

MINUTES OF MEETING OF BOARD OF DIRECTORS  
February 14, 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 February 14, 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. 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. ("MCI"), bookkeeper for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of BGE, Inc. ("BGE"), engineers for the District; and Ms. Shaila Shah and Ms. Erika Smiley 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. **Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of January 10, 2017, copies of which were previously distributed to the Board. Upon motion by Director McClure, 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 January 10, 2017, 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."

Ms. Kay noted there was a wire transfer in the amount of \$16,650.00 for the District's series 2012 bond payment.

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 Bookkeeper's Report, to authorize payment of check nos. 5110 through 5138 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. Approve Quarterly Investment Report.** The Investment Report was approved as part of the Bookkeeper's 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 94.8% of its 2016 taxes.

Ms. Rodriguez informed the Board that the Copperfield Athletic Club ("CAC") is contesting their property value and have not paid their 2016 taxes. She also noted that CAC is required to pay taxes on the amount they are not contesting.

Ms. Rodriguez stated that Sears, a retail store within the District, is closing and this may affect the SPA revenue.

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 accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1119 through 1121 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. Hoffman presented to and reviewed with the Board the Operations Report for the month of January 2017, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 396,000 gallons of water and purchased 7,031,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Hoffman reported that accountability is lower than normal this month due to tapline and waterline leaks.

Mr. Hoffman stated that H2O sloped the drainage away from the control building at the water plant and replaced the sod at a final cost of \$1,465.89.

Mr. Hoffman reported that the heaters in the Chlorine Room and the Ammonia Room were replaced at a final cost of \$1,910.25 and \$1,892.48 respectively.

Mr. Hoffman stated that H2O investigated and found that the lighting around the water plant was out. They replaced the breaker and switch to the parking lot circuit and pulled new wire at a final cost of \$3,218.86

Mr. Hoffman stated that H2O repaired a main break at 8403 Windy Cove Court at a final cost of \$4,303.50.

Mr. Hoffman stated that H2O investigated a broken fire hydrant on Quiet Creek and replaced it at a final cost of \$6,039.68.

Mr. Hoffman stated that H2O investigated a broken fire hydrant on West Road and Highway 6. It was replaced at an estimated cost of \$6,500.

Mr. Hoffman stated that H2O replaced a leaking tapline at 15303 Sterling Lake at a final cost of \$3,504.16.

Mr. Hoffman reported that H2O has completed the survey of the Northmead manholes and are reviewing the needed repairs.

Mr. Hoffman reported that H2O investigated a sinkhole on Pebble Lake and found that the sewer line connection main is broken and needs to be replaced at an estimated cost of \$4,000.

Mr. Hoffman reported that H2O is scheduling a semi-annual line cleaning for Windy Cove at West Road.

Mr. Hoffman stated that H2O has completed the bench line testing and are reviewing Nitrification Action Plan.

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 accept the Operations Report, and approve the point repair on Pebble Lake at an estimated cost of \$4,000.

**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 "E."

Ms. Efaw reported on the sanitary sewer rehabilitation project for Southdown Village, Section 1, stating that BGE should have Harris County approval within two weeks. Ms. Efaw also requested approval to start advertising for the rehabilitation project.

Ms. Efaw stated that BGE received and is currently addressing comments from Harris County Flood Control ("HCFC") relating to the drainage impact study.

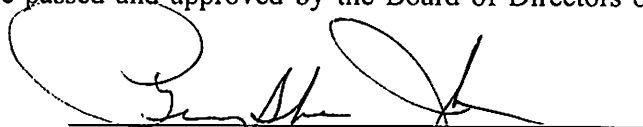
Upon motion by Director McClure, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Engineer's Report, and to authorize BGE to begin advertising for the sanitary sewer rehabilitation project.

**7. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director McClure stated that the CJOB directors concluded discussions about the Water Reuse Project and agreed that further discussions should be among the districts still interested in pursuing the project. Discussion ensued regarding the advantages and disadvantages of remaining a part of the reuse project.

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 March 14, 2017.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors