

MINUTES OF MEETING OF BOARD OF DIRECTORS  
September 11, 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 5870 Highway 6 North, Houston, Texas 77095, on September 11, 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 except Director McClure. Also attending all or parts of the meeting were Mr. Joe Bettega, a resident of the District; 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. Charles Leidigh 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.** The President recognized Mr. Bettega who reviewed his usage and payment history with the Board. He requested the Board adjust their bill due July 31, 2018. 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 adjust the resident's bill to the base rate for the period ending July 31, 2018.

**2. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of August 14, 2018, a copy of which was previously distributed to the Board. 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 approve the minutes of the regular meeting of August 14, 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."

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 Bookkeeper's Report, to authorize payment of check nos. 5557 through 5581 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. Discuss and consider amending budget for fiscal year ending July 31, 2019.**

Mr. Millas recommended the Board amend the amount allocated for legal fees to \$36,000. Upon motion by Director Rickleman, seconded by Director Odell, after full discussion and the question being put to the Board, the Board voted unanimously to amend the amount allocated for legal fees to \$36,000.

**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 "C." Ms. Rodriguez stated that the District has collected 98.21% of its 2017 taxes.

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

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 Tax Assessor and Collector's Report, write off and to authorize payment of check nos. 1198 to 1202 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**6. Adopt Order Designating Officer to Calculate & Publish Tax Rates (Texas Water Code 49.236).** The President recognized Mr. Lentz, who presented to and reviewed with the Board the recommendation for the 2018 tax rate, a copy of which is attached hereto as Exhibit "D". Mr. Lentz recommended a debt tax rate of \$0.495 per \$100 assessed valuation to provide the District with sufficient funds to make debt service payments.

Mr. Millas presented to and reviewed with the Board the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018, a copy of which is attached hereto as Exhibit "E". Mr. Millas noted that the Order authorizes the tax assessor's office to publish a notice of the proposed tax rate and a public hearing with respect to the tax rate.

Upon motion by Director Galeucia, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to propose a total tax rate of \$0.495 per \$100 assessed valuation, with \$0.09 for debt service, \$0.405 for maintenance and operating expenditures, and to approve the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018 and to authorize the District's tax assessor collector to publish the proposed tax rate.

**7. Review and approve Operations Report and authorize repairs.** Mr. Board presented to and reviewed with the Board the Operations Report for the month of August 2018, a copy of which is attached hereto as Exhibit "F." Mr. Board reported that the District pumped 364,000 gallons of water and purchased 15,691,000 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 replaced the failed autodialer at a final cost of \$5,456.07.

Mr. Board reported that the exhaust fan in the ammonia room failed and was replaced at a final cost of \$1,496.16.

Mr. Board reported that the well engine failed needed to be repaired. He stated that there are some wiring issues with the unit. Discussion ensued. It was the consensus of the Board to proceed with repair for an estimated cost of \$2,500.

Mr. Board reported that H2O is continuing to install smart meters as needed. He stated that NRF has reviewed the contract and comments were provided to Badger.

Mr. Board reported that H2O is beginning the annual valve survey for Northmead.

Mr. Board reported that H2O repaired a water Main break at 15523 Windy Cove. He stated that site restoration and concrete work has been scheduled.

Mr. Board reported that the four inch water main broke under the driveway at 7507 Creek Glen. He stated that H2O replaced the waterline and installed steel plates on the driveway. Mr. Board reported that site restoration and concrete work has been scheduled.

Mr. Board reported that there is one remaining repair, found as a result of smoke testing, to complete the project.

Mr. Board reported that H2O's new website has launched. Discussion ensued. It was the consensus of the Board to coordinate with the District website manager for text messaging and email alerts.

**8. 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 BGE has received submittals for the Water Plant Electrical Improvements.

**9. Renew District Insurance.** Discussion ensued. It was the consensus of the Board to request a renewal and proposals from other companies.

**10. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Mr. Board August CJOB meetings.

**11. 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 October 9, 2018.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors

