

MINUTES OF MEETING OF BOARD OF DIRECTORS  
October 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 5870 Highway 6 North, Houston, Texas 77095, on October 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 of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alene Efaw of BGE, Inc. ("BGE"), engineers for the District; 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. **Public Hearing on Proposed tax rate for 2018.** The President opened the hearing on the proposed 2018 tax rate. There were no comments on the tax rate from the public. The President closed the hearing.
3. **Adopt Order Setting Tax Rate and Levying Tax for 2018.** The Board reviewed the Order Setting Tax Rate and Levying Tax for 2018, a copy of which is attached hereto as *Exhibit B*. 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 Order Setting Tax Rate and Levying Tax for 2018, thereby levying a tax at a rate of \$0.495 per \$100 assessed valuation (\$0.09 for debt service and \$0.405 for operations and maintenance.)
4. **Approve Amended District information form.** The Board reviewed the Amendment to Amended and Restated District Information Form, a copy of which is attached hereto as *Exhibit C*. Ms. Smiley reported this document is recorded in the Harris County Real Property records to provide notice to purchasers of property in the District of the current tax rate in the District and boundaries of the District. 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 Amended to District Information Form.

5. **Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of September 11, 2018, a copy of which was 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 September 11, 2018, as presented.

6. **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 D*.

Upon motion by Director Rickelman, seconded by Director McClure, 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. 5582 through 5604 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.

7. **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 E*. Ms. Rodriguez stated that the District has collected 98.73% of its 2017 taxes.

Ms. Rodriguez reported on check no. 1204 in the amount of \$850.90 to the Houston Chronicle for publishing of the District tax rate.

Upon motion by Director Rickelman, 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, write off and to authorize payment of check nos. 1203 to 1208 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

8. **Review and approve Operations Report and authorize repairs.** Mr. Board presented to and reviewed with the Board the Operations Report for the month of September 2018, a copy of which is attached hereto as *Exhibit F*. Mr. Board reported that the District pumped 399,000 gallons of water and purchased 10,666,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board reviewed the TCEQ compliance letter with the Board.

Mr. Board reported that for an estimated amount \$2,500 H2O is repairing starter for the Well Engine.

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

Mr. Board reported that the annual valve survey was completed and H2O is reviewing the survey for needed repairs.

Mr. Board reported on the eight-inch water main break at 15523 Windy Cover, stating that the site has been restored.

Mr. Board reported on the four-inch water main break at 7507 Creek Glen, stating that the driveway was replaced and the site has been restored.

Mr. Board reported that H2O is working with the website provider on the email and text messaging system.

**9. Review Engineer's Report.** Ms. Efav presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*.

Ms. Efav reported BGE has received submittals for the Water Plant Electrical Improvements.

Ms. Efav reported BGE has received civil and mechanical, electrical, and plumbing plans for review from Labay Middle School.

Director Odell entered the meeting at this time.

**10. Renew District Insurance.** The Board reviewed the WIN/Arthur J Gallagher & Co. proposal, a copy of which is attached hereto as *Exhibit H*. After inquiry from Director Parrish, Ms. Smiley stated that she would contact the District's insurance provider regarding the workers compensation coverage and follow up with 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 WIN/Arthur J Gallagher & Co. proposal.

**11. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director Parrish and Mr. Board September CJOB meeting.

**12. 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 November 13, 2018.

  
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President, Board of Directors

ATTEST:  
  
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Secretary, Board of Directors