

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 14, 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 August 14, 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 of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of BGE, Inc. ("BGE"), engineers for the District; and Mr. Dimitri Millas 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. Public Comments.** There were no public comments.
- 2. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of June 12, 2018 and the special meeting minutes of June 13, 2018, 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 June 12, 2018 and the special meeting minutes of June 13, 2018, as presented.
- 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 "B."

Ms. Kay stated that the series 2008 bond payment was made.

Discussion ensued regarding District investments. Ms. Kay stated that the Spirit of Texas account would be closed and the funds will be moved to Texpool. She noted that the funds in the Compass account would be reduced from \$124,395.06 and the funds will be moved to Texpool.

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. 5530 through 5556 from the Operating Account, each in the amounts, to the persons, and for the purposes described in the Bookkeeper's Report, to make the investments discussed, and to approve the Investment Report.

**4. Review Investment Policy and accept related party disclosures.** Mr. Millas presented to and reviewed with the Board the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "Resolution Reviewing the Investment Policy"), a copy of which is attached hereto as Exhibit "C." He noted that there are no recommended changes at this time. 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 approve the Resolution Reviewing the Investment Policy and to maintain the current investment policy.

**5. Review report by Tax Assessor and Collector's Report and authorize payment of certain bills.** Ms. Goin 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. Goin stated that the District has collected 97.68% of its 2017 taxes.

Ms. Rodriguez stated that Copperfield Athletic Club's payment plan is current.

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 Tax Assessor and Collector's Report, write off and to authorize payment of check nos. 1193 to 1197 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 July 2018, a copy of which is attached hereto as Exhibit "E." Mr. Board reported that the District pumped 419,000 gallons of water and purchased 12,515,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reported that the TCEQ inspection of the water plant and distribution system were completed. He stated that no issues were noted and H2O is waiting on the compliance letter.

Mr. Board reported that H2O completed the tune up of the well engine at a final cost of \$1,813.90. He noted that the contractor did have issues finding new spark plugs.

Mr. Board reported that H2O replaced the muffler for the well engine at a final cost of \$1,983.09.

Mr. Board reported that H2O is continuing to install meters as needed. Discussion ensued regarding types of smart meters. It was the consensus of the Board to move forward with cellular meters and have Badger send an agreement for attorney review.

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

Mr. Board reported that H2O has completed the semi-annual line cleaning under west road at a final cost of \$1,276.56.

Mr. Board reported H2O is waiting on one homeowner to make private sewer line repair and all other cleanouts and point repairs are complete.

**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 BGE expects to start reviewing electrical improvements this week.

Ms. Efaw reported that Harris County will do some work on the channel near Middlegate.

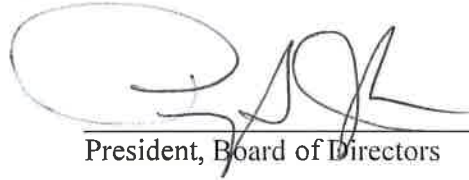
**8. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director McClure reviewed the Operations Report presented at the July and August CJOB meetings.

**9. Review District Website and take any necessary action.** Director McClure reported that the website is up-to-date.

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 September 11, 2018.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors

