

MINUTES OF MEETING OF BOARD OF DIRECTORS  
March 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 March 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, Mr. Joshua Board and Mr. Chad King of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of BGE, Inc. ("BGE"), engineers for the District; and Ms. Erika Smiley of Norton Rose Fulbright US LLP ("NRF"), attorney 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 February 14, 2017, copies of which were previously distributed to 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 approve the minutes of the regular meeting of February 14, 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."

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. 5139 through 5159 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 96% of its 2016 taxes.

Ms. Rodriguez reported she received a request to waive penalties and interest, a copy of which is attached to her report. After full discussion, it was the consensus of the Board that there is no valid basis to waive penalty and interest and therefore the Board agreed to decline this request.

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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1122 through 1124 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**4. Review and approve Operations Report and authorize repairs.** Mr. Hoffman presented to and reviewed with the Board the Operations Report for the month of February 2017, a copy of which is attached hereto as Exhibit "D." Mr. Hoffman reported that the District pumped 378,000 gallons of water and purchased 6,877,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

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

Mr. Board reported that H2O is monitoring the implementation of smart meters in other nearby districts.

Mr. Board reported that H2O replaced a broken fire hydrant on West Road and Highway 6 at an estimated cost of \$6,500.

Mr. Board reported that H2O has begun the annual water line valve survey for Southdown.

Mr. Board reported that H2O has completed the survey of the Northmead sanitary sewer manholes and has begun the necessary repairs.

Mr. Board reported that the sanitary sewer line point repair at 15206 Pebble Lake is complete and H2O is scheduling replacement of sidewalk and landscaping at an estimated cost of \$4,000.

Mr. Board reported that H2O has completed a semi-annual line cleaning for Windy Cove at West Road.

Mr. King reported on the Nitrification Action Plan Benchmark Testing Report, a copy of which is attached to the Operations Report, stating that H2O has completed the bench line monitoring for Nitrate and Nitrite levels.

**5. 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 Harris County has approved the plans and the project was advertised. She also noted that the opening bid date is March 17, 2017.

Ms. Efaw stated that BGE has addressed the comments from Harris County Flood Control (“HCFC”) relating to the drainage impact study and resubmitted.

**6. Discuss Copperfield Joint Operations Board “CJOB” meeting.** Director McClure reviewed the Operations Report presented at the March CJOB meeting.

**7. Review District Website and take any necessary action.** Mr. Board informed the Board that he will update the District website contact.

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 April 11, 2017.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors