

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 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 July 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, except for Director McClure. 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; 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 special meeting of June 10, 2019 and the regular meeting of June 11, 2019, copies of which were previously distributed to the Board. 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 the minutes of the special meeting of June 10, 2019 and the regular meeting of June 11, 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 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. 5807 through 5833 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 June 30, 2019, the District has collected 96.9% of its 2018 taxes.

Ms. Rodriguez reported that Copperfield Athletic Corp has not made a payment on their payment plan and that they are in default. The Board agreed to cancel the payment plan and turn the account over to the delinquent tax attorney.

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 Tax Assessor and Collector's Report, to authorize payment of check nos. 1252 to 1257 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

5. Review and approve Agreement with Tax Assessor and Collector. Ms. Rodriguez presented to and reviewed with the Board the Agreement with the Tax Assessor and Collector, a copy of which is attached hereto as *Exhibit D*. Ms. Rodriguez discussed the increase of fees included in the contract, stating that she is requesting an increase in fees to \$1,100 per month, plus \$1.00 per additional item on the tax roll. She also stated that the hourly fee will increase to \$110 per hour and the clerical hourly rate will increase to \$65. Ms. Rodriguez reported that the increase will result in an annual increase of approximately \$2,200.

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 approve the new Agreement with the Tax Assessor and Collector.

6. Review and approve Operations Report and authorize repairs. Mr. Board presented to and reviewed with the Board the Operations Report for the month of June 2019, a copy of which is attached hereto as *Exhibit E*. Mr. Board reported that the District pumped 692,000 gallons of water and purchased 9,940,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period. Discussion ensued regarding the water accountability of 99%. Mr. Board reported that he will continue to monitor the accountability.

Mr. Board reported that H2O met with the contractor and is waiting on the pricing for the diesel storage tank cover.

Mr. Board reported that H2O made the repairs to the security system at the water plant and activated the perimeter beams at a final cost of \$4,814.36.

Mr. Board reported that the semi-annual well production tests are complete and there are no issues to report.

Mr. Board reported on the automatic meter reading, noting that H2O is installing the meters in Northmead. Discussion ensued regarding the anticipated time line.

Mr. Board reported that the valve survey is complete at a final cost of \$1,223.19. He stated that H2O has started the repairs.

Mr. Board reported that H2O is scheduling the smoke testing in Middlegate.

Mr. Board reported that H2O completed the semi-annual line cleaning under West Road at a final cost of \$2,215.03.

Mr. Board reported that H2O is working on the five year capital improvement plan for the District.

Mr. Board reported that the email and text message alerts were sent out to the residents, which directs them to the website for information regarding hurricane season.

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 F*.

Ms. Efaw reported on the water plant electrical improvements, stating that the contractor is should complete the touchup painting punch list item by the end of the week. She stated that the bookkeeper will hold the Pay Estimate until the work is complete.

The Board scheduled a site visit at the water plant for August 13, 2019 at 1:00 p.m.

8. Discuss Copperfield Joint Operations Board "CJOB" meeting. Mr. Board reported on the projects and repairs that were discussed at the June meeting. He stated that the lift station is in operation at this time.

Mr. Board reported that he attended a joint phone meeting with the engineer for Harris County Municipal Utility District No. 149 on July 8, 2019. He stated that they are still analyzing their options.

9. Review District website. Ms. Sreedharan reported that there are no issues with 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 August 13, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

