

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 14, 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 May 14, 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, Chad King, and Jordan Cloud of H2O Consulting ("H2O"), operator of the District's facilities; Ms. Alen 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 April 9, 2019, a copy of which was previously distributed to the Board. 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 approve the minutes of the regular meeting of April 9, 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 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. 5761 through 5784 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 April 30, 2019, the District has collected 96.5% of its 2018 taxes.

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

Ms. Rodriguez presented to and reviewed with the Board a payment plan request letter from Copperfield Racquet & Health Club, a copy of which is attached hereto as *Exhibit D*. She noted that they owe approximately \$11,000 for the 2018 taxes. She presented three options to the Board, noting that the Board can approve a three-month, six-month, or 14-month payment plan. Discussion ensued regarding the month payments for each plan option.

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 Tax Assessor and Collector's Report, to authorize payment of check nos. 1240 to 1244 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 approve the three month payment plan for the Copperfield Racquet & Health Club.

5. Review and approve Operations Report and authorize repairs. Mr. Board 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 E*. Mr. Board reported that the District pumped 452,000 gallons of water and purchased 9,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period.

Mr. Board introduced Mr. Cloud, stating that he will attend the annual Southdown Homeowners Association meeting.

Mr. Board reported that four of the booster pump valves were replaced while the plant was offline for construction. He stated that the final cost was \$16,033.06.

Mr. Board reported that H2O recommends covering the diesel storage tank with an awning. He stated that the diesel fuel report is indicating that water is mixing in with the diesel. Discussion ensued regarding the material of the awning and the estimated costs. Mr. Board reported that that he will present a proposal at the June meeting.

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

Mr. Board presented to and reviewed with the Board the Consumer Confidence Report ("CCR"), a copy of which is attached hereto as *Exhibit F*. He stated that the report is subject to change based on final numbers. Discussion ensued regarding distribution of the CCR to the residents. The Board agreed to mail the CCR out with the June bill and to post a direct link to the CCR on the website.

Mr. Board presented to and reviewed with the Board a Sanitary Sewer Service Rate Review document, a copy of which is attached to the Operations Report. He reviewed the current sanitary sewer service rates the Board charges for single family residents, park and recreational, commercial, and out-of-district commercial. He noted that H2O recommends increasing the

sanitary sewer service rates by \$1.00, in order to pass through the increased Copperfield Joint Operations connection fee increase. Discussion ensued.

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 amend the Rate Order, as recommended by the Operator.

The Board scheduled a special meeting to discuss the budget for the next fiscal year for June 10, 2019 at 6:00 p.m.

Director Odell entered the meeting during the Operations Report.

6. Approve Consumer Confidence Report. This item was approved in the Operations Report.

7. 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 presented to and reviewed with the Board Pay Estimate No. 3 for the water plant electrical improvements in the amount of \$46,305. She stated that BGE recommends payment. She presented an update on the status of the project, stating that she anticipates that the water plant will be in service by May 25, 2019.

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 Pay Estimate No. 3 in the amount of \$46,305.

8. Discuss and amend Rate Order, if necessary. This item was approved in the Operations Report.

9. Discuss Copperfield Joint Operations Board "CJOB" meeting. Director McClure and Mr. Board reported on the projects and repairs that were discussed at the May meeting.

Director McClure and Mr. Board then presented an update on the status of the request from Harris County Municipal Utility District No. 149 ("No. 149"). Mr. Board discussed that No. 149 does not want to purchase the amount of capacity required by the current CJOB agreements and he stated that the CJOB Board of Directors does not want to change the agreement at this time to accommodate one district. Discussion ensued.

10. Review District website. Mr. Board reported that the website is up to date and there are no issues to report. He noted that he will work with the website administrator to post additional water conservation information to the website.

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 June 11, 2019.

President/ Board of Directors



Secretary, Board of Directors

ATTEST