

MINUTES OF MEETING OF BOARD OF DIRECTORS  
November 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 7926 Highway 6 North, Houston, Texas 77095, on November 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. Joshua Board and Mr. Chris Hoffman of H2O Consulting ("H2O"), operator of the District's facilities; Mr. Nelson Gaez of BGE, Inc. ("BGE"), engineers for the District; Mr. Tim Applewhite of McCall Gibson Swedlund Barfoot, PLLC ("MGSB"); 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 October 10, 2017, 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 October 10, 2017, as presented.

2. **Approve Audit for fiscal year ended July 3, 2017.** Mr. Applewhite presented to and reviewed with the Board the annual financial audit for the fiscal year ended July 31, 2017 and the management representation letter, a copy 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 approve the audit for fiscal year ended July 31, 2017, subject to changes made by the auditor and NRF.

**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."

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. 5330 through 5359 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 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 2.80% of its 2017 taxes.

President Johnson asked if the Copperfield Athletic Club ("CAC") has paid their taxes. Ms. Rodriguez stated that the CAC is contesting their 2017 property value and has not paid their 2016 taxes. Discussion ensued.

Upon motion by Director Rickleman, 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. 1160 and 1161 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. Board presented to and reviewed with the Board the Operations Report for the month of October 2017, a copy of which is attached hereto as Exhibit "E." Mr. Board reported that the District pumped 533,000 gallons of water and purchased 11,320,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reported that H2O ordered the materials to replace the hatch at GST No. 1 for an estimated cost of \$4,000.

Mr. Board reported that H2O investigated the water well engine and replaced the gas shut off valve and air filters at a final cost of \$1,794.74.

Mr. Board reported that the automatic meter reading starter package should arrive this week.

Mr. Board reported that commercial meter testing is complete and that a summary of the results are attached to the Operations Report.

Mr. Board reported H2O has replaced Main Line Valve No. 14 at Club Lake and Ridge Park and the site has been restored at a final cost of \$10,000.

Mr. Board reported that H2O has replaced Main Line Valve No. 229 at 15323 Windy Cove Dr. and the site is scheduled to be restored.

Mr. Board reported that a leaking valve was found near Rainbow Lake and Ridge Park. He recommended replacing the interconnect valve on the shared line with MUD 208 for an estimated cost of \$5,000.

Mr. Board reported that the semi-annual sewer line cleaning from West Road to Windy Cove is complete at a final cost of \$1,396.11.

Mr. Board reported smoke testing of the sewer lines is complete and H2O is waiting on the final report.

Mr. Board stated that H2O is currently implementing a bill conversion and that a sample of the new bill format is attached to the Operations Report.

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 Operations Report, and to approve replacement the interconnect valve on the shared line with MUD 208 for and estimated cost of \$5,000.

**6. Review Engineer's Report.** Mr. Gaez presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F."

Mr. Gaez reported on the Water Plant Electrical Improvements, stating that BGE is under design for the improvements.

Mr. Gaez reported that BGE inspected the two hydroneumatic tank exteriors and ground storage tank no. 2. He noted that all of the tanks are in fair condition. Mr. Gaez stated that the reports have been sent to H2O for their records.

**7. Discuss and Authorize execution of Right of Entry Agreement requested by West Harris County Regional Water Authority.** Mr. Board presented to and reviewed with the Board a Right of Way Entry Agreement and letter from the West Harris County Regional Water Authority (the “Authority”), a copy of which is attached hereto as Exhibit “G.” Discussion ensued regarding limitations and the Authority’s ability to enter the Plant. Upon motion by Director Parrish, seconded by Director Rickleman, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Right of Entry Agreement.

**8. Vote for Representative on Harris County Appraisal District Board of Directors.** Ms. Smiley reported that the Harris County Appraisal District is accepting votes for the candidates to represent water districts, noting there are two candidates running for the open position. The Board agreed to take no action.

**9. Discuss Copperfield Joint Operations Board “CJOB” meeting.** Director Rickelman reviewed the Operations Report presented at the October CJOB meeting. Director McClure reviewed the Operations Report presented at the November CJOB meeting.

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

**11. Matters pertaining to 2018 Directors Election, including:**

**a. Appointment of Agent.** The Board reviewed the Appointment of Agent for the 2018 Directors Election, a copy of which is attached hereto as Exhibit “H.” Ms. Smiley reported that the Appointment of Agent form designates her as the Secretary’s agent to perform ministerial duties as specified in Election Code 31.123 for the 2018 Directors Election. Upon

motion by Director Odell, seconded by Director Rickleman, after full discussion and the question being put to the Board, the Board voted to approve the Appointment of Agent for the 2018 Directors Election.

**b. Notice of Deadline to File Applications.** The Board reviewed the Notice of Deadline to File Applications for Place on the Ballot, a copy of which is attached hereto as Exhibit "I." Ms. Smiley stated that the Directors will be able to turn in their applications starting January 17, 2018 through February 16, 2018.


**c. Resolution Authorizing Publication of Notice of Intent Not to Use and Electronic Voting Machine.** The Board reviewed the Resolution Authorizing Publication of Notice of Intent Not to Use an Electronic Voting System for the 2018 Directors Election, a copy of which is attached hereto as Exhibit "J." Ms. Smiley reported that the District is permitted to hold a directors election without use of an electronic voting machine. Ms. Smiley stated that the notice of exemption from use of electronic voting system must be published in a newspaper in general circulation in the District to comply with the statute.

Upon motion by Director Rickleman, seconded by Director Parrish, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Resolution Authorizing Publication of Notice of Intent Not to Use an Electronic Voting System for the 2018 Directors Election.

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 December 12, 2017.



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President, Board of Directors

ATTEST



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Secretary, Board of Directors