans and made payments in December 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. 1116 through 1118 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**4. Consider Property Tax Exemptions.** Ms. Rodriguez presented to and reviewed with the Board the Order Adopting Exemptions from Taxation, a copy of which is attached hereto as Exhibit "D." Ms. Rodriguez noted that the District currently has a tax exemption in place for individuals who are disabled or are 65 years of age or older. 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 adopt an Order Authorizing Exemption from Taxation for \$25,000 of the appraised value of residence homesteads within the District for individuals who are disabled or are 65 years of age or older.

**5. Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** Ms. Rodriguez presented to and reviewed with the Board the Order Authorizing Additional Penalty on Delinquent Taxes under Sections 33.07, 33.11 and 33.08, Tax Code (the "Resolution"), a copy of which is attached hereto as Exhibit "E." Ms. Rodriguez reported that the revenue collected by levying this penalty is used to pay the delinquent tax attorney for the services provided to the District. 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 adopt the Resolution.

**6. Review and approve Operations Report and authorize repairs.** Mr. Board presented to and reviewed with the Board the Operations Report for the month of December 2016, a copy of which is attached hereto as Exhibit "F." Mr. Board reported that the District pumped 708,000 gallons of water and purchased 6,956,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reported that the control room coating repair is complete at a final cost of \$11,707.14.

Mr. Board reported that the total chlorine & ORP analyzer and the ammonia analyzer for both the surface water monitoring and the distribution water monitoring have been installed and that the training is complete. Mr. Board stated that the final cost was \$50,702.50.

Mr. Board updated the Board with progress on the Automatic Meter Program by other nearby districts.

Mr. Board reported that H2O repaired a main break leak at 8403 Windy Cove. Mr. Board stated that the sidewalk and the landscaping will be invoiced in February. Mr. Board reported that the cost to date is \$2,360.05.

Mr. Board stated that H2O repaired a tap line leak at 8403 ½ Windy Cove Court at a final cost of \$1,361.38.

Mr. Board stated that H2O investigated a broken fire hydrant on Quite Creek and replaced it at an estimated cost of \$6,500.

Mr. Board requested approval to replace a fire hydrant on West Road that is broken at the lower barrel at a cost of \$6,500. 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 authorize H2O to replace the fire hydrant at a cost of \$6,500.

Mr. Board reported that H2O has begun the survey of the Northmead manholes.

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

Mr. Board stated that H2O worked with BGE to provide the requested information to WHCRWA on water quality.

Mr. Board reported on the website, stating that H2O and the attorney are reviewing and responding to the emails.

**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 "G."

Ms. Efaw reported on the sanitary sewer rehabilitation project for Southdown Village, Section 1, stating that the plans are with Harris County for review.

Ms. Efaw stated that the inspections of the water plant ground storage tank no. 1 and the two hydroneumatic tanks (internal and external) inspections were completed. Ms. Efaw stated that BGE does not recommend recoating or a rehabilitation project at this time.

Ms. Efaw stated that the drainage impact study was submitted to Harris County Flood Control ("HCFC") the week of November 14, 2016. Ms. Efaw stated that BGE received comments from HCFC and is addressing them. Ms. Efaw introduced Mr. Husain who presented to and reviewed with the Board the Drainage Impact Study, a copy of which is attached hereto as Exhibit "H." Mr. Husain discussed the rain gages in the District and reviewed the major rain events measured at the gages between 1994 and 2015. Discussion ensued. Ms. Efaw discussed the next steps with the Board, stating that after approval from HCFC, a rehabilitation project can be discussed. Discussion ensued on additional funding for the project.

**8. Review Eminent Domain filing.** Ms. Shah reviewed with the Board the required filing of the Eminent Domain Annual Report to the Comptroller of Public Accounts. Ms. Shah stated that such documentation is required to be filed by February 1, 2017.

**9. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director McClure stated a new secretary was elected to the Board.


Director McClure stated that the AECOM engineers are updating the grey water plans with the assistance of Mr. Gary Struzick, a member of the WHCRWA Board of Directors.

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 February 14, 2017.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors

