

MINUTES OF MEETING OF BOARD OF DIRECTORS  
January 8, 2019

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 January 8, 2019, 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, thus constituting a quorum. 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 Chad King 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. Shaila Sreedharan 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 December 11, 2018, a copy of which was previously distributed to the Board. Director Rickelman noted a correction to the minutes. 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 December 11, 2018, as revised.
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*.

Brief discussion ensued regarding the District's current Certificates of Deposit.

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 accept the Bookkeeper's Report, to authorize payment of check nos. 5661 through 5677 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 C*. Ms. Rodriguez stated that the District has collected 66.1% of its 2018 taxes and briefly discussed the reason for the lower collection percentage compared to January 2018.

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 accept the Tax Assessor and Collector's Report, to authorize payment of check nos. 1217 to 1222 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

Director Odell entered the meeting during the Tax Assessor and Collector Report.

**5. Consider Property Tax Exemptions.** Mr. Millas presented to and reviewed with the Board the Order Adopting Exemptions from Taxation, a copy of which is attached hereto as *Exhibit D*. He noted that the District currently has a tax exemption in the amount of \$25,000 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.

**6. Adopt Resolution Authorizing Additional Penalty.** Mr. Millas 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 Rickelman, seconded by Director Parrish after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution.

**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 December 2018, a copy of which is attached hereto as *Exhibit F*. Mr. Board reported that the District pumped 384,000 gallons of water and purchased 6,369,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period. He reported that the accountability for the month was 93.17%.

Mr. Board reported on the semi-annual well production test, noting that there were no issues.

Mr. Board reported on the electrical improvements at the water plant, noting that the plant is scheduled to go off line on Monday, January 14, 2019.

Mr. Board reported on the automatic meter reading installation and contract. He noted that Mr. Millas is reviewing the contract and that H2O is continuing to install meters, as needed.

Mr. Board reported on a water main break at Creek Glen and Woodcroft, noting that BGE submitted the plans to Harris County for review. He also noted that he is waiting for Right of Way permit.

Mr. Board reported on the TS&V repair at Highway 6 and West Road, stating that the repair is complete, but that H2O is waiting for the Texas Department of Transportation to install the sidewalks before the site is restored. He noted the final cost of the repair was \$9,192.56.

Mr. Board reported that the fire hydrant at West Road and Highway 6 was hit by a car and will need to be repaired or replaced at an estimated cost of \$6,500. Mr. Board noted that the \$6,500 is the cost to replace the hydrant and that a repair will be between \$1,000 and \$2,000.

Mr. Board noted that the semiannual line cleaning under West Road is complete at a final cost of \$1,904.50.

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 authorize H2O to repair/replace the fire hydrant a cost of \$6,500.

**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 that mobilization for the water plant electrical improvements will mobilize on Monday, January 14, 2019.

Ms. Efaw then discussed the Creek Glen Drive pavement replacement, noting that the plans were approved by Harris County, but they then informed Ms. Efaw that speed limit signs will need to be included in the plans. She noted that she will follow up with Harris County.

**9. Report on Eminent Domain Filing.** Mr. Millas reviewed with the Board the Eminent Domain report filing. He reported that state law requires annual filing with the Texas Comptroller of Public Accounts by entities that have eminent domain authority. Mr. Millas stated that Norton Rose Fulbright will make this filing on behalf of the District. Upon motion by Director Rickelman, seconded by Director Parrish, after full discussion on the question being put to the Board, the Board voted unanimously to authorize the Eminent Domain filing with the Comptroller.

**10. Discuss Copperfield Joint Operations Board "CJOB" meeting.** Director McClure reviewed the December CJOB meeting.

Director McClure noted that Harris County Municipal Utility District No. 149 had not yet made a decision regarding joining the Copperfield Wastewater Treatment Plant.

Director McClure reported that new bids were received for the Lift Station Rehabilitation project, which reduced the base bid amount to approximately \$559,000.

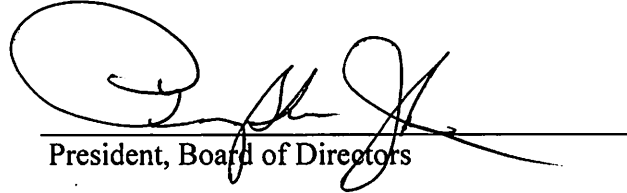
Director McClure reviewed the repairs within the month of December.

**11. Review District Website and take any necessary action.** Director McClure noted that she had not reviewed the website, but will review to make sure the information is up to date. Ms. Sreedharan stated that she will provide her contact information to the website administrator. Mr. Board noted that he recently reviewed the website and that residents are continuing to sign up for the SMS alert system.

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 12, 2019.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

