

MINUTES OF SPECIAL MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 102
HARRIS COUNTY, TEXAS

27 March 2017

THE STATE OF TEXAS
COUNTY OF HARRIS

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 102 (the "District") of Harris County, Texas, met in special session, open to the public, on the 27th day of March, 2017, at the offices of Municipal District Services, L.L.C., 406 West Grand Parkway South, Suite 260, Harris County, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Randal W. Ward	President
Douglas Jordan	Vice President
David Scholler	Secretary/Treasurer
Jason A. Iken	Assistant Secretary
Robert Moorman	Assistant Secretary/Treasurer and Investment Officer

and all of said persons were present, thus constituting a quorum.

Also present were: Bill Russell of Myrtle Cruz, Inc. the District's Bookkeeper; Cathy Brittain-Drew of Assessments of the Southwest, Inc. ("Assessments"), representing Thomas Lee, the District's Tax Assessor/Collector; Dana Hollingsworth of Municipal District Services, L.L.C. ("MDS"), the District's Operator; Mike Kurzy, P.E., of AEI Engineering, L.L.C. ("AEI"), the District's Engineer; Trevor Royal representing Waste Corporation of Texas, L.P. ("WCA"), the District's Solid Waste Collector; David Quin representing the Public Power Pool ("P3"); and Dick Yale, Cole Konopka, and David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

Director Ward called the meeting to order.

Public Comments

First, the Board reviewed a letter dated 18 March 2017 from District resident Nancy Johnson regarding certain matters relating to (1) the three lots owned by the District located west of the District's Water Plant No. 2 consisting of Reserve C, Reserve D, and Reserve E in Colonies Commercial, Section 2; and (2) the landscaping around

the District's Water Plant No. 2 site. A copy of the letter is attached hereto as an exhibit to these minutes.

Approval of Minutes

Next, the Board considered approval of the minutes of the meeting of 27 February 2017. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 27 February 2017, as written.

Solid Waste Collection Service

Next, the Directors discussed matters relating to the solid waste collection service (the "Service") being provided in the District by WCA. Mr. Yale distributed to the Board copies of the Monthly Customer Issue Listing for the Service for February 2017, as prepared by WCA. A copy of the Monthly Customer Issue Listing is attached hereto as an exhibit to these minutes. Mr. Royal then addressed the Board regarding the Service. The Board reviewed a letter dated 21 March 2017 from Mr. Royal (the "WCA Letter"), a copy of which is attached hereto as an exhibit to these minutes. Mr. Royal explained that the WCA Letter was written as a follow-up to the letter dated 23 January 2017 from the District's Attorney to WCA (the "Letter") regarding certain areas of non-performance with respect to the Service and giving WCA 30 days in which to remedy said non-performance. He discussed with the Board the efforts made by WCA to cure and remedy the areas of non-performance as described in the Letter. He remarked that WCA had begun sending "End of Day" reports regarding the Service to 102meetings@gmail.com, the electronic mail address for the compilation of monthly reports from the District's consultants. Mr. Yale noted that the WCA Letter requests acknowledgement from the Board that WCA has cured and remedied the areas of non-performance as described in the Letter.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Monthly Customer Issue Listing.

Power Supply Issues / Public Power Pool

The Board then discussed matters relating to the procurement of electric power supply by the Public Power Pool ("P3") for the period beginning 1 January 2020 (the "Procurement"). Mr. Quin addressed the Board regarding the Procurement and the District's membership in P3. He reviewed with the Board a packet of documents provided by P3 in connection with the Procurement, as follows: (1) the 2017 Procurement and Contract Review for the District; (2) the P3 Budget Report for the District for the period of January 2016 through December 2019; (3) a letter dated 20 March 2017 from P3 Executive Director Donald Lee regarding unfounded allegations about P3 being made by certain electricity brokers and retail electric providers; and (4) informational material regarding the benefits of P3 membership, copies of which are attached hereto as exhibits to these minutes. Mr. Quin discussed with the Board the

procedures for the upcoming Procurement and the projected savings for the District with regard to the purchase of electricity during the period of January 2020 to December 2022 as a P3 member and Procurement participant. In response to a question from Director Moorman, Mr. Quin stated that P3 does not have a budget for marketing but instead relies on favorable "word-of-mouth" communication from its membership to promote P3 as an option for political subdivisions of the state seeking cost savings in the purchase of electric power.

Security Patrol Report

The Board then discussed security related issues. Mr. Yale presented the Board with copies of the Security Patrol Report for February 2017 as prepared by the Harris County Sheriff's Department. A copy of the Security Patrol Report is attached hereto as an exhibit to these minutes. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Security Patrol Report.

Tax Assessor/Collector's Report

Ms. Brittain-Drew distributed the Tax Assessor/Collector's Report for the month of February 2017, a copy of which is attached hereto as an exhibit to these minutes. She stated that as of 28 February 2017, the District's 2016 tax levy was 94.9% collected. She noted that the District's Tax Account had a balance of \$470,090.28 as of the end of this reporting period (28 February 2017). After deducting the disbursements for payment at today's meeting and adding collections received to date, she added, the District's Tax Account ends with a balance of \$116,340.65. She noted that Assessments was requesting approval for nine checks written on the District's tax account, and two transfers by wire as follows: a transfer of \$197,957.38 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$200,000 to the Debt Service Fund.

The Board then reviewed the Unpaid Accounts Report dated 23 March 2017, a copy of which is included in the Tax Assessor/Collector's Report. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Tax Assessor/Collector's Report; and (2) authorize payment of the checks listed therein.

Operator's Report

Next, Ms. Hollingsworth distributed the Operator's Report prepared by MDS for the month of February 2017. She reviewed the Water Production portion of the Operator's Report in detail. Ms. Hollingsworth reported that the District had produced 1,511,000 gallons of water and had purchased 21,582,000 gallons of water from the West Harris County Regional Water Authority (the "Authority") during the period of 16 January through 17 February 2017, with an accountability rate of 95.5%. She reported that the District had provided 1,888,000 gallons of water to Harris County Municipal Utility District No. 250 ("HCMUD 250") during the reporting period. The

District currently has 3,018 service connections, she told the Board. Then Ms. Hollingsworth reviewed the Wastewater Treatment portion of the Operator's Report. She noted that the District's Wastewater Treatment Plant (the "Plant") operated at 48.0% of design capacity during the February 2017 reporting period, with an average daily flow of 584,000 gallons per day ("gpd").

A discussion ensued regarding the quantity of water provided to HCMUD 250 during the reporting period. Ms. Hollingsworth informed the Board that the operator for HCMUD 250 was providing estimates of water usage to the District's Operator. She added that the operator for HCMUD 250 had apparently underreported the usage of water by HCMUD 250 to the Authority. Ms. Hollingsworth stated that MDS would ensure that HCMUD 250 would pay its share of the groundwater fee and surface water fee levied by the Authority.

Ms. Hollingsworth reviewed and discussed with the Board the repairs and maintenance performed on the District's water distribution system and wastewater collection system, as listed in the Operator's Report. She reviewed with the Board the Preventive Maintenance Log for the District's facilities, a copy of which is included with the Operator's Report.

After review, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report, a copy of which is attached hereto and shall be considered to be a part of these minutes.

District Administration Building

Next, the Directors discussed the condition of the District's Administration Building at Water Plant No. 2 (the "Building"). Ms. Hollingsworth recalled that the insurance adjuster had met on-site with Accent Home Repair and Remodeling, Inc. earlier this year to discuss the estimated cost for repairs to the Building and that the District's Operator was awaiting receipt of the final claim report from the insurance adjuster. Ms. Hollingsworth then informed the Board that Kim Courte of Arthur J. Gallagher & Co. ("Gallagher"), the District's insurance agent, had sent an electronic mail message to the District's Operator and Director Ward on 24 March 2017 regarding the status of the District's insurance claim on the damages to the Building. A copy of the electronic mail message is attached hereto as an exhibit to these minutes. According to Ms. Courte, said Ms. Hollingsworth, the normal process would be for the District to (1) document the damages to the Building and retain any damaged equipment; (2) proceed with repairs to the Building and replacement of damaged equipment (collectively, the "Building Repairs"); and (3) forward the invoices for the Building Repairs to Gallagher once the Building Repairs were complete. Upon receipt of the invoices for the Building Repairs, she continued, the adjuster would consider making further inquiries regarding the invoices and then finalize the District's claim.

A discussion ensued regarding the proposed Building Repairs. The Board agreed to the following parameters regarding the Building Repairs: (1) prior to

commencing the Building Repairs, the Building will be inspected to determine whether it is level and corrective action will be taken as needed; (2) the wall paneling will be replaced; (3) the cabinets will be replaced; (4) the laminated countertops will be replaced with granite; and (5) the wall between the office and the storage room will be removed, provided that the wall is not a load-bearing structure. The Directors then agreed that Director Jordan would serve as the Board's liaison with the contractor for the Building Repairs.

After further discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to (1) solicit two additional bids for the Building Repairs; and (2) proceed with the Building Repairs as described above, based on the bid deemed most advantageous to the District.

District Facilities / Flooding Event on 18 April 2016

Ms. Hollingsworth reported that the auditor for the Federal Emergency Management Agency ("FEMA") had transmitted to the District's Operator the Grant Award Package in connection with the District's Request for Public Assistance filed with the FEMA in 2016 for reimbursement from FEMA of the District's costs incurred in response to the major flooding event that occurred on 18 April 2016 in portions of Harris County (the "Flooding Event") that were not covered by the District's insurance policies. She then presented for the Board's review and approval the Public Assistance Award Letters issued by the Texas Department of Public Safety pursuant to the Grant Award Package, as follows: (1) \$171,781.18 and \$8,476.80 for accelerated storm debris removal by WCA; (2) \$57,124.83 for the Plant; (3) \$18,750.00 for sanitary sewer Lift Station No. 2; and (4) \$14,641.13 for Water Well No. 4 ("Well No. 4"), for a total award of \$270,773.94 (collectively, the "Award Letters"). Copies of the Award Letters are attached hereto as exhibits to these minutes. Ms. Hollingsworth pointed out to the Board that the District's costs for the storm debris removal and repairs to the Plant, Lift Station No. 2, and Well No. 4 in connection with the Flooding Event totaled approximately \$347,879.44.

A discussion ensued regarding the Award Letters. Director Iken recalled that in February 2017 the District had received insurance checks from Alteris Insurance Services, Inc. ("Alteris") in connection with three insurance claims filed by the District relating to damage caused by the Flooding Event to the Plant, Lift Station No. 2, and Well No. 4 in the total amount of \$108,883.79 (the "Insurance Payments"). He expressed his concern that the reimbursement from FEMA, when added to the Insurance Payments, might constitute an overpayment on the District's claims relating to the damage caused by the Flooding Event to the Plant, Lift Station No. 2, and Well No. 4. Director Moorman expressed his desire to review the backup documentation from Alteris relating to the Insurance Payments. The Directors discussed the possibility that the District would need to alert FEMA of a possible duplication of payment in connection with the Insurance Payments and the Award Letters. The Directors deferred further discussion of this matter until later in the meeting.

Survey of Sanitary Sewer Line Manholes

Ms. Hollingsworth reported on the status of the survey (the "Manhole Survey") of the manholes on the District's sanitary sewer lines (the "Manholes") being performed by the District's Operator. She reported that 896 Manholes were investigated, including photographing and assessing rehabilitation. Ms. Hollingsworth stated that the District's Operator estimated the cost of proposed repairs to the Manholes (the "Manhole Repairs") at approximately \$468,185.20. After discussion, the Board directed the District's Engineer to review the Manhole Survey and present a recommendation for the Manhole Repairs at a future meeting of the Board.

Fire Hydrant and Flushing Valve Report

Ms. Hollingsworth informed the Directors that MDS would present the Annual Fire Hydrant and Flushing Valve Report for the District at the Board's meeting on 24 April 2017.

Texas Water Development Board / Water Conservation Plan and Water Audit Report

The Board then discussed matters relating to the District's Water Conservation Plan (the "Conservation Plan") and Water Audit Report. Ms. Hollingsworth reviewed with the Board the 2016 Water Audit Report as prepared by the District's Operator, a copy of which is included with the Operator's Report. She stated that the 2016 Water Audit Report would need to be submitted to the Texas Water Development Board (the "TWDB") by the 1 May 2017 deadline date. Ms. Hollingsworth then informed the Board that MDS was preparing the Conservation Plan for review at the Board's meeting on 24 April 2017. She noted that the Conservation Plan must also be submitted to the TWDB by 1 May 2017. Attached hereto as an exhibit to these minutes is a copy of a letter dated 28 February 2017 from the TWDB regarding the submission by the District of the Conservation Plan and the Water Audit Report.

Termination of Service

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The President recognized Ms. Hollingworth, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time and place of the Board meeting which they could attend to discuss termination of service. The Board noted that there were no customers present to protest the utility billings.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list, attached hereto.

Customer Write-Off Report

Ms. Hollingsworth reviewed with the Board the Customer Write-Off Report dated 17 March 2017 as prepared by the District's Operator. A copy of the Customer Write-Off Report is included with the Operations Report. The Board noted that there were two delinquent service accounts in the total amount of \$256.30 that would be written off and turned over to a collection agency. After review, upon a motion duly made and seconded, the Board voted unanimously to write-off the delinquent utility service accounts and direct the District's Operator to engage a collection agency to pursue collection of the amounts owed to the District by the delinquent utility service accounts listed in the Customer Write-Off Report.

Engineer's Report

Next, Mr. Kurzy presented the Engineer's Report for the Board's review. A copy of the Engineer's Report is attached hereto as an exhibit to these minutes.

Maintenance of Detention Ponds

The Directors discussed matters relating to the maintenance (the "Detention Pond Maintenance") of the detention ponds (the "Detention Ponds") serving Waldron Estates Subdivision and Concord Colony Subdivision, Section 2, by Storm Water Solutions, L.P. Mr. Kurzy submitted to and reviewed with the Board the Inspection Report for the Detention Pond Maintenance for March 2017 as prepared by AEI, a copy of which is attached hereto as an exhibit to these minutes.

Request for Service / Redeemed Christian Church of God – House of David

Next, the Board discussed matters relating to the request for service from the Redeemed Christian Church of God – House of David (the "Church") in connection with its intent to construct a community center in addition to the existing Church facilities in the District. Mr. Kurzy stated that he had nothing new to report on this matter.

Water Plant No. 1 / Spot-Coating Rehabilitation of Ground Storage Tanks

Mr. Kurzy reported that the District's Engineer had solicited bids from three contractors and had received bids from two contractors for the proposed spot-coating rehabilitation of the 125,000 gallon ground storage tank ("GST") and 250,000 gallon GST at Water Plant No. 1 (the "GST Rehabilitation") as authorized at the Board's meeting on 23 January 2017. He stated that Blastco, Inc. ("Blastco") had submitted the low bid for the GST Rehabilitation in the amount of \$18,500. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the low bid and award the contract for the GST Rehabilitation to Blastco.

Sanitary Sewer Overflow Initiative

The Directors next discussed the status of the District's participation in the Sanitary Sewer Overflow Initiative (the "SSO Initiative") being promulgated by the Texas Commission on Environmental Quality (the "Commission"). Mr. Kurzy reported that he was awaiting a response from the Commission on the SSO Initiative as submitted earlier this year by the District's Engineer. He noted that AEI was beginning work on the customer education outreach to Cypress-Fairbanks Independent School District as part of the SSO Initiative.

Inspection of Sanitary Sewer Lines in Area B – Phase 1

The Board then discussed matters relating to the contract with Magna-Flow Environmental, Inc. ("Magna-Flow") to perform the 10-year post-rehabilitation televised inspection of sanitary sewer lines and inspection of manholes in Area B – Phase 1 (the "Area B Inspection"). Mr. Kurzy reported that Magna-Flow had completed the Area B Inspection and had provided the District's engineer with the videos and the required reports. He remarked that the processing of the final request for payment from Magna-Flow was "on hold" pending resolution of the claim filed against Magna-Flow's insurance by the owner of a residence in the District in connection with a lid on a sanitary sewer manhole that had been left uncovered during the Area B Inspection

Water Plant No. 2 / Possible Fence Modifications

Mr. Kurzy recalled that the Board desired to consider possible modifications to the perimeter fence at the Water Plant No. 2 site following completion of (1) the extension of Kentwick Drive between Falmouth Avenue and F.M. 529; and (2) the development in the tract of land located north of the Water Plant No. 2 site, outside the District. The Directors deferred discussion of this matter to a future meeting of the Board.

Request for Service / 10-acre Tract / Schellite, LLC

Next, the Directors discussed matters relating to the proposed development by Schellite, LLC of a 10-acre tract located at 6010 Addicks-Satsuma Road (the "Schellite Tract"). Mr. Kurzy stated that the District's Engineer had reviewed the revised plans for the proposed development in the Schellite Tract (the "Plans"). He noted that the Plans indicate the construction of a combination fire line and domestic water meter (the "Meter") with a public water line within the easement leading to the Meter. Once past the Meter, he continued, the water line would be private. Mr. Kurzy stated that the plans are in the signature process with Harris County at this time.

Wastewater Discharge Permit Renewal

Then Mr. Kurzy discussed the status of the renewal application (the "Application") for the District's discharge permit (the "Permit") that was submitted to the Commission prior to the deadline date of 1 November 2016. He reported that AEI was awaiting final review of the Application and receipt of the draft Permit.

Wastewater Treatment Plant / TPDES Multi-Sector General Permit

Mr. Kurzy then discussed with the Board the status of the District's TPDES Multi Sector General Permit for stormwater run-off at the Plant site (the "MS4 Permit"). He informed the Board that the new MS4 Permit with the requisite documentation had been forwarded to the Commission in November 2016 for review and approval. Mr. Kurzy stated that he had anticipated a response from the Commission prior to this date. He commented that the Commission personnel reviewing the MS4 Permit may be overloaded due to the high volume of permit applications from various entities striving to meet the same deadline as the District.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report.

Bookkeeper's Report

Mr. Russell presented the Bookkeeper's Report, a copy of which is attached hereto and shall be considered to be part of these minutes. He reviewed the District's revenues and expenses for the month of February 2017 as well as the investments for each of the accounts maintained by the District. He reported that the District's Operating Fund checking account began this reporting period with a balance of \$48,247.93 and that there were total receipts of \$288,883.79 during the reporting period, less checks completed at or after the Board's last meeting and other disbursements, resulting in a balance for the Operating Fund checking account of \$334,054.65. Mr. Russell went on to say that this ending balance, as well as investments, less disbursements presented at this meeting, result in the District having total operating funds of \$4,328,772.01 available for the District as of 27 March 2017.

Mr. Russell informed the Board that the District had received a payment of \$19,247.44 from the City of Houston (the "City") for the District's share of sales tax collections during December 2016 pursuant to the Strategic Partnership Agreement with the City for limited purpose annexation of commercial property in the District.

Mr. Russell then reported that the balance of the District's Debt Service Fund, including investments, totals \$269,122.80 and the balance of the District's Capital Projects Fund, including investments, totals \$260,677.67 as of this date. The Board then reviewed: (1) the District's Operating Budget for the fiscal year ending 30 September 2017; (2) the Summary of Costs relating to the District's Series 2014 Bonds; (3) the table listing the District's power consumption and the amount billed to the District; (4) the Schedule of Investments; (5) the balance of deposits paid by developers for legal and engineering fees incurred by the District for their respective projects; and (6) the Pledged Security Report dated 1 March 2017. Copies of these documents are included with the Bookkeeper's Report.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Bookkeeper's Report and (2) authorize payment of the checks listed therein.

Voluntary Water Conservation

Consideration was then given to authorizing the first mailing of the year to the District's customers of a letter from the Board to the District's customers pursuant to the District's Drought Contingency Plan, requesting that customers voluntarily observe certain water conservation measures for restricting outdoor water use at all times (the "Conservation Letter"). After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to transmit the Conservation Letter to the District's customers.

Resolution Indemnifying Directors

Next, Mr. Yale presented the Board with copies of an annual RESOLUTION INDEMNIFYING DIRECTORS. Mr. Yale explained that pursuant to the Resolution, the Board agrees, to the extent allowed by law, to indemnify any Director against costs incurred by a Director for deductibles in connection with claims filed under the District's Directors and Officers Liability insurance policy (the "D & O Policy") that relate to actions taken by the Director within the scope of his official capacity with the District. Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution, a copy of which is attached hereto as an exhibit to these minutes.

Conflicts Disclosure Requirements

Mr. Yale then discussed with the Board the conflicts disclosure requirements for the Directors under Chapter 176 of the Texas Local Government Code ("Chapter 176"). He then submitted to each Director for review and execution a Certificate of Director Regarding Conflicts Disclosure (the "Certificate"), certifying the absence of facts that would require the Director to file a Conflicts Disclosure Statement pursuant to Chapter 176. The Directors in attendance at this meeting then executed the Certificates, copies of which are attached hereto as exhibits to these minutes.

Insurance Coverage for the District's Consultants

Then Mr. Yale presented the Board with a table listing the amount and type of insurance coverage in effect for the District's consultants. A copy of the list, including copies of the certificates of insurance for the District's consultants, is attached hereto as an exhibit to these minutes.

Emergency Water Supply Contract / Harris County Municipal Utility District No. 185

The Board next discussed matters relating to the request from Harris County Municipal Utility District No. 185 ("HCMUD 185") regarding proposed revisions to the Emergency Water Supply Contract dated 17 December 1981 between the District and HCMUD 185, as amended. Mr. Yale reported that the District's Attorney was revising the proposed Amendment and Restatement of Emergency Water Supply Contract between the District and HCMUD 185 pursuant to the comments received from Smith, Murdaugh, Little & Bonham, LLP, the attorney for HCMUD 185.

West Harris County Regional Water Authority

Mr. Yale distributed copies of a memorandum from Coats Rose regarding the 8 March 2017 meeting of the Authority's board of directors. A copy of the memorandum is attached hereto as an exhibit to these minutes. Director Scholler informed the Board that the Authority had presented buyout offers to the owners of nine residences located in the Savannah Estates Subdivision in the District ("Savannah Estates") in connection with the construction of the Authority's proposed Surface Water Supply Project – Segment C (the "Supply Project"). Director Scholler stated that he would provide the District's Attorney with a set of maps denoting the location of the Supply Project in relation to Savannah Estates for distribution to the Directors. A copy of the set of maps is attached hereto as an exhibit to these minutes.

Power Supply Issues / Public Power Pool

Next, the Directors discussed matters pertaining to the aggregate purchase of electricity under the auspices of P3. Mr. Yale distributed copies of a newsletter from P3 dated 14 March 2017, a copy of which is attached hereto. Also attached hereto as exhibits are copies of (1) an electronic mail message dated 20 March 2017 from Mr. Quin of P3; (2) a letter dated 8 March 2017 from Brian Hayduk of EnergyBy5; and (3) an electronic mail message dated 6 March 2017 from Jennifer Mutchler of EnergyBy5.

District Web Site

The Directors briefly discussed matters relating to the District's internet web site (the "Web Site"). The Board directed the District's Attorney to invite Shannon Waugh of Off Cinco, the District's Webmaster, to attend the Board's meeting in May or June 2017 to discuss the operation of the Web Site. The Board then directed Mr. Green to forward the monthly analytic reports on the Web Site to 102meetings@gmail.com, the electronic mail address for the compilation of monthly reports from the District's consultants.

Landscaping Report

Next, Director Ward reported on the status of landscaping activities in the District.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Approval of Certified Agenda

The Directors then considered approval of the certified agenda for the executive session of 27 February 2017. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the certified agenda for the executive session of 27 February 2017, as written.

Order Declaring Unopposed Candidates Elected to Office

The Board reviewed an ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE in connection with the 6 May 2017 Directors Election. The Directors noted that according to the Texas Election Code, the District has the authority to declare unopposed candidates to be elected to office since the District's Attorney has certified in writing that the candidates to be listed on the ballot for the referenced election are unopposed, and to cancel the election set for 6 May 2017. A copy of the Certificate Regarding Unopposed Candidates executed by Coats Rose is attached hereto as an exhibit. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Order, a copy of which is attached hereto and shall be considered to be a part of these minutes.

Continuing Disclosure

Mr. Yale reported that the District's consultants were preparing the necessary materials to fulfill the continuing disclosure requirements of the Securities and Exchange Commission ("SEC") pursuant to SEC Rule 15c2-12 prior to the deadline of 30 March 2017.

Harris County Emergency Services District No. 9

Mr. Yale reviewed with the Board a letter from Bob Janusaitis of Harris County Emergency Services District No. 9 ("ESD No. 9"), a copy of which is attached hereto as an exhibit to these minutes. He noted that Mr. Janusaitis was requesting that the District collaborate with the Cy-Fair Volunteer Fire Department with regard to the collection of water supply information to be used by the Insurance Services Organization to determine fire insurance ratings for communities located within ESD No. 9.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Attorney's Report.

Executive Session

The Board went into executive session, pursuant to the Open Meetings Act, Section 551.071, Government Code, at 7:48 p.m. to discuss matters relating to possible litigation. The Board returned to open session at 8:09 p.m. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Attorney to act as discussed in executive session.

District Facilities / Flooding Event on 18 April 2016, continued

The Directors returned to their earlier discussion regarding the Grant Award Package and the Award Letters. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the Award Letters and to authorize Director Ward to execute same. Copies of the Award Letters as approved by the Board are filed in the permanent records of the District.

Disaster Recovery Services / Storm Debris Collection

The Board then discussed matters relating to the Disaster Recovery Services (the "Recovery Services") performed by WCA for the collection of storm debris related to the Flooding Event, including the status of the outstanding balance of the invoice to the District in connection with the Recovery Services (the "Outstanding Balance"). After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the Outstanding Balance to WCA in the amount of \$87,691.50.

There being no further business to come before the Board, the meeting was adjourned.


Secretary, Board of Directors



Harris County Municipal Utility District No. 102
Meeting of 27 March 2017
Attachments

1. Letter from Nancy Johnson;
2. WCA Monthly Customer Issue Listing;
3. Letter from WCA;
4. P3 Packet;
5. Security Patrol Report;
6. Tax Assessor/Collector's Report;
7. Operator's Report;
8. Email from Arthur J. Gallagher & Co.;
9. Award Letter / Debris Removal (1);
10. Award Letter / Debris Removal (2);
11. Award Letter / Wastewater Treatment Plant;
12. Award Letter / Lift Station No. 2;
13. Award Letter / Water Well No. 4;
14. Letter from TWDB;
15. Engineer's Report;
16. Inspection Report for the Detention Pond Maintenance;
17. Bookkeeper's Report;
18. RESOLUTION INDEMNIFYING DIRECTORS;
19. Certificates of Director Regarding Conflicts Disclosure (Randal Ward, Douglas Jordan, David Scholler, Jason Iken, and Robert Moorman);
20. Table / Consultant Insurance Certificates;
21. Coats Rose memo / WHCRWA;
22. Maps / WHCRWA Surface Water Supply Project – Segment C;
23. P3 Newsletter;
24. Email from David Quin of P3;
25. Letter from Brian Hayduk of EnergyBy5;
26. Email from Jennifer Mutchler of EnergyBy5;
27. Certificate Regarding Unopposed Candidates;
28. ORDER DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE; and
29. Letter from Emergency Services District No. 9.