

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 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 October 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, except for Directors Odell and Parrish. 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. Vanessa Hernandez 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. Public Hearing on 2019 Tax Rate.** The President opened the public hearing. There were no comments from the public. The President closed the public hearing on the 2019 tax rate.
- 3. Adopt Order Setting Tax Rate and Levying Tax for 2019.** The Board reviewed the Order Setting Tax Rate and Levying Tax for 2019 ("Order"), a copy of which is 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 adopt the Order, therefore levying a 2019 tax rate of \$0.495 per \$100 assessed valuation (\$0.090 for debt service and \$0.405 for maintenance and operations).
- 4. Approve Amended District Information Form.** There was no action on this item as the tax rate remained the same.
- 5. Approve Minutes.** Consideration was given to the approval of the minutes of the regular meeting of September 10, 2019, copies of which were previously distributed to the Board. 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 approve the minutes of the regular meeting of September 10, 2019, as presented.

6. Review Bookkeeper's Report and authorize payment of bills. Ms. Hernandez 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 C*.

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. 5898 through 5929 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.

7. 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 D*. Ms. Rodriguez stated that as of September 30, 2019, the District has collected 98.85% of its 2018 taxes.

Ms. Rodriguez reported on the status of the District payment plans.

Ms. Rodriguez reviewed the delinquent tax report with the Board.

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. 1263 through 1267 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

8. Review and approve Operations Report and authorize repairs. Mr. Board presented to and reviewed with the Board the Operations Report for the month of September 2019, a copy of which is attached hereto as *Exhibit E*. Mr. Board reported that the District pumped 565,000 gallons of water and purchased 12,120,000 gallons of water from the West Harris Regional Water Authority ("WHCRWA") during the last period. Mr. Board reported that the water accountability for the District was 91.33% for the month of September.

Mr. Board reported that H2O ordered the new motor for booster pump #3.

Mr. Board reported that H2O is scheduling the building roof repairs.

Mr. Board reported that H2O is scheduling the next round of smart meter installations.

Mr. Board reported on the eight-inch water main break on a shared line at Mesa Gardens and Branch Point. He stated that he received three proposals for the pavement replacement and that the low bidder was Write Solutions in the amount of \$36,467. Ms. Efaw confirmed that the plans have been approved by Harris County.

Mr. Board also reported that he received a proposal from Write Solutions to replace the water line under Mesa Gardens in the amount of \$24,850. He stated that this cost will be shared with Harris County Municipal Utility District No. 188.

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 approve the proposals from Write Solutions for the pavement replacement and the water line replacement.

Mr. Board reported that H2O that the smoke testing in Middlegate is scheduled for October 21, 2019.

Mr. Board presented to and reviewed with the Board the Five-Year Forecast ("Forecast"). He reviewed the special projects and anticipated costs included in the Forecast. Discussion ensued regarding the proposed projects and the District's reserve.

9. 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 that the Mesa Gardens Drive pavement repair was approved in the Operations Report.

Ms. Efaw reported that the survey work is complete for the Heatherbank Drive pavement repair and that the construction plans are being prepared.

Ms. Efaw reported on the Copperfield Southdown Village Section 1 subdivision drainage improvements, stating that the Harris County Engineering Department completed the drainage study and is requesting the District's financial assistance with the drainage improvements. She stated that the total cost of the project is \$3,309,000 and that Harris County is requesting that the District contribute half of the costs in the amount of \$1,654,500. Discussion ensued regarding the District's options, the timeline for repair, and the possible benefits to the District. Ms. Efaw stated that she will follow up with Harris County and invite a representative from Harris County to attend the meeting to discuss the project and associated costs, if necessary.

10. Approve District Insurance proposal. The Board reviewed the insurance proposal for 2019-2020 from Arthur J. Gallagher, a copy of which is attached hereto as *Exhibit G*. Ms. Sreedharan reported that there is an increase of approximately \$200 to the premium. 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 approve the insurance proposal from Arthur J. Gallagher.

11. Indemnification of Directors. Mr. Millas presented to and reviewed with the Boars a Resolution Authorizing Indemnification of Directors. He stated that to the extent that the directors and officer's insurance policy does not cover losses of directors carrying out the lawful business and duties of the District in good faith, then the District can indemnify the directors for losses. 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 approve the Resolution Authorizing Indemnification of Directors.

12. Discuss Copperfield Joint Operations Board "CJOB" meeting. Director McClure reported on the September CJOB meeting, stating that the past President of CJOB, Mr. Chuck Hadley, passed away in August.

Director McClure reported on the repairs and maintenance items that were completed within the month of August.

13. Review District website. Director McClure reported that she reviewed the website and that there are no issues.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
THE MEETING WAS ADJOURNED.

* * *

The foregoing minutes were passed and approved by the Board of Directors on November 12, 2019.

Sam McClure

President, Board of Directors

ATTEST:

James E. Cole

Secretary, Board of Directors



02 HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

NOTICE

In accordance with chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors of Harris County Municipal Utility District No. 162 will meet in **regular** session, open to the public, at H2O Consulting, 5870 Hwy 6, Houston, Texas 77084, at **3:00 p.m.** on **October 8, 2019**. At such meeting, the Board will consider the following:

1. Public Comments;
2. Public Hearing on 2019 Tax Rate;
3. Adopt Order Calculating Tax Rate and Levying Tax for 2019;
4. Approve Amended District Information Form, if necessary;
5. Approve minutes of the regular meeting of September 10, 2019;
6. Review Bookkeeper's Report and authorize payment of bills;
7. Review report by Tax Assessor and Collector and authorize payment of certain bills;
8. Review and approve Operations Report and authorize repairs;
9. Review Engineer's Report and take any necessary action;
10. Approve District insurance proposal;
11. Indemnification of Directors;
12. Discuss Copperfield Joint Operations Board "CJOB" meeting;
13. Review District Website;

and such other matters as may properly come before it.

2019 OCT -2 AM 11:54
COUNTY CLERK
HARRIS COUNTY, TEXAS

FILED



NORTON ROSE FULBRIGHT US LLP
ATTORNEYS FOR THE DISTRICT

By: _____

[Handwritten signature]

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Sections 551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, Section 551.071 - for the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

received 10.2.19

CERTIFICATE OF POSTING NOTICE
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

I hereby certify that on October 4th, 2019, I posted the
Notice of Meeting of the Board of Directors of Harris County Municipal Utility District No. 162, a
true copy of which is attached hereto, at a place convenient to the public at MUD 162 Water
Plant, 15403 Willow River, Houston, Texas, within said political subdivision, as required by law.

EXECUTED THIS 4th DAY OF October, 2019.



CERTIFICATE OF POSTING NOTICE
OF MEETING OF BOARD OF DIRECTORS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I hereby certify that at 10:00 A.M. on Oct. 2, 2019 I posted the Notice of the Board of Directors of Harris County Municipal Utility District No. 162, a true copy of which is attached hereto, in the coffee bar of Norton Rose Fulbright US LLP, 1301 McKinney, 50th floor, Houston, Texas, being a place convenient to the public in the administrative office of the District.

EXECUTED this Oct 2 2019.



CERTIFICATE OF ORDER SETTING TAX RATE AND LEVYING TAX FOR 2019

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

We, the undersigned officers of the Board of Directors (the "Board") of Harris County Municipal Utility District No. 162 (the "District"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on October 8, 2019, at 5870 Hwy 6, Houston, Texas 77084, at 3:00 p.m., and 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. Whereupon among other business, the following was transacted at such Meeting: A written

ORDER SETTING TAX RATE FOR 2019

Was duly introduced for the consideration of the Board and read in full. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of such Order, prevailed and carried by the following votes:

AYES: ____ NOES: ____

2. A true, full, and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen qualified, and action officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such Meeting and each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

Exhibit B

SIGNED AND SEALED this 8th day of October, 2019.

President, Board of Directors

Secretary, Board of Directors

ORDER SETTING TAX RATE AND
LEVYING TAX FOR 2019

WHEREAS, the Appraisal Review Board of the Harris County Appraisal District (the "HCAD") has finally approved the appraisal records of Harris County Municipal Utility District No. 162 (the "*District*") and the chief appraiser of the HCAD has prepared and certified to the District's tax assessor and collector the District's tax roll for 2019;

WHEREAS, the Board of Directors (the "*Board*") of the District is required to levy and cause to be assessed and collected ad valorem taxes upon all taxable property within the District in sufficient amount to pay the interest on bonds issued by the District payable in whole or in part from taxes, to create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date, to pay when due the other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting the taxes, full allowance being made for expected delinquencies;

WHEREAS, the Board is authorized to levy and collect a tax for operation and maintenance purposes; and

WHEREAS, all actions required to be taken prior to levying such tax have been taken;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162 THAT:

I.

The Board hereby levies and causes to be assessed upon all taxable property within the District an ad valorem tax for the year 2019 at the rate of \$0.090 per \$100 assessed valuation to pay the debt service requirements on District bonds (TAX LEVY FOR BONDS); and at the rate of \$0.405 per \$100 assessed valuation for operation and maintenance purposes (MAINTENANCE TAX). TOTAL TAX RATE = \$0.495 per \$100 assessed valuation. Such total tax rate shall consist of:

\$0.090 per \$100 assessed valuation, which shall, pursuant to the Texas Property Tax Code, comprise the District's Debt Tax and shall be the rate that will impose the amount of taxes needed to pay the District's debt service; and

\$0.405 per \$100 assessed valuation, which shall, pursuant to the Texas Property Tax Code, comprise the District's Operation and Maintenance Tax and shall be the rate that will impose the amount of taxes needed to fund maintenance and operation expenditures of the District for the next year.

II.

Taxes shall be due and payable on receipt of the tax bill and shall be paid on or before January 31, 2020 or as otherwise provided by section 31.02 of the Texas Property Tax Code.

III.

The Tax Assessor and Collector for the District is hereby authorized and instructed to proceed to collect the aforesaid tax upon the basis of this Order.

IV.

Pursuant to Section 49.455 of the Texas Water Code, the District has filed an Amended Information Form indicating the most recent rate of District taxes on property located in the District. If such rate is changed by this Order, the District shall file within seven days an amendment to such Information Form indicating that the most recent rate of District taxes on property located in the District is \$0.495 per \$100 assessed valuation.

V.

The President or the Vice President and Secretary or Assistant Secretary are authorized on behalf of the Board to evidence adoption of this Order and to do any and all things appropriate or necessary to give effect to the intent hereof.

* * *



HARRIS COUNTY MUD #162

Summary for Cash Report of October 8, 2019

	Debt Service Fund	Capital Projects Fund	General Operating Fund	Collections Account Fund
PREVIOUS CASH BALANCE		0.00	14,376.18	1,162.86
CASH RECEIPTS		0.00	86,023.75	81,305.21
INTEREST		0.00	30.01	0.00
TRANSFERS		0.00	0.00	0.00
DISBURSEMENTS		0.00	(63,648.71)	(81,151.50)
ENDING CASH BALANCE		0.00	36,781.23	1,316.57
PREVIOUS INVESTMENTS	33,942.89	0.00	2,923,913.30	
DEPOSITS	0.00	0.00	0.00	
INTEREST	36.80	0.00	3,040.20	
TRANSFERS	(18.00)	0.00	(844.18)	
ENDING INVESTMENTS	33,961.69	0.00	2,926,109.32	
CURRENT BALANCE	33,961.69	0.00	2,962,890.55	1,316.57



Myrtle Cruz, Inc.

3401 Louisiana St, STE 400 . Houston, Tx 77002-9552 . (713)759-1368 . fax 759-1264 . email first_last@macruz.com

HARRIS CO MUD #162

Cash Report for Meeting of October 8th, 2019

DEBT SERVICE FUND (023BF) : NO CHECKING ACCT

Previous cash balance, September 10th, 2019 0.00

DEMAND DEPOSIT INVESTMENTS:

BBVA Bank; #2514455123.....		32,675.33
previous balance	32,658.97	
08/01 Interest	34.36	
08/15 Service charge	18.00-	
TexPool; 78539-25659-00001.....		1,286.36
previous balance	1,283.92	
08/31 Interest	2.44	

previous investments		33,942.89		
interest		36.80		
withdrawals	<	18.00	>	
ending investments				33,961.69

DEBT SERVICE FUNDS AVAILABLE October 8th, 2019 =====
\$33,961.69
=====

Debt Service Requirements 2020

	3/1		9/1	
	Int	Prin	Int	Prin
2012R	12,900.00	--	12,900.00	120,000.00
	-----	-----	-----	-----
Total due for 2020	12,900.00	0.00	12,900.00	120,000.00

HARRIS CO MUD #162

Cash Report for Meeting of October 8th, 2019

GENERAL OPERATING (0230P) : BBVA BANK 70490 (:

Previous cash balance, September 10th, 2019	14,376.18
plus: 08/01 Interest.....	30.01
plus: 08/26 Reverse posting error.....	200.00
plus: 09/12 Maintenance tax ck#1261.....	3,997.25
plus: 09/12 HC 208 July water purchase ck#12032.....	395.85
plus: 09/12 HC 208 August water purchase ck#12033.....	430.65
plus: 10/08 Transfer from Central.....	81,000.00
Total Deposits :	86,053.76
less: 08/15 Service charge.....	18.00
less checks completed at or after last meeting :	
5895 Engie Resources; Acct 18249-30002 15403 Willow Rvr 8/1-8/30.	2,649.61
5896 CenterPoint Energy; 15403 Willow River 7/31-8/29.....	25.74
5897 A T & T; 281-550-6429 9/21-10/20.....	206.01
Beginning cash balance, October 8th, 2019	97,530.58
less checks to be presented at this meeting :	
5898 Karen ODell; director fees/expenses.....	138.52
6310 9/10 director fees	150.00
6514 payroll taxes	11.48-
5899 John Parrish; director fees & expenses.....	138.52
6310 9/10 director fees	150.00
6514 payroll taxes	11.48-
5900 Stephen Rickelman; director fees & expenses.....	138.52
6310 9/10 director fees	150.00
6514 payroll taxes	11.48-
5901 Penny Johnson; director fees/expenses.....	138.52
6310 9/10 director fees	150.00
6514 payroll taxes	11.48-
5902 Susan McClure; director fees & expenses.....	277.05
6310 9/10 director fees	150.00
6310 9/11 CJOB mtg	150.00
6514 payroll taxes	22.95-
5903 Myrtle Cruz Inc; Sept 2019 bookkeeping.....	2,008.24
6333 bookkeeping exp	1,850.00
6340 office expenses	158.24
5904 Norton Rose Fulbright US LLP; 9495148733 legal.....	3,450.80
5905 H2O Consulting Inc; Aug operations/R&M 162-5077.....	23,234.09
6332 operator's fees	5,376.18
6350 postage	603.86
6340 office expenses	238.95
6332 administrative	3,802.94
6324 laboratory expenses	1,529.31
6135 r&m - water plant	6,652.37
6135 r&m - water distrib.	3,971.51
6235 r&m - sewer collect.	595.00
6335 special proj/AMR mtr	463.97
5906 Off Cinco; inv 6183 website.....	295.00
5907 Copperfield Joint Operations; Aug water purchase.....	12,130.00
5908 Copperfield Joint Operations; Veritcal Storage Chem Tank....	716.08
5909 Copperfield Joint Operations; Metal Roof & Repairs.....	1,055.75
5910 Copperfield Joint Operations; Lift Station Valve Replace....	3,567.60
5911 Copperfield Joint Operations; Shared Manhole #29 Seal Rvr G.	184.73
5912 AWBD; inv 180820/181374.....	405.00
6354 Rickleman Winter 20	310.00
6354 Rickleman Fall Semin	95.00
5913 Arthur J. Gallagher & Co; Insurance renewal 2019-2020.....	11,493.00
5914 Lisa Medlin; 15331 Meadow Village dep ref.....	47.37
2161 customer meter depos	125.00
1150 less final bill	77.63-
5915 Khan/Seema Ghori; 15630 Pebble Lake Dr dep ref/overpay.....	211.10

HARRIS CO MUD #162

Cash Report for Meeting of October 8th, 2019

2161	customer meter depos	125.00	
1150	overpayment	86.10	
5916	Teri Farthing; 15354 Meadow Village dep ref.....		188.53
2161	customer meter depos	175.00	
1150	overpayment	13.53	
5917	Marius/Serena Johnson; 15431 Pebble Lake Dr dep ref.....		132.09
2161	customer meter depos	175.00	
1150	less final bill	42.91-	
5918	Alexander Laos; 8511 Rose Manor Dr dep ref.....		276.38
2161	customer meter depos	175.00	
1150	overpayment	101.38	
5919	Nasha Casson; 15651 Pebble Lake dep ref.....		6.80
2161	customer meter depos	50.00	
1150	less final bill	43.20-	
5920	Gary/Chriselda Jansen; 15502 Meadow Village Dr dep ref.....		88.64
2161	customer meter depos	125.00	
1150	less final bill	36.36-	
5921	John McGinnis; 15414 Glenwood Park Dr dep ref.....		93.10
2161	customer meter depos	100.00	
1150	less final bill	6.90-	
5922	Karisa Reed/Oscar Flores; 15314 Sterling Lake Dr dep ref.....		14.37
2161	customer meter depos	175.00	
1150	less final bill	160.63-	
5923	Michael McBride; 7618 Club Lake Dr dep ref.....		125.00
5924	Long Nguyen; 15226 Pebble Lake Dr dep ref.....		119.58
2161	customer meter depos	125.00	
1150	less final bill	5.42-	
5925	Touraj Moghaddam; 8507 Grove Park Dr dep ref.....		74.97
2161	customer meter depos	125.00	
1150	less final bill	50.03-	
5926	WHCRWA; sept billing.....		
5927	Engle Resources; act 1824930002 15403 Willow River.....		
5928	CenterPoint Energy; @ 15403 Willow River.....		
5929	A T & T; @ 281-550-6429.....		
	previous cash balance	14,376.18	
	receipts	86,053.76	
	32 current checks	<	
	other disbursements	<	
	ending cash balance	2,899.36 >	36,781.23

TIME DEPOSIT INVESTMENTS:

Allteqiance Bank; 11/13/18 due 11/13/19 @2.75%.....	240,000.00
Independent Bank formerly BOH; 12/14/18 due 12/14/19 @2.60%.....	242,167.63
Capital Bank; 4/12/19 due 4/12/20 @2.40%.....	240,000.00
Texas Bank; 5/15/19 due 5/15/20 @2.75%.....	104,023.13
Texas Citizens Bank; 4/12/19 due 6/12/20 @2.75%.....	240,000.00
Icon Bank; dated 8/11/19 due 8/11/20 @2.75 %.....	240,000.00

DEMAND DEPOSIT INVESTMENTS:

BBVA Bank; #43836.....	7,626.17
balance last report	8,398.14
08/01 Interest	72.21
08/15 Service charge	18.00-
wire to IRS/pay tax	826.18-
Texpool; 78539-25659-00002.....	1,612,292.39
previous balance	1,609,324.40
08/31 Interest	2,967.99

HARRIS CO MUD #162

Cash Report for Meeting of October 8th, 2019

previous investments	2,923,913.30	-----
interest	3,040.20	
withdrawals	< 844.18 >	
ending investments		2,926,109.32

GENERAL OPERATING FUNDS AVAILABLE October 8th, 2019

=====

\$2,962,890.55

=====

HARRIS CO MUD #162

Cash Report for Meeting of October 8th, 2019

COLLECTIONS ACCOUNT (02300) : CENTRAL BANK 3290551

Previous cash balance, September 10th, 2019			1,162.86
plus: 1150: water & sewer revenue.....			42,232.93
plus: 2161: customer meter deposits.....			1,690.99
plus: 4202: inspection fees.....			525.00
plus: 4300: reg wtr auth revenue.....			35,886.20
plus: 4330: penalties & interest-svc accts.....			970.09
		Total Deposits :	81,305.21
less: 08/31 Return items & fees.....			151.50
less: 10/08 Transfer to Operating Checking.....			81,000.00
Beginning cash balance, October 8th, 2019			1,316.57

08/01-09/30	previous cash balance	1,162.86	
	115 receipts	81,305.21	
	other disbursements	81,151.50	<
	ending cash balance		>
			1,316.57
			=====
COLLECTIONS ACCOUNT FUNDS AVAILABLE October 8th, 2019			\$1,316.57
			=====

HARRIS COUNTY M.U.D. # 162

Operating Budget for Fiscal Year Ending 7/31/2020

Comparison as of October 8, 2019

Recap of Revenues and Expenditures

REVENUES	2 months					
	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	dollar variance
Water and Sewer	44,825.09	39,250.00	471,000	85,043.05	78,500.00	6,543.05
Water Revenue	29,613.24	16,666.67	200,000	48,659.48	33,333.33	15,326.15
Sewer Revenue	12,890.26	15,833.33	190,000	26,125.09	31,666.67	(5,541.58)
Penalty & Interest	970.09	1,250.00	15,000	1,915.64	2,500.00	(584.36)
Bulk Water Sales	826.50	833.33	10,000	826.50	1,666.67	(840.17)
SPA Revenue	0.00	4,583.33	55,000	6,466.34	9,166.67	(2,700.33)
Tap Connection Fees	0.00	0.00	0	0.00	0.00	0.00
Facility / Sewer Inspects	525.00	83.33	1,000	1,050.00	166.67	883.33
Other Revenue	42,953.66	105,636.25	1,267,635	99,432.89	211,272.50	(111,839.61)
Maintenance Tax	3,997.25	57,658.58	691,903	15,159.48	115,317.17	(100,157.69)
Interest Income	3,070.21	3,333.33	40,000	11,978.24	6,666.67	5,311.57
Xfer from Capital Projects	0.00	0.00	0	0.00	0.00	0.00
WHCRWA Revenue	35,886.20	39,166.67	470,000	67,234.17	78,333.33	(11,099.16)
WHCRWA Capital Credits	0.00	5,061.00	60,732	5,061.00	10,122.00	(5,061.00)
Miscellaneous *	0.00	416.67	5,000	0.00	833.33	(833.33)
TOTAL REVENUES	87,778.75	144,886.25	1,738,635	184,475.94	289,772.50	(105,296.56)

EXPENDITURES	2 months					
	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	dollar variance
District Management	13,555.31	15,268.00	59,300	16,101.78	20,550.00	4,448.22
District Consultants	14,479.92	12,791.67	164,750	26,997.16	34,383.33	7,386.17
District Operations	34,615.76	88,108.33	1,064,500	134,017.13	176,216.67	42,199.54
Special Projects	463.97	833.33	340,000	4,796.50	340,000.00	335,203.50
TOTAL EXPENDITURES	63,114.96	117,001.33	1,628,550	181,912.57	571,150.00	389,237.43
SURPLUS OR (DEFICIT)	24,663.79	27,884.92	110,085.00	2,563.37	(281,377.50)	

() indicates an unfavorable variance

Beginning Balance	2,939,452.34		2,960,259.00
Net Surplus or (Deficit)	24,663.79		2,563.37
Deposits Received	1,690.99		4,219.75
Deposits Refunded	(1,600.00)		(2,835.00)
Ending Balance	<u>2,964,207.12</u>		<u>2,964,207.12</u>
Cash Report Balance	2,964,207.12		
Customer Deposits	<u>74,210.49</u>	Customer Deposits on file as of 9/10/2019	
Cash Available	<u>2,889,996.63</u>		

Operating acct	2,962,890.55
Collections acct	<u>1,316.57</u>
	<u>2,964,207.12</u>

HARRIS COUNTY M.U.D. # 162

Operating Budget for Fiscal Year Ending 7/31/2020

Comparison as of October 8, 2019

Breakout of Expenditures

	2 months					
	MTD Actual	MTD Budget	Annual Budget	YTD Actual	YTD Budget	dollar variance
EXPENDITURES						
DISTRICT MANAGEMENT	13,555.31	15,268.00	59,300	16,101.78	20,550.00	4,448.22
Director Fees	900.00	1,666.67	20,000	2,250.00	3,333.33	1,083.33
Director Payroll Taxes	757.31	150.00	1,800	654.01	300.00	(354.01)
Election Expense	0.00	833.33	10,000	0.00	1,666.67	1,666.67
Publish Legal Notices	0.00	208.33	2,500	0.00	416.67	416.67
Travel Expenses/Registration	405.00	916.67	11,000	1,704.77	1,833.33	128.56
Membership Dues	0.00	0.00	1,500	0.00	1,000.00	1,000.00
Insurance & Bonds	11,493.00	11,493.00	12,500	11,493.00	12,000.00	507.00
DISTRICT CONSULTANTS	14,479.92	12,791.67	164,750.00	26,997.16	34,383.33	7,386.17
Legal Fees	3,450.80	3,000.00	36,000.00	6,705.05	6,000.00	-705.05
Auditing Fees	0.00	0.00	11,250	0.00	8,800.00	8,800.00
Engineering Fees	0.00	2,916.67	35,000.00	1,704.03	5,833.33	4,129.30
Financial Advisor Fees	0.00	0.00	0	0.00	0.00	0.00
Bookkeeper Fees	1,850.00	1,875.00	22,500	3,700.00	3,750.00	50.00
Operator	9,179.12	5,000.00	60,000.00	14,888.08	10,000.00	(4,888.08)
DISTRICT OPERATIONS	34,615.76	88,108.33	1,064,500	134,017.13	176,216.67	42,199.54
Repairs and Maintenance	11,218.88	17,000.00	211,200	37,456.87	34,000.00	(3,456.87)
R&M - Water Plant	6,652.37	5,250.00	63,000	20,926.79	10,500.00	(10,426.79)
R&M - Water Distribution	3,971.51	7,250.00	87,000	14,572.59	14,500.00	(72.59)
R&M - Wastewater Collection	595.00	4,000.00	48,000	1,957.49	8,000.00	6,042.51
R&M - General	0.00	500.00	6,000	0.00	1,000.00	1,000.00
Water Audits	0.00	600.00	7,200	0.00	1,200.00	1,200.00
Bulk Water Purchased	0.00	83.33	1,000	0.00	166.67	166.67
Sewer Service Purchased	17,654.16	20,000.00	240,000	33,530.25	40,000.00	6,469.75
Lab Fees	1,529.31	1,250.00	15,000	3,939.78	2,500.00	(1,439.78)
Chemicals	0.00	333.33	4,000	648.44	666.67	18.23
Utilities	2,881.36	2,333.33	28,000	4,993.02	4,666.67	(326.35)
Permits & Assessments	0.00	625.00	7,500	0.00	1,250.00	1,250.00
Cost of Taps & Inspections	0.00	83.33	1,000	0.00	166.67	166.67
Office Expense	433.19	1,333.33	16,000	1,288.83	2,666.67	1,377.84
Postage	603.86	816.67	9,800	1,264.59	1,633.33	368.74
Water Conservation	0.00	291.67	3,500	0.00	583.33	583.33
Surface Water Fees	0.00	43,333.33	520,000	50,305.35	86,666.67	36,361.32
Website	295.00	416.67	5,000	590.00	833.33	243.33
Miscellaneous	0.00	208.33	2,500	0.00	416.67	416.67
SPECIAL PROJECTS	463.97	28,333.33	340,000.00	4,796.50	340,000.00	335,203.50
AMR meter replacement	463.97	11,250.00	135,000	463.97	135,000.00	134,536.03
-Smoke Testing	0.00	1,666.67	20,000	0.00	20,000.00	20,000.00
Painting at Water Plant	0.00	0.00	0	0.00	0.00	0.00
Engineering	0.00	2,500.00	30,000	0.00	30,000.00	30,000.00
Construction	0.00	0.00	0	0.00	0.00	0.00
Drainage Study	0.00	0.00	0	0.00	0.00	0.00
Cleaning & TV 2 Phase	0.00	4,583.33	55,000	0.00	55,000.00	55,000.00
Electrical Improvements WP	0.00	0.00	0.00	4,332.53	0.00	(4,332.53)
Engineering	0.00	0.00	0	4,332.53	0.00	(4,332.53)
Construction	0.00	0.00	0	0.00	0.00	0.00
SS CCTV Repairs	0.00	8,333.33	100,000.00	0.00	100,000.00	100,000.00
TOTAL EXPENDITURES	63,114.96	117,001.33	1,628,550	181,912.57	571,150.00	389,237.43

7200

HARRIS COUNTY MUD #162
Director Per Diems Fiscal Year August 2019-September 2020

<u>MEETING</u>	<u>Ck #</u>	<u>Susan McClure</u>	<u>Ck #</u>	<u>Karen Odell</u>	<u>Ck #</u>	<u>Stephen Rickelman</u>	<u>Ck #</u>	<u>Penny Johnson</u>	<u>Ck #</u>	<u>John Parrish</u>
9/10/2019	5870	450.00	5866	150.00	5868	150.00	5869	150.00	5867	450.00
10/8/2019	5902	300.00	5898	150.00	5900	150.00	5901	150.00	5899	150.00
Total Paid to Date		750.00		300.00		300.00		300.00		600.00
REMAINING AMOUNT THRU		6,450.00		6,900.00		6,900.00		6,900.00		6,600.00
8-Oct-19										

INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for
HARRIS COUNTY MUD #162

Prepared for the reporting period ("Period") from

8/1/2019

to

8/31/2019

<i>Demand Deposit Accounts</i>		Rate		Begin Value for Period	Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period		
fund <i>Money Market Savings</i>									
DS	Compass Bank	0.20%		32,658.97	34.36	(18.00)	32,675.33		
OA	Compass Bank	0.20%		8,398.14	72.21	(844.18)	7,626.17		
		0.20%		41,057.11	106.57	-862.18	40,301.50		

<i>Investment Pools</i>		Rate	Beginning Value for Period			Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period		
fund			Book	N.A.V.	Market			Book	N.A.V.	Market
DS	Texpool	2.1715%	1,283.92	0.99996	1,283.87	2.44	0.00	1,286.36	0.99996	1,286.31
OP	Texpool	2.1715%	1,609,324.40	0.99996	1,609,260.03	2,967.99	0.00	1,612,292.39	0.99996	1,612,227.90
		2.1715%	1,610,608.32		1,610,543.90	2,970.43	0.00	1,613,578.75		1,613,514.21

<i>Certificates of Deposits</i>			Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
fund										
OA	Icon Bank/Bancorp South	2.35%	240,000.00	365	245,485.48	204.38	(245,689.86)	0.00	08/11/18	08/11/19
OA	Bancorp South	2.75%	240,000.00	366	0.00	379.73	240,000.00	240,379.73	08/11/19	08/11/20
OA	Independent Bank/BOH	2.60%	242,274.15	365	246,243.46	534.99	0.00	246,778.46	12/14/18	12/14/19
OA	Allegiance Bank	2.75%	240,000.00	365	244,719.45	560.55	0.00	245,280.00	11/13/18	11/13/19
OA	Capital Bank	2.40%	240,000.00	366	241,751.67	489.21	0.00	242,240.88	04/12/19	04/12/20
OA	Texas Citizens Bank	2.75%	240,000.00	427	242,007.12	560.55	0.00	242,567.67	04/12/19	06/12/20
OA	Texan Bank	2.75%	104,023.13	366	104,634.44	242.96	0.00	104,877.40	05/15/19	05/15/20
		2.6342%	1,546,297.28	427	1,324,841.63	8,913.22	-5,689.86	4,549,281.63		61
	total investments	2.3488%	3,156,905.60	427	2,976,442.64	11,990.22	-6,552.04	6,203,161.88	wam:	45

Compliance Statement.

The investments (reported on above) for the Period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

Review.

This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Signatures.

Myrtle Cruz, Inc. Invest.xls version 2.4

Investment Officer (please sign & date)
Karrie Kay - Recent PFIA Training Date: 10/2017

Bookkeeper (Myrtle Cruz, Inc.)
Vanessa Hernandez

Deposit / Collateral Report by District



HARRIS COUNTY MUD 162

BBVA Compass Bank

Tax ID - Pledge: 742058283-20081
 1st. Consultant: MCI-MYRTLE CRUZ, INC.
 2nd. Consultant:

Pledge Date: 09/03/2019
 Accounts Through: 8/30/2019 10:00 PM
 Memo Posts Through: NO MEMO POSTS

Deposits

Interest Account

<u>Acct No</u>	<u>Funds Type</u>	<u>Class</u>	<u>Balance</u>	<u>Interest</u>	<u>Total</u>
0000043836	Interest Account		\$58,452.35	\$0.00	\$58,452.35
0000070490	Interest Account		\$24,738.58	\$0.00	\$24,738.58
Subtotal Interest Account			\$83,190.93	\$0.00	\$83,190.93

Bond Fund

<u>Acct No</u>	<u>Funds Type</u>	<u>Class</u>	<u>Balance</u>	<u>Interest</u>	<u>Total</u>
2514455123	Bond Fund		\$32,675.33	\$0.00	\$32,675.33
Subtotal Bond Fund			\$32,675.33	\$0.00	\$32,675.33

Total Deposits	\$115,866.26	\$0.00	\$115,866.26
-----------------------	---------------------	---------------	---------------------

Securities

<u>Agency</u>	<u>Custodian</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Date Pledged</u>	<u>Units Pledged</u>	<u>Market Value</u>
FHLB-A-LO	CH	142153	06/21/2020	06/21/2019 01:36 PM	1,000,000	\$1,000,000.00
Total Securities Pledged					1,000,000	\$1,000,000.00

DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	\$83,190.93
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$32,675.33
TOTAL DEPOSITS	\$115,866.26
LESS APPLICABLE FDIC	
Subtotal Interest Deposits	\$83,190.93
Subtotal Non-Interest Deposits	\$0.00
Subtotal Bond Fund Deposits	\$32,675.33
Deposits Requiring Collateral	\$0.00
TOTAL SECURITIES PLEDGED	\$1,000,000.00
DEPOSIT COLLATERAL POSITION - 100%	\$1,000,000.00
DEPOSIT COLLATERAL POSITION - 105%	\$1,000,000.00
	0%

TAX COLLECTOR'S OATH

Harris Co. MUD #162 }

STATE OF TEXAS

COUNTY OF Harris }

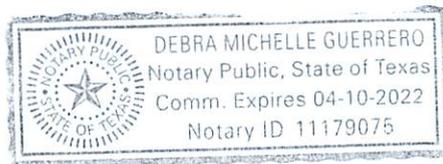
BOB LEARED, BEING duly sworn, states that he is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Bob Leared
BOB LEARED

SWORN TO AND SUBSCRIBED BEFORE ME, this 1st day of October, 2019.

Michelle Guerrero
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on _____.

Exhibit D

HARRIS COUNTY M.U.D. #162
TAX ASSESSOR/COLLECTOR'S REPORT

9/30/2019

Taxes Receivable: 8/31/2019	\$	34,949.35	
Reserve for Uncollectables	(7,329.97)	
Adjustments		<u>10.83</u>	\$ <u>27,630.21</u>
Original 2019 Tax Levy	\$.00	
Adjustments		<u>.00</u>	<u>.00</u>
Total Taxes Receivable			\$ 27,630.21
Prior Years Taxes Collected	\$	85.79	
2019 Taxes Collected (.0%)		<u>.00</u>	<u>85.79</u>
Taxes Receivable at: 9/30/2019			\$ <u><u>27,544.42</u></u>

2019 Receivables:
Debt Service
Maintenance

bob leared interests

11111 Katy Freeway, Suite 725
Houston, Texas 77079-2197

Phone: (713) 932-9011
Fax: (713) 932-1150

HARRIS COUNTY M.U.D. #162

	Month of 9/2019	Fiscal to Date 8/01/2019 - 9/30/2019
Beginning Cash Balance	\$ 26,255.76	41,242.78
Receipts:		
Current & Prior Years Taxes	164.18-	4,789.27
Penalty & Interest	21.48	1,284.14
Additional Collection Penalty		1,224.83
Stale Dated Checks		183.15
Refund - due to adjustments	249.97	249.97
TOTAL RECEIPTS	\$ 107.27	7,731.36
Disbursements:		
CAD Quarterly Assessment	1,614.00	1,614.00
Transfer to Debt Service Fund		10,000.00
Transfer to General Fund	3,997.25	15,159.48
Tax Assessor/Collector Fee	1,100.00	2,200.00
Rendition Penalty CAD Portion		26.23
Postage	4.67	8.42
Copies		254.98
Mileage Expense	12.84	26.76
Delinquent Data Transfer File		50.00
TOTAL DISBURSEMENTS	(\$ 6,728.76)	(29,339.87)
CASH BALANCE AT: 9/30/2019	\$ 19,634.27	19,634.27

HARRIS COUNTY M.U.D. #162

Disbursements for month of October, 2019

Check #	Payee	Description	Amount
1263	P,B,F,C & M, LLP	Atty's Fees, Delq. collection	\$ 3,117.87
1264	Houston Chronicle	Publications, Legal Notice	850.90
1265	Ehrhardt Melissa N	Refund - due to adjustments	247.50
1266	Element Fleet Corporation	Refund - due to adjustments	2.47
1267	Bob Leared	Tax Assessor/Collector Fee	1,971.51
TOTAL DISBURSEMENTS			\$ 6,190.25
Remaining Cash Balance			\$ <u>13,444.02</u>

Wells Fargo Bank, N.A.

HARRIS COUNTY M.U.D. #162

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 9/2019	Adjustments To Collections 9/2019	Total Tax Collections at 9/30/2019	Total Taxes Receivable at 9/30/2019	Collection Percentage
2019					
2018	85.79	126.22-	852,939.10	9,888.48	98.854
2017		123.75-	849,012.87	4,223.82	99.505
2016			820,193.63	1,842.10	99.776
2015			764,445.36	1,477.48	99.807
2014			763,715.25	1,503.46	99.804
2013			714,891.64	1,114.28	99.844
2012			712,197.30	1,114.28	99.844
2011			711,277.38	1,114.28	99.844
2010			709,355.42	1,275.64	99.820
2009			720,355.89	1,275.64	99.823
2008			750,601.83	786.81	99.895
2007			768,908.61	826.65	99.893
2006			738,359.99	815.14	99.890
2005			739,070.14	286.36	99.961
2004			733,836.18		100.000
2003			727,064.34		100.000
2002			759,801.68		100.000
2001			626,578.74		100.000
2000			587,181.92		100.000
1999			574,662.62		100.000
1998			567,386.02		100.000
1997			593,037.78		100.000
1996			594,244.49		100.000
1995			590,562.88		100.000
1994			643,955.41		100.000
1993			668,068.14		100.000
1992			638,780.83		100.000
1991			631,546.88		100.000
1990			594,929.16		100.000
1989			590,119.99		100.000
1988			391,390.39		100.000
1987			376,780.50		100.000
1986			419,732.30		100.000
1985			433,458.50		100.000
1984			592,891.67		100.000
1983			468,616.61		100.000
1982			314,533.45		100.000
1981			207,509.76		100.000
1980			116,831.12		100.000
1979			46,185.04		100.000

(Percentage of collections same period last year)

HARRIS COUNTY M.U.D. #162

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2019	164,250,659	00 / 00				
2018	174,308,559	12 / 12	.495000	57,282.59		862,827.58
2017	172,371,008	23 / 23	.495000	69,894.71		853,236.69
2016	166,067,790	31 / 31	.495000	74,031.07		822,035.73
2015	153,184,154	31 / 31	.500000	99,589.07		765,922.84
2014	139,139,253	51 / 51	.550000	89,435.22	47.56	765,218.71
2013	126,411,760	33 / 33	.566500	34,462.88	116.92	716,005.92
2012	125,936,865	42 / 42	.566500	61,366.44	120.96	713,311.58
2011	125,836,722	49 / 49	.566500	53,195.38	473.51	712,391.66
2010	126,901,127	01 / 60	.560000	89,980.05	15.26	710,631.06
2009	128,890,756	01 / 54	.560000	109,380.22	156.79	721,631.53
2008	134,232,728	02 / 66	.560000	107,136.63	314.63	751,388.64
2007	130,657,682	01 / 61	.590000	100,894.10	1,145.15	769,735.26
2006	125,428,395	01 / 73	.590000	54,550.33	852.41	739,175.13
2005	123,383,543	01 / 53	.600000	21,129.86	944.76	739,356.50
2004	122,355,970	01 / 24	.600000	36,973.14	299.64	733,836.18
2003	121,254,410	05 / 21	.600000	60,950.40	462.12	727,064.34
2002	114,296,870	01 / 22	.665000	23,892.88	274.58	759,801.68
2001	111,900,380	06 / 39	.560000	42,466.06	63.39	626,578.74
2000	104,858,400	21 / 21	.560000	19,876.85	25.09	587,181.92
1999	97,402,530	00 / 00	.590000	20,641.30	12.39	574,662.62
1998	96,182,970	00 / 00	.590000	21,310.05	93.58	567,386.02
1997	95,676,440	00 / 00	.620000	14,869.55	156.18	593,037.78
1996	95,885,210	00 / 00	.620000	12,887.56	243.78	594,244.49
1995	95,308,100	00 / 00	.620000	9,420.93	347.38	590,562.88
1994	92,081,070	00 / 00	.700000	7,049.07	612.08	643,955.41
1993	91,548,720	00 / 00	.730000	21,355.71	237.54	668,068.14
1992	85,207,300	00 / 00	.750000	17,805.21	274.21	638,780.83
1991	84,208,740	00 / 00	.750000	9,596.02	18.98	631,546.88
1990	79,326,660	00 / 00	.750000	13,523.11	21.08	594,929.16
1989	78,854,250	00 / 00	.750000	15,750.33		590,119.99
1988	75,372,520	00 / 00	.520000	6,807.02		391,390.39
1987	75,495,490	00 / 00	.500000	6,979.65		376,780.50
1986	84,264,770	00 / 00	.500000	12,247.05		419,732.30
1985	86,726,700	00 / 00	.500000	6,805.10		433,458.50
1984	84,767,970	00 / 00	.700000	124,206.53		592,891.67
1983	66,945,230	00 / 00	.700000	1,595.23-		468,616.61
1982	44,933,350	00 / 00	.700000			314,533.45
1981	25,938,720	00 / 00	.800000	206.56		207,509.76
1980	14,603,890	00 / 00	.800000	267.60-		116,831.12
1979	5,773,130	00 / 00	.800000	62.40		46,185.04

HARRIS COUNTY M.U.D. #162

TAX RATE COMPONENTS

Year	Debt Service Rate	Debt Service Levy	Maintenance Rate	Maintenance Levy
2019				
2018	.090000	156,877.76	.405000	705,949.82
2017	.095000	163,752.50	.400000	689,484.19
2016	.100000	166,067.82	.395000	655,967.91
2015	.110000	168,503.02	.390000	597,419.82
2014	.140000	194,782.98	.410000	570,435.73
2013	.200000	252,782.31	.366500	463,223.61
2012	.200000	251,831.09	.366500	461,480.49
2011	.210000	264,081.66	.356500	448,310.00
2010	.250000	317,246.03	.310000	393,385.03
2009	.260000	335,043.20	.300000	386,588.33
2008	.370000	496,453.22	.190000	254,935.42
2007	.400000	521,854.41	.190000	247,880.85
2006	.460000	576,306.02	.130000	162,869.11
2005	.480000	591,485.20	.120000	147,871.30
2004	.480000	587,068.94	.120000	146,767.24
2003	.500000	605,886.93	.100000	121,177.41
2002	.565000	645,545.82	.100000	114,255.86
2001	.460000	514,689.70	.100000	111,889.04
2000	.510000	534,754.97	.050000	52,426.95
1999	.540000	525,962.38	.050000	48,700.24
1998	.540000	519,302.44	.050000	48,083.58
1997	.570000	545,212.13	.050000	47,825.65
1996	.570000	546,321.52	.050000	47,922.97
1995	.570000	542,936.82	.050000	47,626.06
1994	.650000	597,958.58	.050000	45,996.83
1993	.680000	622,310.02	.050000	45,758.12
1992	.700000	596,195.42	.050000	42,585.41
1991	.700000	589,443.73	.050000	42,103.15
1990	.700000	555,267.20	.050000	39,661.96
1989	.700000	550,778.64	.050000	39,341.35
1988	.470000	353,756.72	.050000	37,633.67
1987	.450000	339,102.45	.050000	37,678.05
1986	.450000	377,759.07	.050000	41,973.23
1985	.500000	433,458.50		
1984	.700000	592,891.67		
1983	.700000	468,616.61		
1982	.700000	314,533.45		
1981	.800000	207,509.76		
1980	.800000	116,831.12		
1979	.800000	46,185.04		

HARRIS COUNTY M.U.D. #162

Notes:

\$ 249.97 - REPORTED AS TAXES COLLECTED ON PRIOR REPORTS. TRANSFERRED TO REFUNDS DUE TO ADJ# 23-2017 TAXES & ADJ# 12-2018 TAXES VARIOUS ACCOUNTS.

HARRIS COUNTY M.U.D. #162

Tax Exemptions:	2019	2018	2017
Homestead	.000	.000	.000
Over 65	0	25,000	25,000
Disabled	0	25,000	25,000

Last Bond Premium Paid:

Payee	Date of Check	Amount
Harco Insurance Services 11/1/16-11/1/19	11/02/2016	250.00

Adjustment Summary: 2019

TOTAL

HARRIS COUNTY M.U.D. #162
Homestead Payment Plans

<u>Account no.</u>	<u>Tax</u> <u>Year</u>	<u>Last</u> <u>Payment</u> <u>Amount</u>	<u>Last</u> <u>Payment</u> <u>Date</u>	<u>Balance</u> <u>Due</u>
(I) 0301-018-0260	2018	107.27	09/18/19	921.95

*Total Count 1

(I) - BLI Contract (A) - Delinquent Attorney Contract

Standard Payment Plans

<u>Account no.</u>	<u>Tax</u> <u>Year</u>	<u>Last</u> <u>Payment</u> <u>Amount</u>	<u>Last</u> <u>Payment</u> <u>Date</u>	<u>Balance</u> <u>Due</u>
(S) 0101-006-0300	2018	100.00	09/30/19	441.49

*Total Count 1



5870 Highway 6 North, Suite 215
Houston, Texas 77084
Tel : 281 861-6215
Fax : 281 861-6218

**HARRIS COUNTY M.U.D. No. 162
OPERATIONS REPORT
September-19**

WATER PLANT SUMMARY

		<u>September-19</u>	<u>HGCSD YTD</u>
Produced from Well	4.45%	565,000 gal	4,590,000 gal
Purchased from WHCRWA	95.55%	12,120,000 gal	55,283,000 gal
WHCRWA Allocated Withdrawal	1/1/19 to 12/31/19		180,000,000 gal
Amount Remaining on WHCRWA allocation			120,127,000 gal
Months Remaining on WHCRWA allocation			3 months

COMMENTS:

ACCOUNTABILITY SUMMARY

		<u>September-19</u>	<u>Last 13 Months</u>
Metered & Billed	7/29/19 to 8/30/19	14,047,300 gal	See attached Spreadsheet
Amount Used to Maintain System		39,300 gal	
STP usage		27,000 gal	
Amount Produced From Well		1,187,000 gal	
Water Purchased - WHCRWA		14,194,000 gal	
Water Sold - MUD 188		-	
Water Sold - MUD 186	Monthly	157,000 gal	
Water Sold - MUD 208	Monthly	99,000 gal	
Percent Water Accountability		91.33%	92.10%

Comments:

BULK WATER SALES

	Current	30/60 Days	60/90 Days	Over 90 Days
Harris County MUD No. 186	\$682.95	\$635.10	\$648.15	\$0.00
Harris County MUD No. 208	\$430.65	\$395.85	\$491.55	\$0.00

BACKCHARGES

	Current	30/60 Days	60/90 Days	Over 90 Days
	\$0.00	\$0.00	\$0.00	\$0.00

INSURANCE CLAIMS

OPERATIONS EXPENSES

	<u>September-19</u>	<u>2 Months (FYTD)</u>
Operational Services	\$ 5,858.99	\$ 11,457.68
Customer Account Transfers	\$ 260.00	\$ 540.00
Terminations	\$ 100.00	\$ 200.00
Administrative Services	\$ 3,802.94	\$ 4,827.00
Taps/Inspections	\$ -	\$ -
Temporary Meter Maintenance	\$ -	\$ -
Chemicals	\$ -	\$ 648.44
Laboratory Expense	\$ 1,529.31	\$ 3,939.78
Water Plant Expense	\$ 6,652.37	\$ 20,926.79
Water Distribution Repairs	\$ 3,971.51	\$ 14,572.59
Meter Replacement	\$ -	\$ -
Wastewater Collection Repairs	\$ 595.00	\$ 1,957.49
Special Projects	\$ 463.97	\$ 463.97
Conservation	\$ -	\$ -
TOTAL AMOUNT INVOICED	\$ 23,234.09	\$ 59,533.74

Exhibit E

HARRIS COUNTY MUD No.162
 WATER ACCOUNTABILITY REPORT
 September-19

Meter Reading Cycle	Metered (Thousand Gallons)						Water Sold (Thous. Gal.)					Maint. (K. Gal.)	Water Acct. (K gal)	Well Pumpage (K gal)	Water Purch. (Thous. Gal.)			Total Water Supplied	Percent Acct.	Tot Dem Per Capita Per Day	Water Loss		
	Res.	Comm	Park/Rec	Irrig	STP	Total	208	186	188	163	179				208	WHCROWA	188					208	
7/31/2018	8/30/2018	10351	1761	1047	1018	37	14214	133	176	0	0	0	0	74	14597	364	15038	0	0	15402	94.77%	190.8	805
8/30/2018	9/28/2018	6082	1428	694	1932	14	10150	113	123	0	0	0	0	29	10415	402	10710	0	0	11112	93.73%	137.6	697
9/28/2018	10/29/2018	5474	1280	580	769	19	8122	92	84	0	0	0	0	23	8321	437	8805	0	0	9242	90.04%	114.5	921
10/29/2018	11/29/2018	4755	1270	241	135	20	6421	83	87	0	0	1495	0	62	8148	391	9732	0	0	10123	80.49%	125.4	1975
11/29/2018	12/31/2018	4702	1319	308	162	19	6510	63	86	0	0	0	0	29	6688	408	6752	0	0	7160	93.41%	88.7	472
12/31/2018	1/31/2019	4568	883	196	55	20	5722	44	76	0	0	0	0	53	5895	243	2619	0	3700	6562	89.84%	81.3	667
1/31/2019	2/28/2019	3882	1223	187	40	22	5354	44	82	0	0	0	0	80	5560	0	1	0	6200	6201	89.66%	76.8	641
2/28/2019	3/29/2019	5116	1123	401	45	21	6706	53	49	0	0	0	0	46	6854	0	7	0	7600	7607	90.10%	94.2	753
3/29/2019	4/30/2019	6379	1178	502	105	25	8189	66	116	0	0	0	0	858	9229	452	9	0	9700	10161	90.83%	125.9	932
4/30/2019	5/30/2019	6445	1232	593	202	19	8491	62	105	0	0	0	0	40	8698	611	4150	0	4600	9361	92.91%	116.0	664
5/30/2019	6/28/2019	7475	1012	723	473	19	9702	113	149	0	0	0	0	53	10017	639	9137	0	0	9776	102.47%	121.1	-241
6/28/2019	7/29/2019	9259	944	709	1060	19	11991	91	146	0	0	0	0	125	12353	885	12216	0	0	13101	94.29%	162.3	748
7/29/2019	8/30/2019	9905	1830	952	1038	27	13752	99	157	0	0	0	0	39	14047	1187	14194	0	0	15381	91.33%	190.5	1334
Total		84393	16483	7133	7034	281	115324	1056	1436	0	0	1495	0	1513	120824	6019	93370	0	31800	131189	92.10%		

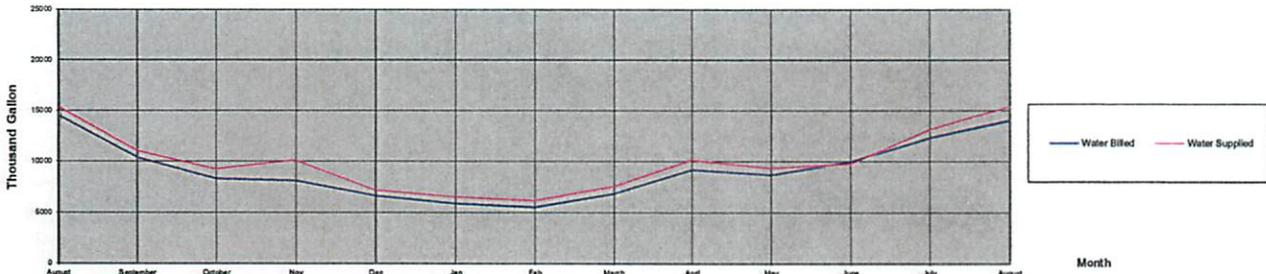
Notes: 11/16/18 Creek Glen 8" Water Main Break 1/8/19 Fire Hydrant Hit at Chick-fil-a 1/14/19 Plant offline 8/22/19 Mesa Gardens 8" Water Main Break

Meter Reading Cycle	WHCROWA billed to Customers	WHCROWA bill	WHCROWA Credit	Total	
7/31/2018	8/30/2018	\$ 44,063.40	\$ 47,600.60	\$ 5,061.00	\$ 1,523.80
8/30/2018	9/28/2018	\$ 31,463.00	\$ 34,286.40	\$ 5,061.00	\$ 2,237.60
9/28/2018	10/29/2018	\$ 25,178.20	\$ 28,475.40	\$ 5,061.00	\$ 1,763.80
10/29/2018	11/29/2018	\$ 24,539.60	\$ 31,224.90	\$ 5,061.00	\$ (1,624.30)
11/29/2018	12/31/2018	\$ 20,181.00	\$ 22,032.80	\$ 5,061.00	\$ 3,209.20
12/31/2018	1/31/2019	\$ 19,167.70	\$ 21,885.50	\$ 5,061.00	\$ 2,343.20
1/31/2019	2/28/2019	\$ 17,935.90	\$ 20,773.35	\$ 5,061.00	\$ 2,223.55
2/28/2019	3/29/2019	\$ 22,465.10	\$ 25,483.45	\$ 5,061.00	\$ 2,042.65
3/29/2019	4/30/2019	\$ 27,433.15	\$ 33,858.55	\$ 5,061.00	\$ (1,364.40)
4/30/2019	5/30/2019	\$ 28,444.85	\$ 31,114.95	\$ 5,061.00	\$ 2,390.90
5/30/2019	6/28/2019	\$ 32,501.70	\$ 32,494.00	\$ 5,061.00	\$ 5,068.70
6/28/2019	7/29/2019	\$ 40,169.85	\$ 43,534.35	\$ 5,061.00	\$ 1,696.50
7/29/2019	8/30/2019	\$ 46,069.20	\$ 51,051.55	\$ 5,061.00	\$ 78.65
TOTAL		\$ 379,612.65	\$ 423,815.80	\$ 65,793.00	\$ 21,589.85

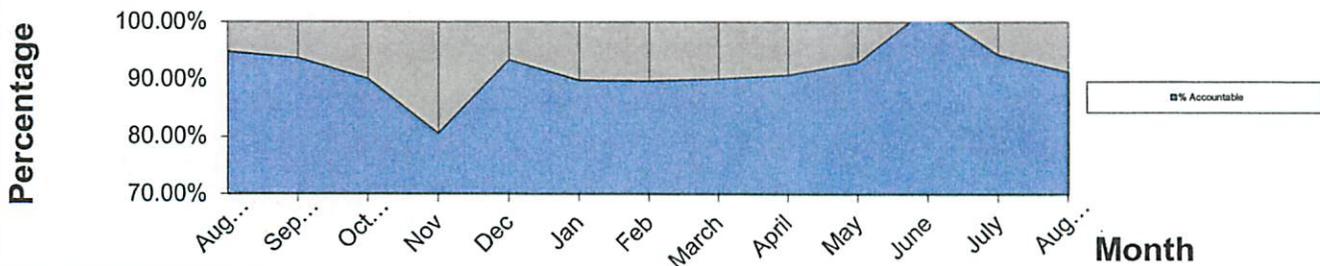
January 2016 WHCROWA rate \$2.65 /gal
 January 2017 WHCROWA rate \$2.85 /gal
 January 2018 WHCROWA rate \$3.10 /gal
 January 2019 WHCROWA rate \$3.35 /gal

Includes water billed to MUD 179
 Includes water purchased from 208
 Includes water purchased from 208

Water Accountability



% Accountable



Water Sold

- 208 - Harris County MUD No 208 Unmetered
- 186 - Harris County MUD No 186 Unmetered
- 179 - Harris County MUD No 179 Metered
- 188 - Harris County MUD No 188 Metered

MAINTENANCE SUMMARY

September-19

Water Plant Maintenance

Booster Pump # 3 Motor Replacement

We have ordered the new motor.

Approved 9/10/19

Estimated Cost \$ 7,400.00

Building Roof Repairs

We are scheduling the repairs.

Approved 9/10/19

Estimated Cost \$ 10,431.00

Water Line Maintenance

Automatic Meter Reading

We are scheduling the next round of meter installs.

Approved 2/12/19

Cost to Date \$ 88,595.44

8" Water Main Break - Mesa Gardens/ Branch Point Shared Line

We received plans from BGE, see attached pavement replacement bids.

Approval Needed

Cost to Date \$ 7,439.43

<i>Write Solutions</i>	\$ 36,467.00
<i>Camino Services</i>	\$ 48,298.50
<i>Tackle Construction</i>	\$45000 - \$50,000

8" Water Main Replacement

See attached proposal to replace the water line under mesa gardens.

Discussion

Sewer Line Maintenance

Smoke Testing - Middlegate

Smoke testing is scheduled for October 21st.

Budget Item

Approved 6/11/19

Estimated Cost \$ 25,000.00

Administrative

5-year Forecast

See separate handout.

Estimate



PO Box 1036
Montgomery TX 77356
(832) 966-1031, (281) 330-0509
Wesley@wsolutionsllc.com

ESTIMATE #	1092
DATE	10/07/2019
PO #	

CUSTOMER
H2O Consulting Josh Board 5870 HWY 6 215 Houston TX 77084 jboard@h2oconsulting.net

SERVICE LOCATION
HCMUD # 162 Mesa Gardens Dr Pavement Repair Houston TX 77095

DESCRIPTION	Provide labor, materials, equipment and traffic control to complete pavement improvements as per plans and specs. Scope includes 2- roads panels, 1 - Driveway apron and approximately 75' of 6" curb. High Early Strength Concrete to be used throughout project.
--------------------	--

Description	Qty	Rate	Tax	Total
Bid Price Lump Sum	1.00	\$36,467.00	\$0.00	\$36,467.00

CUSTOMER MESSAGE
Thank you for allowing Wright Solutions to compete for your business!

Estimate Total: \$36,467.00



16130 Hollister
Houston, TX 77066
Ph. 281-357-5020 Fax: 281-587-5999

To: H2O Consulting
Address: 5870 Highway 6 North

Houston, TX 77084

Attn: Josh Board
Phone: () -
Fax: () -

Project: - MESA GARDENS DRIVE PAVEMENT
REPLACEMENT

Item	Description	Quantity	Unit	Unit Price	Total
10	MOBILIZATION	1.000	EA	\$1,650.00	\$1,650.00
20	SAWCUT PAVEMENT	122.000	LF	\$ 13.00	\$1,586.00
30	REMOVE AND DISPOSE	180.000	SY	\$ 39.50	\$7,110.00
40	INSTALL CEMENT SAND	180.000	SY	\$ 29.00	\$5,220.00
60	6" CURB	65.000	LF	\$ 29.50	\$1,917.50
70	TRAFFIC CONTROL	1.000	EA	\$1,650.00	\$1,650.00
80	ROW BOND & PERMIT	1.000	EA	\$1,825.00	\$1,825.00
90	MATERIAL TESTING	1.000	EA	\$2,500.00	\$2,500.00
Bid Total					\$48,298.50

Subject to Master Agreement: Customer and Company have executed a Master Agreement to set forth the terms by which they agree to do business (the "Agreement"). Work performed under this Proposal is subject to the terms and conditions of the Agreement, which is incorporated herein. The Agreement and this Proposal form the entire agreement with respect to the scope of work described in this Proposal; Customer is not relying on any promises or representations that are not specifically set forth in this Proposal or in the Agreement.

Proposal Duration: This Proposal is valid for 30 days after the Date of Proposal above, but may, at the Company's sole option, be withdrawn or revised or extended at any time before acceptance by the Customer.

Acceptance: The Customer may accept this Proposal either by a) signing where indicated or b) asking the Company in writing to begin work. In the event of either form of acceptance, this Proposal will become part of the contract between the Customer and the Company.

Term: The Work under this Proposal will continue as long as the Customer's Permit requires services from the Company and the Customer is in good financial standing with respect to this Proposal and any other work being done under this Agreement. However when the Customer terminates a Permit, no longer requires authorization to discharge storm water, transfers operational control to another operator, and/or permanently stabilizes disturbed areas under the terms of a Permit, the Company will cease service in that area and will no longer be responsible for providing services for that area.

Estimate



PO Box 1036
Montgomery TX 77356
(832) 966-1031, (281) 330-0509
Wesley@wsolutionsllc.com

ESTIMATE #	1093
DATE	10/07/2019
PO #	

CUSTOMER
H2O Consulting Josh Board 5870 HWY 6 215 Houston TX 77084 jboard@h2oconsulting.net

SERVICE LOCATION
HCMUD # 162 Mesa Gardens @ Branch Point Dr Houston TX 77095

DESCRIPTION	Provide labor, materials and equipment to complete removal and replacement to 8" water main under Mesa Gardens Dr.. Scope includes installation of 8" C-900 water line and 8" open right interconnect valve. Abandon existing 8" line in place and fill line with flowable grout. Also restore all disturbed areas to previous condition.
--------------------	---

Description	Qty	Rate	Tax	Total
Bid Price Lump Sum	1.00	\$24,850.00	\$0.00	\$24,850.00

CUSTOMER MESSAGE
Thank you for allowing Wright Solutions to compete for your business!

Estimate Total: \$24,850.00

HARRIS COUNTY MUD No. 162
Billing & Collection Summary
September-19

TAP CONNECTION SUMMARY

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Connections	835	53	888
Sewer Connections	835	31	866

TAP COLLECTION SUMMARY

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water Tap	\$0.00	\$0.00	\$0.00
Inspections	\$0.00	\$0.00	\$0.00
Builder Deposit	\$0.00	\$0.00	\$0.00
Temporary Meter Deposit	\$0.00	\$0.00	\$0.00
Temporary Meter Installation	\$0.00	\$0.00	\$0.00
Comments:			

WATER BILL PAYMENTS

Last Month Receivables			
Deposit		\$	123.61
Penalty		\$	3,117.47
Sewer		\$	15,953.12
Water		\$	20,951.45
Application Fee		\$	372.24
Grease Trap		\$	630.00
WHCRWA		\$	44,570.40
Current Billing			
Sewer		\$	17,663.99
Water		\$	21,788.39
Application Fee		\$	550.00
Grease Trap		\$	-
WHCRWA		\$	46,069.20
Arrears			
30 Day		\$	13,618.02
60 Day		\$	2,566.01
90 Day		\$	4,381.72

DEPOSIT INFORMATION

Deposits Balance on File	\$	74,210.49
--------------------------	----	-----------

BILLING ACTIVITY



ENGINEER'S REPORT

Date: October 8, 2019

To: Harris County MUD No. 162

From:

A handwritten signature in black ink, appearing to read "Alene M. Efaw", is written over a solid horizontal line.

Alene M. Efaw, PE
District Engineer

9. Review Engineer's Report:

1. Mesa Gardens Drive Pavement Repair – The construction plans are approved by Harris County Engineering. H2O is obtaining three bids for the repair.
2. Heatherbank Drive Pavement Repair – The survey work is complete and the construction plans are being prepared.
3. Copperfield Southdown Village Sec. 1 Subdivision Drainage Improvements – Harris County Engineering Department – Recovery & Resiliency Division has issued a letter stating they would like HCMUD 162's assistance in coordinating funding for a drainage improvement project (see page 2-3). The estimated cost is \$3,309,000 and HCMUD 162 portion would be \$1,654,500 (50%).

HARRIS COUNTY
ENGINEERING DEPARTMENT

1001 Preston, 5th Floor
Houston, Texas 77002
(713) 274-3600

September 30, 2019

Ms. Alene Efaw
BGE, Inc.
10777 Westheimer Road, Suite 400
Houston, TX 77042

**SUBJECT: Copperfield Southdown Village Sec. 1 Subdivision Drainage
Improvements – 2018;
Harris County Municipal Utility District 162**

Dear Ms. Efaw,

The Harris County Engineering Department - Recovery & Resiliency Division (HCED-RRD) completed a preliminary subdivision drainage study for Copperfield Southdown Village Sec. 1 as part of the 2018 Harris County Flood Control District Bond Program, approved on Commissioners Court as of September 10, 2019.

Copperfield Southdown Village Sec. 1 subdivision is located in the Addicks Reservoir Watershed and is not in the effective 100-year floodplain. Harris County reported no flooded structures during the Hurricane Harvey event; however, structural flooding was recorded during two previous storm events; the Memorial Day Flood in May 2015 and the Tax Day Flood in April 2016.

The proposed improvements include removal and replacement of approximately 2,050 linear feet (LF) of existing storm sewer with existing sizes ranging from 24-inch reinforced concrete pipe (RCP) to 48-inch RCP to be replaced with proposed storm sewer ranging from 36-inch to 60-inch RCP. Other sizes include approximately 60 LF of 6-foot x 5-foot reinforced concrete box (RCB), 310 LF of 7-foot x 5-foot RCB and 70 LF of 8-foot x 4-foot RCB. Additional improvements also include providing 7.7 acre-feet of offsite detention mitigation. These improvements would reduce structural flood risk for the 1% Annual Exceedance Probability event.

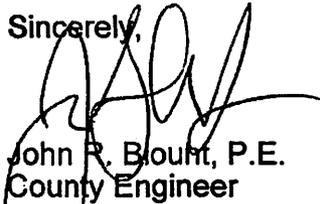
The total estimated cost for this project is \$3,309,000.00. HCED-RRD would like your assistance in coordinating with Harris County MUD 162 for funding on this project. Fifty percent (50%) of the project costs will be funded by the HCFCD Bond Program with the respective utility district responsible for design and construction of the original drainage infrastructure paying the remaining 50%. The County will be responsible for paying the cost of any deferred maintenance discovered during the project. Should the Utility District need time to amass their portion of the funding, short-term loans can be made available to assist with expediting the project. An agreement needs to be reached prior to proceeding with final design.

Copperfield Southdown Village Sec. 1 Subdivision
Drainage Improvements – 2018; HCMUD 162

September 30, 2019

After review of the report and proposed improvements, please provide a formal response within 30 days of receiving this letter. We welcome any updated MUD contact information, in order for this material to be provided to the proper representatives. Any questions and/or comments regarding this letter should be directed to Marcus Baskin (Marcus.Baskin@eng.hctx.net) and Brennan Cook (Brennan.Cook@eng.hctx.net).

Sincerely,



John R. Blount, P.E.
County Engineer

cc: Reid K. Mrsny, P.E.
Brennan Cook, P.E.

W.I.N. *with*



Waterworks Insurance Network

HARRIS COUNTY MUD 162
11/01/2019 - 11/01/2020
October 1, 2019

Proposal for Insurance Services

c/o Norton Rose Fulbright,
1301 McKinney Suite 5100
Houston, TX 77010

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Table of Contents

.....	1
Your W.I.N. Team.....	3
Premium & Insurance Summary	4
-Optional- Coverages & Limits Available	5
District Facilities	6
PKG POLICY EQUIPMENT BREAKDOWN.....	7
PKG POLICY PROPERTY	8
PKG POLICY GENERAL LIABILITY &.....	9
HIRED NON-OWNED AUTOMOBILE LIABILITY	9
PKG POLICY POLLUTION LIABILITY	10
EXCESS LIABILITY POLICY	11
DIRECTORS & OFFICERS LIABILITY POLICY	12
CRIME POLICY	16
DIRECTORS POSITION BOND.....	17
TAX ASSESSOR/COLLECTOR BOND	18
PEACE OFFICER BOND	19
WORKERS COMPENSATION POLICY.....	20
BUSINESS TRAVEL ACCIDENT POLICY.....	21
-OPTIONAL-CYBER LIABILITY AND SECURITY BREACH RESPONSE POLICY.....	22
Proposal Acceptance	24
Compensation Agreement.....	25
Bindable Quotations & Compensation Schedules.....	28
Guide to Best Ratings	32
Claims Reporting.....	37

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Your W.I.N. Team

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Providing excellent service is the primary objective of Arthur J. Gallagher. Please call any member of the service team for assistance.

Michelle Herrera
Client Service Manager
Michelle_Herrera@ajg.com
713-275-1506

Julie Collette
Client Service Manager
Julie_Collete@ajg.com
713-243-2182

Jessica Salias
Client Service Manager
Jessica_Salias@ajg.com
713-358-5928

Nadine Bitner
Client Service Manager
Nadine_Bitner@ajg.com
713-243-2171

Sharon Z. Patin
Area VP Operations
Client Services Director
Sharon_Patin@ajg.com
713-358-5794

Lauren Peyton
Client Service Associate
Lauren_Peyton@ajg.com
713-243-7120

Kimberly Courte, CPCU
Area Vice President
W.I.N. Program Director
Kim_Courte@ajg.com
281-812-9387/ cell 281-772-1611

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Premium & Insurance Summary

Named Insured Schedule and Policy Term for the Below Coverages

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Line of Business	Premium
Package (Property, B&M, Flood, General Liability, Pollution, Hired-Non Owned Auto, and Directors & Officers Liability)	\$ 8,407
Excess Liability	\$ 500
Directors & Officers Liability <i>(Includes Breach of Contract)</i>	\$ 1,250
Public Employee Blanket Crime	\$ 221
Directors Position Bond	\$ 150
Workers' Compensation	\$ 400
Business Travel Accident (\$500,000 Limit; 3-Year Prepaid Term beginning 11/01/2017)	\$ 0
Agent Fee	\$ 300
Total	\$ 11,493

Expiring Premium: \$11,228

Thank you for your business and we look forward to continuing to provide you with the best Insurance program in Texas.

****Please see Proposal Pages 24 and 27 for Required Signatures****

Claim Summary

DOL	Claim No.	Loss	Amount Paid	Status
9/11/2015	ALT-0065137	Generator damaged due to lightning strike	\$5,217.60	Closed

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

-Optional- Coverages & Limits Available

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Cyber Liability	Premium	Sign For Acceptance
\$1,000,000	\$	
\$2,000,000	\$	

Law Enforcement Liability Coverage	Premium	Sign For Acceptance
Needed if you hire police officers \$1,000,000 limit	\$1,000	

Peace Officer Bond (Includes 1-2 Officers)	Premium	Sign For Acceptance
Meets state regulation if entity is required- \$10,000 per officer limit	\$100 each	
Additional officers over the 1-2 officer limit	\$50 each	Number of officers _____

Directors & Officers Coverage	Premium	Sign For Acceptance
Additional Defense limit of \$1,000,000 limit	\$300	

Mobile Equipment- Leased/Rented Equipment Coverage	Premium	Sign For Acceptance
\$100,000 limit; \$500 deductible	\$200	

Tax Assessor Bond Limits	Premium	Sign For Acceptance
\$10,000	\$100	
\$25,000	\$125	
\$50,000 (higher limits available upon request)	\$250	

Change Limits Request

* Denotes Current Limit Purchased

Total Liability Limits Including: General liability, Pollution and Auto when Excess Purchased (Primary + Excess)	Excess Limit	Premium	Sign For Changes Only
\$2,000,000 Occurrence = 1mil primary +Excess	\$1mil	\$500	*
\$3,000,000 Occurrence = 1mil primary +Excess	\$2mil	\$1,000	
\$4,000,000 Occurrence = 1mil primary +Excess Higher Limits Available Upon Request	\$3mil	\$1,500	

Director & Officers Limits	Premium	Sign For Changes Only
\$1,000,000	\$1,250	*
\$2,000,000	\$2,000	
\$3,000,000 (higher limits available upon request)	\$3,000	

Crime Bond Limits	Premium	Sign For Changes Only
\$10,000	\$120	
\$50,000	\$221	*
\$100,000 (higher limits available upon request)	\$341	

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

District Facilities

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

No.	Property Description / Address with City, Zip Code & County	Replacement Cost Value Building & Contents	Year Built
1	15403 Willow River Dr., Houston, TX 77095 Fence/Water Plant Water Well (1200gpm Max) Fence/Permanent Generator	2,771,000 1,900,000 300,000	1978
	TOTAL	4,971,000	

Please Answer the Following:	YES	NO	Quantity of Each	
Submersible Well Pumps (Water Well Pumps. Not line Shaft)		X	Number	Horsepower of each

The proposal is based on the above information received from the engineer.

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

PKG POLICY EQUIPMENT BREAKDOWN

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Equipment Breakdown aka Boiler & Machinery Coverage Written On Occurrence Form

Coverage	Special-Broad Form Protection of Real & Personal Property For Equipment Breakdown
Valuation	Replacement Cost
Policy Limit	Blanket Basis – All Locations
Examples of causes of loss included, but not limited to:	Sudden & Accidental Breakdown of Equipment from Mechanical Failure and Electrical Surges
Coinsurance	Waived

Blanket Limits

Real & Personal Property	Per Attached Schedule on page 6
Extra Expense	\$1,000,000

Deductibles

Equipment Breakdown	\$ 5,000
• Equipment located greater than 50 feet below ground	\$ 25,000
• Equipment (motor and pump <u>both</u> i.e. submersible) located greater than 50 feet below ground <u>and</u> has 100hp or higher	\$ 35,000 plus \$150 per HP

Annual Premium

Included in Package Pricing on Premium Summary Page 4

Carrier: Allied World Specialty A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

PKG POLICY PROPERTY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage Written On Occurrence Form

Coverage	Special-Broad Form Protection of Real & Personal Property
Valuation	Replacement Cost
Policy Limit	Blanket Basis – All Locations
Examples of causes of loss included, but not limited to:	Fire, Wind, Flood, Vandalism, Theft, Lightning, Earthquake, Pollution Clean Up and Terrorism
Coinsurance	Waived

Blanket Limits

Real & Personal Property	Per Attached Schedule on page 6
Flood Zone X/C/X500/B	\$2,500,000
Flood Zone AE	\$1,000,000
Earthquake	\$1,000,000
Extra Expense	\$1,000,000

Deductibles

All Perils such as Fire, Lightning, Wind, Theft, Vandalism, etc. except as noted	\$ 5,000
• Flood Zone X/C and Earthquake	\$ 25,000
• Flood Zone X500/B	2% of individual items damaged, min \$25,000 per event
• Flood Zone AE	5% of individual items damaged, min \$25,000 per event
• Extra Expense	None

Annual Premium

Included in Package Pricing on Premium Summary Page 4

Carrier: Allied World Specialty A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

PKG POLICY GENERAL LIABILITY & HIRED NON-OWNED AUTOMOBILE LIABILITY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage Written On Occurrence Form

Coverage	Protection for the named insured and their executive officers, directors and employees for claims resulting in Bodily Injury, Property Damage and Personal & Advertising Injury
Included, but not limited to:	<ul style="list-style-type: none"> • Liability arising from any owned property such as facilities, buildings, parks, detention ponds and lakes • Failure to Supply (no limitation requiring property damage) • Sewer Back Up • Products Contamination • Terrorism • Punitive Damages • Duty to Defend • Host Liquor Liability
Defense Cost	In addition to policy limits
Deductible	None
Exclusions	Cyber liability, Workers Compensation and War
Must Schedule:	
Dams, Reservoirs & Levees for Liability coverage to apply	

Base Limits

\$1,000,000	Each Occurrence
\$3,000,000	General Aggregate
\$3,000,000	Products and Completed Operations Aggregate
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Damage to Rented Premises (each occurrence)
\$ 10,000	Medical Payments
\$1,000,000	Hired & Non-Owned Auto Liability

Annual Premium

Included in Package Pricing on Premium Summary Page 4

Carrier: Allied World Specialty A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

PKG POLICY POLLUTION LIABILITY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage Written On Occurrence Form

Coverage	Protection for the named insured and their executive officers, directors and employees for claims resulting in Bodily Injury and Property Damage with Clean Up Cost for Pollution Incidents
Accidental and Unintended Pollution Incident from:	<ul style="list-style-type: none">• Escape or back-up of sewage or waste-water if property damage occurs away from land you own or lease• Escape of fuels or lubricants from mobile equipment• Application of pesticides or herbicides• Potable water which you supply to others• Chemicals you use in your water or wastewater treatment• Natural gas or propane gas used in your treatment process• Heat, smoke or fumes from a hostile fire• Duty to Defend• Punitive Damages• Terrorism
Defense Cost	In addition to policy limits
Deductible	None

Annual Premium

Included in Package Pricing on Premium Summary Page 4

Carrier: Allied World Specialty A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

EXCESS LIABILITY POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage Written On Occurrence Form

Coverage	Provides Higher Limits of Underlying Insurance Coverage
Underlying Insurance Coverage:	<ul style="list-style-type: none">• General Liability including Hired Non Owned Auto & Pollution• Law Enforcement (if purchased)• Employers Liability (Workers' Compensation)
Includes but Not Limited To:	<ul style="list-style-type: none">• Duty to Defend• Punitive Damages• Terrorism
Defense Cost	In addition to policy limits
Deductible	No Deductible or Retention
Exclusions	All underlying policy exclusions including cyber liability
Limit	\$1,000,000 Per Occurrence & Aggregate

Annual Premium and Limits

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Allied World Specialty A.M. Best Rating: A XV Admitted

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

DIRECTORS & OFFICERS LIABILITY POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage Written On Claims Made Form

Coverage	Protection for the named insured, executive officers, directors and employees for claims resulting from covered wrongful acts
Included, but not limited to:	• Defense for alleged breach of contract
	• Coverage for directors spouse if claim seeks to recover from marital party
	• Punitive Damages
	• Duty to Defend
	• Defense Inside the Limit (option for defense outside the limits on options page 4)
	• Pay on Behalf Contract
	• Claims Made
	• Claim Trigger- May report known circumstances that may give rise to a claim
	• Claim includes judicial and administrative proceedings and declaratory or injunctive relief.
	• 60 Days Notice of Cancellation / 10 days for Non-Payment
	• 100% Defense paid for claims that include covered and non-covered claims. Further, Chubb will not request reimbursement.
• Attorney selection from extensive expert panel or if you have a particular attorney you would like to use, please advise and we will work with Chubb to obtain pre-approval which we have done for those districts that make the request.	
Retroactive Date:	Full Prior Acts
Pending/Prior Litigation Date:	11/01/2013 Directors & Officers
Retention:	(No deductible for director unless district agrees to pay it on their behalf) Directors & Officers Insuring clause 1: None Directors & Officers Insuring clause 2: \$1,500 Directors & Officers Insuring clause 3: \$1,500

Annual Premium and Limits

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Chubb/Federal A.M. Best Rating: A++XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Directors & Officers Continued

When used in this Coverage Section:

Claim means:

- (1) when used in reference to the coverage provided by Insuring Clause 1 or 2:
 - (a) a written demand for monetary damages or non-monetary relief;
14-02-10191 (Ed. 32006) Page 2 of 12
 - (b) a civil proceeding commenced by the service of a complaint or similar pleading;
 - (c) a criminal proceeding commenced by the return of an indictment; or
 - (d) a formal civil administrative or civil regulatory proceeding commenced by the filing of a notice of charges or similar document, or by the entry of a formal order of investigation or similar document, against an **Insured Person** for a **Wrongful Act**, including any appeal therefrom; or
- (2) when used in reference to the coverage provided by Insuring Clause 3:
 - (a) a written demand for monetary damages or non-monetary relief;
 - (b) a civil proceeding commenced by the service of a complaint or similar pleading;
 - (c) a criminal proceeding commenced by the return of an indictment; or
 - (d) a formal civil administrative or civil regulatory proceeding commenced by the filing of a notice of charges or similar document, or by the entry of a formal order of investigation or similar document, but only while such proceeding is also pending against an **Insured Person**, against an **Organization** for a **Wrongful Act**, including any appeal therefrom.

Except as may otherwise be provided in Subsection 8(e) of this Coverage Section, or Subsection 4 or Subsection 6(b) of the General Terms and Conditions, a **Claim** will be deemed to have first been made when such **Claim** is commenced as set forth in this definition (or, in the case of a written demand, when such demand is first received by an **Insured**).

Extended Reporting Period

4. (a) If any **Liability Coverage Section** is either terminated or not renewed for any reason other than nonpayment of premium, any **Insured** shall have the right to purchase an Extended Reporting Period for the period set forth in Item 5(A) of the Declarations of these General Terms and Conditions. This right to purchase an Extended Reporting Period shall lapse unless written notice of election to purchase the Extended Reporting Period, together with payment of the additional applicable premium due as set forth in Item 5(B) of the Declarations of these General Terms and Conditions, is received by the Company within thirty (30) days after the end of the **Policy Period**.

(b) If the Extended Reporting Period is purchased, then coverage otherwise afforded by such **Liability Coverage Section** will be extended to apply to Loss from Claims first made during such Extended Reporting Period but only for **Wrongful Acts** committed or allegedly committed before the end of the **Policy Period** or the date of any conversion of coverage described in Subsection 9, 10 or 11 of these General Terms and Conditions, whichever is earlier. The entire additional premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period. The Limit of Liability for the Extended Reporting Period shall be part of and not in addition to the applicable Limits of Liability for the **Policy Year** immediately preceding the expiration of the **Policy Period**.

Reporting and Notice

6. (a) The **Insureds** shall, as a condition precedent to exercising any right to coverage under any **Liability Coverage Section**, give to the Company written notice of any **Claim** as soon as practicable, but:

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

(i) if such **Liability Coverage Section** expires (or is otherwise terminated) without being renewed and if no Extended Reporting Period is purchased with respect to such **Liability Coverage Section**, no later than the sixtieth (60th) day after the effective date of expiration or termination; or

(ii) if an Extended Reporting Period is purchased with respect to such **Liability Coverage Section**, no later than the last day of the Extended Reporting Period.

(b) Solely with respect to the Directors & Officers Liability and Entity Liability Coverage Section and the Fiduciary Liability Coverage Section, if:

(i) an Insured becomes aware of circumstances during the Policy Period which could give rise to a Claim and gives written notice of such circumstances to the Company as soon as practicable during the Policy Period, or

(ii) an Insured receives during the Policy Period a written request to toll or waive a statute of limitations applicable to Wrongful Acts committed, attempted, or allegedly committed or attempted before or during the Policy Period and gives written notice of such request and of such alleged Wrongful Acts to the Company as soon as practicable during the Policy Period,

then any Claim subsequently arising from such circumstances referred to in (i) above, or from the Wrongful Acts referred to in (ii) above shall be deemed to have been first made against the Insured during the Policy Year in which the written notice described in (i) or (ii) above was first given by an Insured to the Company, provided any such subsequent Claim is reported to the Company as set forth in Subsection 6(a) above. With respect to any such subsequent Claim, no coverage under the Directors & Officers Liability and Entity Liability Coverage Section or the Fiduciary Liability Coverage Section shall apply to loss incurred prior to the date such subsequent Claim is actually made.

(c) Solely with respect to the Employment Practices Liability Coverage Section, if during the Policy Period any Insured:

(i) becomes aware of a Potential Employment Claim or Potential Third Party Claim and gives written notice of such Potential Employment Claim or Potential Third Party Claim to the Company as soon as practicable during the Policy Period; and

(ii) requests coverage under the Employment Practices Liability Coverage Section for any Employment Claim or Third Party Claim subsequently resulting from such Potential Employment Claim or Potential Third Party Claim;

then any Employment Claim or Third Party Claim subsequently arising from such Potential Employment Claim or Potential Third Party Claim referred to in (i) above shall be deemed to have been first made against the Insured during the Policy Year in which the written notice described in (i) and (ii) above was first given by an Insured to the Company, provided any such subsequent Employment Claim or Third Party Claim is reported to the Company as set forth in Subsection 6(a) above. With respect to any such Employment Claim or Third Party Claim, no coverage under the Employment Practices

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Liability Coverage Section shall apply to loss incurred prior to the date such subsequent Employment Claim or Third Party Claim is actually made.

(d) Solely with respect to any Non-Liability Coverage Section, the Insureds shall give notice of a Coverage Event in accordance with the applicable Proof of Loss and Legal Proceedings Subsection of such Coverage Section.

(e) The Insureds shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company such information, assistance, and cooperation as the Company may reasonably require, and shall include in any notice under Subsection 6(a), (b) or (c) above a description of the Claim, Potential Employment Claim, Potential Third Party Claim or circumstances, the nature of any alleged Wrongful Acts, the nature of the alleged or potential damage, the names of all actual or potential claimants, the names of all actual or potential defendants, and the manner in which such Insured first became aware of the Claim, Potential Employment Claim, Potential Third Party Claim or circumstances.

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

CRIME POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	Protection for loss caused to named insured through failure of any employee/consultant to perform faithfully their duties or to account properly for all monies and property received by virtue of their position or employment. Limit applies per employee/consultant up to \$100,000. If the bond amount is over \$100,000 each employee/consultant is covered up to \$100,000 and the excess amount is provided on a per loss basis rather than each basis.
Consultants Covered:	Attorney, Operator, Bookkeeper, Engineer, and Delinquent Tax Attorney

Annual Premium and Limits

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Liberty Mutual A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

DIRECTORS POSITION BOND

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	Provides coverage for loss caused to the District through the failure of Directors to perform faithfully their duties or to account properly for all monies and property received by virtue of their position as Director
----------	---

Limits

\$10,000	Each Director (5)
\$50,000	General Aggregate

Annual Premium

\$150	For (5) Directors
-------	-------------------

Carrier: Liberty Mutual A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

-OPTIONAL-TAX ASSESSOR/COLLECTOR BOND

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	Covers the faithful performance and discharge of all the duties required by law as the Tax Assessor/ Collector and to pay over to the depository of the District all funds or other things of value coming into his hands as Tax Assessors/Collectors.
----------	--

Annual Premium and Limits

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Liberty Mutual A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

-OPTIONAL-PEACE OFFICER BOND

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	Provides coverage for the faithful performance and discharge of all the duties required by law for Peace Officer.
----------	---

Limits

\$10,000	Per Peace Officer
----------	-------------------

Annual Premium and Limits

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Liberty Mutual A.M. Best Rating: A XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

WORKERS COMPENSATION POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	When you purchase Workers Compensation Insurance you subscribe to "The Act" and are protected under the statutes and retain your Common Law Defenses. Workers Compensation covers employees injured within course and scope of their work. Part 1 of Workers Compensation is designed to cover the lost wages and medical expenses of the injured employee. Part 2, Employers Liability is designed to protect you if there is a law suit from loss of consortium by a spouse, death of a spouse, or gross negligence (the few reasons an employee can still sue within the act).
----------	---

Limits

\$1,000,000	Each Accident
\$1,000,000	Disease-Policy Limit
\$1,000,000	Disease-Each Employee

Payroll

Code	Payroll	Description
8810	\$39,000	Clerical/Directors
7520	\$ If Any	Water

Annual Premium

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Texas Mutual A. M. Best Rating: A XV Admitted

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

BUSINESS TRAVEL ACCIDENT POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Coverage	Provides 24 Hour Coverage while traveling on district business for Accidental Death & Dismemberment.
Included, but not limited to:	<ul style="list-style-type: none">• Paralysis• Seatbelt & Occupant Protection Device• Medical Evacuation• Repatriation• Psychological Therapy• Rehabilitation Expense• Home Alteration or Vehicle Modification

Limits

\$500,000	Director(s)
\$ 25,000	Spouse
\$ 10,000	Children

Annual Premium

See Premium Summary Page 4 or Coverage and Limits Option Page 5

Carrier: Chubb A. M. Best Rating: A++XV Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

-OPTIONAL-CYBER LIABILITY AND SECURITY BREACH RESPONSE POLICY

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Written On Claims Made Form

Coverage	Cyber Liability, Security Breach Response and First Party Coverage
Policy Limit	\$1,000,000-\$5,000,000 Available
Policy Retention	\$ 2,500
Business Income and Digital Asset Restoration	\$ 2,500 each claim/24 hour waiting period
Retroactive Date	Full Prior Acts

DESCRIPTION

Policy Aggregate Limit of Liability	Full Limit
Privacy Liability Including Employee Privacy	Full Limit
Privacy Regulatory Claims Coverage (Where insurance by law)	Full Limit
Security Liability	Full Limit
Multimedia Liability	Full Limit
PCI DSS Assessment	100,000

Security Breach Response Coverage Insurances the following as part of the Aggregate

Legal Advisory	Full Limit
Forensics Investigations	
Public Relations	
Notification Services	
Credit Monitoring	

First Party Coverages

Cyber Extortion	Full Limit
Business Income and Digital Asset Restoration	Full Limit

Annual Premium

Premium & Optional Coverage and Limits on Page 5

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Cyber Liability & Security Breach Response Continued

Claim means:

1. A written demand received by "You" for money or services, including the service of a civil suit or institution of arbitration proceedings;
2. Initiation of a civil suit against "You" seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction);
3. Solely with respect to Coverage B., a "Regulatory Claim" made against "You";
4. A "PCI DSS Assessment"; or
5. Solely with respect to Coverage F., a "Cyber Extortion Threat" made against "You".

Multiple "Claims" arising from the same or a series of related or repeated acts, errors, or omissions or from any continuing acts, errors, or omissions shall be considered a single "Claim" for the purposes of this Policy, irrespective of the number of claimants or "You" involved in the "Claim". All such "Claims" shall be deemed to have been made at the time of the first such "Claim" was made or deemed made under Section IX.A.

Optional Extended Reporting Period: Premium 100% One Year Length (12 months)

Carrier: BCS Insurance Company
(Parent Company BCS Financial-BlueCross BlueShield)
A. M. Best Rating: A-VIII Excellent Admitted

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

HARRIS COUNTY MUD 162

11/01/2019 - 11/01/2020

Proposal Acceptance

Survey

Do you Own, Manage or Responsible for Any of the Following:	No	If Yes, please describe
Fireworks Display or Exhibition		
Golf Course		
Amusement Park or Traveling Amusement Entertainment		
Public Transportation		
Rodeos		
Fire department Services or Emergency Medical Services		
Landfill dump, refuse site or incinerator		
Have there been any changes in operations?		

Signature

Proposal Acceptance Signature _____ Date _____

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Compensation Agreement

HARRIS COUNTY MUD 162 & Arthur J. Gallagher Risk Management Services, Inc.

THIS COMPENSATION AGREEMENT is made and entered into and effective 11/01/2019 - 11/01/2020 by and between HARRIS COUNTY MUD 162 a Texas Public Entity ("Client"), and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., an Illinois corporation ("Gallagher").

I. TERM AND TERMINATION

This Agreement shall commence on the Effective Date for a term of one (1) year, but may be terminated by either party at any time upon thirty (30) days prior written notice.

II. OBLIGATIONS OF GALLAGHER

Gallagher will provide the services set out on Exhibit A attached hereto (collectively, the "Services") to Client. If the Services include the placement of insurance coverages, Gallagher will use its commercial best efforts to secure such insurance coverages on Client's behalf. In the event an insurance company cancels or refuses to place such insurance coverages, Gallagher will use its commercial best efforts to obtain the coverage from another insurance company.

III. OBLIGATIONS OF CLIENT

Client shall remunerate Gallagher its usual and customary brokerage commission for the Services. In addition to or in lieu of commission, Client shall pay Gallagher an annual fee of \$300 for the Services, as provided in Exhibit B to this Agreement. Client acknowledges that Gallagher and its affiliates (as that term is defined by Section 823.003(a) of the Texas Insurance Code) may receive compensation from insurers and other third parties as described by Exhibit C to this Agreement or as otherwise disclosed in writing to Client prior to the purchase of any insurance product pursuant to this Agreement. Such fee may be revised at the time of renewal of this Agreement by the execution of an amendment to this Agreement signed by the parties hereto.

IV. DISCLOSURES

A. In addition to such fees, compensation, and commissions provided herein, Gallagher may also receive investment income on fiduciary funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher's corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to Client as described in Exhibit C to this Agreement. Gallagher may also participate in contingent and supplemental commission arrangements with insurance companies. Contingent commission arrangements provide for additional contingent compensation if underwriting, profitability, volume or retention goals are

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. Supplemental commissions, unlike contingents, are known at the effective date of the policy, but are typically paid later and apart from when usual and customary commission is paid. Any such income, fees, or commission will not reduce the fees or compensation due to Gallagher under this Agreement.

- B. Gallagher's fees under this Agreement shall be earned on the Effective Date (and any renewal thereof), and payable on invoicing. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to Client. In addition, and not in lieu of the right to terminate, Gallagher reserves the right to apply return premiums or any other payment up to \$5,000 received by Gallagher on Client's behalf to any amounts owed by Client to Gallagher unless such return premiums or other payments are disputed by Client.
- C. Where applicable, insurance coverage placements which Gallagher makes on Client's behalf, may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees, to the Internal Revenue Service (federal), various state(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which will be identified separately by Gallagher on invoices covering these placements. Under no circumstances will these taxes or other related fees or charges be offset against the amount of Gallagher's brokerage fees or commissions referred to herein.
- D. Gallagher will not be operating in a fiduciary capacity, but only as Client's broker, obtaining a variety of coverage terms and conditions to protect the risks of Client's enterprise. Gallagher will seek to bind those coverages based upon Client's authorization; however, Gallagher can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact Gallagher with questions on these or any other issues of concern.

V. LIMITATION OF LIABILITY

Gallagher's liability to Client, arising from any negligent acts or omissions of Gallagher, whether related to the Services provided hereunder or not, shall not exceed \$20 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

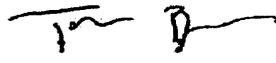
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

ARTHUR J. GALLAGHER RISK
MANAGEMENT SERVICES, INC.

HARRIS COUNTY MUD 162

By:  _____

By: _____

Name: Tanner Burns _____

Name: _____

Title: Area President _____

Title: _____

Fee Agreement - Texas-Nonreimbursements.6.1.12

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

11/01/2019 - 11/01/2020

Bindable Quotations & Compensation Schedules EXHIBIT A

The following outlines services provided by Gallagher over the term of this Agreement:

Use its best efforts to secure the below lines of insurance coverage on Client's behalf:

Package (Property, B&M, Flood, General Liability, Pollution, Hired-Non Owned Auto, and Directors & Officers Liability)
Excess Liability
Directors & Officers Liability (<i>Includes Breach of Contract</i>)
Public Employee Blanket Crime
Directors Position Bond
Workers' Compensation
Business Travel Accident (\$500,000 Limit; 3-Year Prepaid Term beginning 11/01/2017)

Request change endorsements, when requested by the client or when otherwise necessary, ensuring accuracy and delivery in a timely manner.

Administration of insurance program, including policy review and issuance, invoicing, coordination and/or issuance of required documentation, i.e., automobile identification cards, certificates of insurance, and other program administration, as required by the client.

Review accounting and billing data received from insurance markets on client's behalf to ensure accuracy.

EXHIBIT B

COMPENSATION RECEIVED BY GALLAGHER

To the best of Gallagher's knowledge at the time of this Agreement, the following is a complete listing of fees to be paid by Client to Gallagher under this Agreement:

Broker fee in the amount of \$300 on policies written as part of the Services set forth on Exhibit A.

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

EXHIBIT C

COMPENSATION RECEIVED BY GALLAGHER FROM INSURERS AND OTHER THIRD PARTIES

To the best of Gallagher's knowledge at the time of this Agreement, the following is a complete listing of monies received by Gallagher from insurers and other third parties as a result of the Services to be performed under this Agreement on Exhibit A:

Commission to be received from insurers for the placement of Coverages as outlined on next page:

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

EXHIBIT C
Exhibit C continued

COVERAGE(S)	ESTIMATED ANNUAL PREMIUM 2	CARRIER NAME(S)	COMM. % OR FEE to AJG 3	PROGRAM MANAGER NAME 1	COMM. % or FEE to Program Manager 4	AJG OWNED? YES/NO
Real & Personal Property, Flood & Earthquake, Equipment Breakdown, Commercial General Liability Pollution and Hired Non Owned Auto incl. policy fees	8,672	Allied World Specialty Insurance Company	15%	Allied Public Risk Program Manager	Did not provide	No
Commercial Excess Liability	500	Allied World Specialty Insurance Company	15%	Allied Public Risk Program Manager	Did not provide	No
Directors & Officers	1,250	Federal Insurance Company	15%	N/A	N/A	No
Public Employee Blanket Crime Bond	221	The Ohio Casualty Insurance Company	30%	N/A	N/A	No
Directors Position Bond	150	The Ohio Casualty Insurance Company	30%	N/A	N/A	No
Workers' Compensation	400	Texas Mutual	10%	N/A	N/A	No
Business Travel Accident	N/A	Federal Insurance Company	25%	N/A	N/A	No

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the Compensation Commission Disclosure or contact your Gallagher representative for additional information.

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
 - * A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium .
 - * Gallagher is receiving 15 % commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
4. *The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Guide to Best Ratings Rating Levels and Categories

Level	Category	Level	Category	Level	Category
A++, A+	Superior	B, B-	Fair	D	Poor
A, A-	Excellent	C++, C+	Marginal	E	Under Regulatory Supervision
B++, B+	Good	C, C-	Weak	F	In Liquidation
				S	Suspended

Financial Size Categories

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I	Up to	1,000	FSC IX	250,000	to	500,000	
FSC II	1,000	to	2,000	FSC X	500,000	to	750,000
FSC III	2,000	to	5,000	FSC XI	750,000	to	1,000,000
FSC IV	5,000	to	10,000	FSC XII	1,000,000	to	1,250,000
FSC V	10,000	to	25,000	FSC XIII	1,250,000	to	1,500,000
FSC VI	25,000	to	50,000	FSC XIV	1,500,000	to	2,000,000
FSC VII	50,000	to	100,000	FSC XV	2,000,000	or more	
FSC VIII	100,000	to	250,000				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada.

Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

Best's Credit Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of (Licensee's publication or service) or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings. Best's Credit Ratings are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best Company.

Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Best's Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Rating Outlooks

Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Under Review Implications

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.

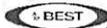
Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best website at www.ambest.com and are published in the *Credit Rating Actions* section of *Best's Journal*™. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2014 by A.M. Best Company, Inc. Version 080114



1000 West Loop South, Suite 1000, Houston, TX 77027 (800) 422-3077 FAX (713) 865-0100

Proposal Disclosures

Proposal Disclaimer

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Texas House Bill 89 Compliance

As required by Chapter 2270, Government Code, Arthur J. Gallagher Risk Management Services, In. hereby verifies that it does not boycott Israel and will not boycott Israel through the term of the policies included in this proposal. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Foreign Terrorists Organizations. Pursuant to Chapter 2252, Texas Government Code, **Arthur J. Gallagher** represents and certifies that, at the time of execution of this proposal neither **Arthur J. Gallagher**, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.

3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.

4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.

5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.

6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.

7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Premiums for the above policies are due and payable as billed in full or as insurance company installments. Premiums may be financed subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.

Confidentiality Statement

We consider as confidential any information presented by Arthur J. Gallagher Risk Management Services, Inc. in response to your "request for proposal," as well as subsequent verbal and written communications between our organizations. We ask that other brokers not have access to our material and that information presented in this proposal be shared only with those who have a need to know within your company. We make our commitment to you that information already received from you, and additional to follow, will be treated with the same high level of respect and confidentiality.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Pool Funding Disclaimer

Arthur J. Gallagher & Co. does not provide actuarial services or actuarial estimates of losses. If the excess insurer or reinsurer that provides excess coverage calculates a loss fund for the pool, it is our recommendation that the pool fully fund that amount. Further, it is our recommendation that the pool contract with an appropriately certified actuary to provide recommendations for overall pool funding, surplus and reserve funds.

Pool Assessability Disclaimer

The [Insert Name of Pool] pool pays for up to \$[insert amount] of each property claim and \$[insert amount] of each liability claim from the pooled or (joint) loss fund. Money for the pooled (or joint) loss fund comes from members annual contributions or premiums. Article [insert article], Section [insert section] of the pool's bylaws state that the pool allows assessments. Members may be assessed for additional premium if the [insert name of pool] Board determines that additional funds are needed to pay pool claims and expenses. It is important that members understand that [insert name of pool] pool is not an insurance company; the pool operates as a cooperative risk sharing organization.

"TAILORED SOLUTIONS FOR CLIENT SUCCESS"

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

Claims Reporting

For Chubb D&O Policy Claims/Notice, you may report to:

Any notice to the Company with respect to any Coverage Section shall designate the Coverage Section under which notice is being given and shall be treated as notice only under the Coverage Section(s) so designated. Notice to the Company of a Claim, Potential Employment Claim or Potential Third Party Claim or of circumstances which could give rise to a Claim under any Liability Coverage Section or of a Coverage Event under any Non-Liability Coverage Section, shall be given in writing addressed to:

Attn: Claims Department
Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

All other notices to the Company shall be given in writing addressed to

Attn: Chubb Specialty Insurance Underwriting
Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

Any such notice shall be effective on the date of receipt by the Company at such address.

For Cyber Liability/Breach Response Claims, you may report to:

Notice of Claim:

joan.dambrosio@clydeco.us
s Clyde & Co. US LLP
101 Second Street, 24th
Floor San Francisco CA
94105

24 hour Security Breach Hotline

1-866-288-1705
Baker & Hostetler
LLP 45 Rockefeller
Plaza
New York, NY 10111-0100

All Claims may be reported via email to any of the following:

Michelle Herrera
Client Service Manager
Michelle_Herrera@ajq.com
713-275-1506

Jessica Salias
Client Service Manager
Jessica_Salias@ajq.com
713-358-5928

Julie Collette
Client Service Manager
Julie_Collete@ajq.com
713-243-2182

Nadine Bitner
Client Service Manager
Nadine_Bitner@ajq.com
713-243-2171

“TAILORED SOLUTIONS FOR CLIENT SUCCESS”

1900 West Loop South, Suite 1600, Houston, TX 77027 * (800) 222-9044* Fax (713) 358-5795

RESOLUTION AUTHORIZING INDEMNIFICATION OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

§
§
§

WHEREAS, Harris County Municipal Utility District No. 162 (the "District") is a political subdivision of the State of Texas operating under Chapters 49 and 54 of the Texas Water Code; and

WHEREAS, the Board of Directors of the District (the "Board") has determined it is in the best interest of the District to indemnify its directors and former directors to the fullest extent allowed by law against all third-party claims and demands asserted against a director or former director by reason of his service on the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. The District hereby indemnifies its directors and former directors to the fullest extent allowed by law against all third-party claims and demands asserted against a director or former director by reason of his service on the Board.

2. Such indemnification shall be paid from current available revenues and shall be paid only to the extent insurance proceeds are not available to cover the claim or loss.

3. The President and the Secretary of the Board are authorized to evidence adoption of this Resolution on behalf of the Board and to do all other things necessary or proper to carry out the intent hereof.

Dated: October 8, 2019.

* * *

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

By: _____
President

Attest: _____
Secretary