

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 13, 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 June 13, 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 and Mr. Joshua Board 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 May 9, 2017, copies of which were previously distributed to the Board. Upon motion by Director Odell, seconded by Director McClure, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of May 9, 2017, as presented.

2. **Review ethics Policy.** The Board reviewed the District's Ethics Policy, a copy of which is attached hereto as Exhibit "B." Ms. Smiley stated that NRF has no recommended changes at this time. No action was taken.

**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 "C."

Ms. Kay noted that check no. 5214 to the Texas State Comptroller in the amount of \$804.55 is for escheatment of unclaimed property.

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 accept the Bookkeeper's Report, to authorize payment of check nos. 5193 through 5229 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. Approve Budget for FYE July 31, 2017.** It was the consensus of the Board to schedule the budget meeting for June 28, 2017.

**5. 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 "D." Ms. Rodriguez stated that the District has collected 97.54% of its 2016 taxes.

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. 1132 through 1135 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

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 May 2017, a copy of which is attached hereto as Exhibit "E." Mr. Board reported that the District pumped 355,000 gallons of water and purchased 12,425,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board stated that H2O ran the Well Auxiliary Engine Load Test and was only able to get 400 gpm from well. He stated that H2O will continue to investigate.

Mr. Board reported that the magneto on the auxiliary engine has failed and H2O is looking for replacement parts.

Mr. Board reported that H2O is monitoring the implementation of smart meters in HCMUD 208 and HCMUD 172.

Mr. Board reported that H2O responded to an investigate leak callout at the Southdown Pool and found a leak on the pool meter. He stated that the leak was repaired at a final cost of \$2,535.28

Mr. Board reported that H2O repaired a two inch tapline leak on West Road. He stated that H2O is scheduling the replacement of a ramp and landscaping.

Mr. Board reported that roots are obstructing the District connection to the customer's sewer at 15623 High Field. He recommended removing the roots and making a Sanitary Sewer Point Repair at an estimated cost of \$5,000. Discussion ensued.

Mr. Board presented to and reviewed with the Board the Consumer Confidence Report that was distributed throughout the District.

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 Operations Report, and to authorize the Sanitary Sewer Point Repair for at a cost up to \$6,500.

**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 "F."

Ms. Efaw reported that a pre-construction meeting for the sanitary sewer rehabilitation project ( Southdown Village Section One) was held on May 25, 2017 and the notice to proceed was issued for June 5, 2017. She stated that the pre-televising has been completed.

Ms. Efaw requested approval of a material testing proposal from Tolunay-Wong Engineers, Inc. in the amount of \$5,250.

Ms. Efaw reported on the Southdown Village Drainage Impact Study stating that Harris County issued an approval letter on May 23, 2017.

Ms. Efaw reported that BGE recommends the District start the design of the electrical improvements at the Water Plant. She noted that the design process is estimated to take four months and the construction an additional nine months at an estimated cost of \$644,000. It was the consensus of the Board to address this item at the special meeting.

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 Engineer's Report, and to approve the materials testing proposal from Tolunay-Wong Engineers in the amount of \$5,250.

8. **Consumer Confidence Report.** This was addressed in the Operation's report.

9. **Discuss Copperfield Joint Operations Board "CJOB" meeting.** Mr. Board reviewed the Operations Report presented at the May CJOB meeting.

10. **Review District Website and take any necessary action.** There was no action taken.

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 July 11, 2017.

*Don McClure*

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President, Board of Directors

ATTEST:

*Karen E. Deel*  
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Secretary, Board of Directors

