

MINUTES OF MEETING OF BOARD OF DIRECTORS  
March 12, 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 March 12, 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, except for Director Johnson. Also attending all or parts of the meeting were Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector 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; Ms. Shannon Waugh of Off Cinco, website administrator for the District; and Mr. Dimitri Millas and Ms. Shaila Sreedharan of Norton Rose Fulbright US LLP ("NRF"), attorney for the District.

The Vice 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 February 12, 2019, a copy of which was previously distributed to the Board. Upon motion by Director Odell, 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 February 12, 2019, as presented.
- 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 B*. Ms. Rodriguez stated that as of February 28, 2019, the District has collected 95.7% of its 2018 taxes.

Discussion ensued regarding the top delinquent taxpayers in the District.

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 accept the Tax Assessor and Collector's Report, to authorize payment of check nos. 1226 to 1232 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

**4. Review and approve Operations Report and authorize repairs.** Mr. Board presented to and reviewed with the Board the Operations Report for the month of February 2019, a copy of which is attached hereto as *Exhibit C*. Mr. Board reported that the District pumped zero gallons of water and purchased 1,000 gallons of water from the West Harris Regional Water Authority (“WHCRWA”) during the last period. He reported the water plant is currently offline for construction and the District is on interconnect with Harris County Municipal Utility District No. 208. Discussion ensued regarding the accountability.

Mr. Board reported that H2O removed the flow meters that were causing an obstruction of the pipe header at a final cost of \$3,2533.55.

Mr. Board reported on the automatic meter reading, noting that H2O is ordering the next batch of meters. He also stated that H2O replaced six stuck meters within the month.

Mr. Board reported on a water main break at Creek Glen and Woodcroft, noting that the job is complete at a final cost of \$36,184.37.

Mr. Board reported that the fire hydrant at West Road and Highway 6 was repaired at a final cost of \$6,500.

Mr. Board reported that there was a two inch tap line leak at the Crossbridge Church. He stated that the tap line was replaced at a final cost of \$3,298.34.

Mr. Board reported on a one inch tap line leak under the road at 7714 River Garden. He stated that the tap line was replaced at a final cost of \$2,231.70.

**5. 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 D*.

Ms. Efaw reported on the water plant electrical improvements, stating that a few items have been identified to change the scope of the work due to the existing conditions. She presented Change Order No. 2 in the amount of \$7,500 and reviewed the items included. Ms. Efaw then presented Pay Estimate No. 1 in the amount of \$228,735 and stated that she recommends payment. 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 approve Change Order No. 2 in the amount of \$7,500 and Pay Estimate No. 1 in the amount of \$228,735.

Ms. Efaw reported that she attended the Harris County Engineering Department kickoff meeting and site walk on February 21, 2019 for the Southdown Village drainage project.. She stated that Preston Hydrologic will prepare a preliminary engineering report and a public outreach meeting will then be scheduled. Ms. Efaw reported that the project will be funded through bonds and other funds. Discussion ensued regarding the “other funds” and the process of requesting monies from the municipal utility districts, precincts, etc.

**6. Discuss Copperfield Joint Operations Board “CJOB” meeting.** Director McClure and Mr. Board reported on the projects and repairs that were discussed at the March meeting. Mr. Board reported that the Notice to Proceed has been issued for the Lift Station rehabilitation, but that the contractors are waiting on materials.

Mr. Millas reported on Harris County Municipal Utility District No. 149, stated that they have submitted a formal request. He stated that the formal request will be discussed at the CJOB March meeting schedule for March 13, 2019.

Director McClure then reported that the connection fee was increased from \$9.00 to \$10.00. She stated that the Board can decide if they will amend the Rate Order to increase the residents fees. Mr. Board discussed the options with the Board and noted that the District currently charges the residents \$12.00. Additional discussion ensued regarding the options for an increase. Mr. Board reported that he will present District specific information to the Board at the April meeting regarding possible options for an increase.

**7. Discuss and amend Rate Order, if necessary.** This item was deferred to the April meeting.

**8. Approve filing of Special Purpose District report with Comptroller.** Mr. Millas reported that state law requires an annual filing regarding the District's financial information with the Texas Comptroller of Public Accounts. He stated that the NRF will make the filing on behalf of the District. 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 filing of the Special Purpose District Report with the Comptroller.

**9. Review District website and contact with Off Cinco and take any necessary action.** Ms. Waugh presented to and reviewed with the Board the Off Cinco 2019 updated contract, a copy of which is attached hereto as *Exhibit E*. She noted that Off Cinco is requesting a \$70 annual increase.

Discussion ensued regarding the text alert system and the options to increase the amount of users. She noted that in addition to door hangers and signs, the a flyer advertising the text alert system can be attached to the electronic water bills.

Director Parrish inquired on the SSL certificate purchase. Ms. Waugh reported that the purchase cost for the certificate is \$100 annually, and the SSL certificate integration will be an additional one-time cost of \$100. Discussion ensued regarding the SSL certificate.

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: (1) approve the Off Cinco updated contract; (2) approve the monthly fee of \$295; and (3) approve the SSL certificate purchase of \$100 annually and the SSL certificate integration at a one-time cost of \$100.

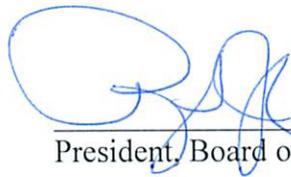
**10. Review Bookkeeper's Report and authorize payment of bills.** The Board reviewed the Board the Bookkeeper's Report, the Investment Report, the Operating Budget, the Cash Flow Comparison and the Energy Usage Report, copies of which are attached hereto as *Exhibit F*. Ms. Sreedharan reported that there are 27 checks for review and approval.

Upon motion by Director Odell, 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. 5703 through 5730 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.

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 April 9, 2019.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

