

MINUTES OF MEETING OF BOARD OF DIRECTORS  
January 9, 2018

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 January 9, 2018 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; 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 December 12, 2017, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of December 12, 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 McClure, 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. 5383 through 5398 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.

Director Odell entered the meeting at this time.

**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 72.83% of its 2017 taxes.

Upon motion by Director Rickleman, seconded by Director McClure, 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. 1166 through 1170 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 Parrish, seconded by Director McClure, 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.** 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." Upon motion by Director Parrish, seconded by Director McClure, 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 2017, a copy of which is attached hereto as Exhibit "F." Mr. Board reported that the District pumped 393,000 gallons of water and purchased 7,299,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reported that H2O has received the materials to replace the GST No. 1 hatch and will schedule replacement this week.

Mr. Board reviewed the results of the semi-annual well production test noting that the well is in excellent condition.

Mr. Board reported that the automatic meter reading starter package has been installed at a final cost of \$4,354.

Mr. Board reported on the replacement of interconnect valve no. 1426, stating that the crew is scheduled to excavate next week.

Mr. Board reported that H2O has begun the annual valve survey for Middlegate.

Mr. Board reported that H2O cleaned grease and rags from manhole no. 133 at 15658 Pebble Lake at a final cost of \$1,203.23.

Mr. Board reported that H2O has scheduled the semi-annual line cleaning under West Road.

Mr. Board stated that directors will receive e-bills this month in addition to paper bills.

Mr. Board reported on mass communication, stating that by using the H2O website residents can sign up for notifications. He noted that this notification system should be available within three months.

**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 that BGE is under design for the Water Plant Electrical Improvements.

Ms. Efaw reported that BGE is reviewing plans from Planet Fitness.

**8. Report on Eminent Domain Filing.** Ms. Smiley reviewed with the Board the Eminent Domain report filing. She reported that state law requires annual filing with the Texas Comptroller of Public Accounts by entities that have eminent domain authority. Ms. Smiley stated that Norton Rose Fulbright has made this filing on behalf of the District.

**9. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director Rickelman reviewed the Operations Report presented at the December CJOB meeting.

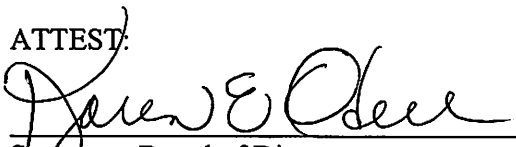
**10. Review District Website and take any necessary action.** There was no action taken.

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 February 13, 2018.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors