

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 9, 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 April 9, 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. 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. Nelson Gaez 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 March 12, 2019, a copy of which was previously distributed to the Board. Upon motion by Director McClure 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 March 12, 2019, 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 Parrish, 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. 5731 through 5760 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 as of March 31, 2019, the District has collected 96.2% of its 2018 taxes.

Ms. Rodriguez reported on the refund check issued within the month.

Ms. Rodriguez reported on the District's 2018 taxable value.

Ms. Rodriguez requested approval to move three accounts to the uncollectible roll. Brief discussion ensued.

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 Tax Assessor and Collector's Report, to authorize payment of check nos. 1233 to 1239 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report, and to move the three accounts to the uncollectible roll.

5. Review and approve Operations Report and authorize repairs. Mr. King presented to and reviewed with the Board the Operations Report for the month of March 2019, a copy of which is attached hereto as *Exhibit D*. Mr. King reported that the District pumped zero gallons of water and purchased 7,000 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. King reported that H2O replaced the leaking valve on hydrotank no. 1 at a final cost of \$2,237.34.

Mr. King reported that H2O met with the security contractor, Today's Integration, regarding the perimeter beams at the water plant. He reported on the security measures at the water plant and stated that the perimeter beams are outdated. Discussion ensued regarding the perimeter beams and the possible need for additional security. Mr. King reported that additional security sensors can be added, but the current security system will suffice. Additional discussion ensued regarding any insurance issues that could arise regarding the change of security measures. The Board concurred to continue to power the perimeter beams at this time.

Mr. King reported on the automatic meter reading, noting that H2O is waiting on the delivery of the meters.

Mr. King reported on a sewer backup at 15223 Pebble Lake Drive. He stated that the line was broken and that the sewer connection was replaced and service was restored. Mr. King reported that the cost to date is \$3,659.17.

Mr. King reported that he and Director McClure attended the Middle Gate Homeowners Association annual meeting. The Board requested that H2O attend the Southdown Homeowners Association annual meeting and provide the same information. Director McClure reported on her interactions with the residents.

6. Review Engineer's Report. Mr. Gaez presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit E*.

Mr. Gaez presented to and reviewed with the Board Pay Estimate No. 2 for the water plant electrical improvements in the amount of \$137,475. He stated that BGE recommends payment.

Mr. Gaez reported on the Southdown Village drainage project, stating that the hydraulic model and survey data have been provided to Preston Hydrologic.

Mr. Gaez reported on the District's share in the wastewater treatment plant ("WWTP") capacity. He stated that the District currently owns 460,000 gallons per day of capacity that equates to 10% or 1,394 equivalent single family connections ("ESFC") of the total WWTP capacity. Discussion ensued regarding the current capacity the District uses, 1,202 ESFC, and the remaining capacity. Mr. Gaez stated that BGE recommends that the District not sell more than 132 ESFC or 43,500 gallons per day to Harris County Municipal Utility District No. 149. Additional discussion ensued.

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 Pay Estimate No. 2 in the amount of \$137,475.

7. Review Water Conservation Plan. Mr. Millas presented to and reviewed with the Board the District's 2006 Water Conservation Plan, a copy of which is attached hereto as *Exhibit F*. Discussion ensued. The Board requested that the Consultants review and update the Water Conservation Plan accordingly.

8. Review Drought Contingency Plan. Mr. Millas presented to and reviewed with the Board the Drought Contingency Plan, a copy of which is attached hereto as *Exhibit G*. He reported that as per law, districts are required to adopt the plan every five years and requested that the Board re-adopt the Drought Contingency Plan. Discussion ensued regarding the contents of the plan and possible revisions/updates. Upon motion by Director Parrish, seconded by Director Parrish, after full discussion and the question being put to the Board, the Board voted unanimously to re-adopt the Drought Contingency Plan, as presented and requested the Consultants review and suggest revisions as needed.

9. 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 also reported that he received confirmation that the insurance company will pay the bar screen claim in the amount of \$21,000.

Mr. Millas reported on Harris County Municipal Utility District No. 149, stating that he will discuss a possible agreement for WWTP capacity at the CJOB meeting on April 10, 2019.

10. Discuss and amend Rate Order, if necessary. This item was deferred to the May meeting.

11. Review District website. Directors Parrish and McClure reported that the website is up to date and there are no issues to 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 May 14, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

