

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

24 April 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 regular session, open to the public, on the 24th day of April, 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 with the exception of Director Jordan, thus constituting a quorum.

Also present were: Dana Davis 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; Ken Love of Municipal District Services, L.L.C. ("MDS"), the District's Operator; Deputy Robert Appleberry of the Harris County Sheriff's Department (the "Sheriff's Department"); Mike Kurzy, P.E., of AEI Engineering, L.L.C. ("AEI"), the District's Engineer; Carl Hoffman representing Accent Home Repair and Remodeling, Inc. ("Accent"); Richard Barbour representing the Georgetown Colony II Homeowners Association (the "Association"); and Will 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, Mr. Barbour addressed the Board regarding the playground facilities in the District that are owned by the Association (the "Playground"). In response to a question

from Mr. Barbour, Director Ward stated that the District could not contribute to the cost for the Association to demolish and rebuild the Playground.

Approval of Minutes

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

Security Patrol Report

Deputy Appleberry addressed the Board regarding security related issues. A copy of the Security Patrol Report for March 2017 is attached hereto as an exhibit to these minutes. In response to comments from Mr. Barbour, Deputy Appleberry remarked that the Sheriff's Department had responded to reports earlier this month regarding firearms being discharged near Langham Creek. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Security Patrol Report.

Solid Waste Collection Service

Next, the Directors discussed matters relating to the solid waste collection service (the "Service") being provided in the District by Waste Corporation of Texas, L.P. ("WCA"), the District's Solid Waste Collector. Mr. Yale distributed to the Board copies of the Monthly Customer Issue Listing for the Service for March 2017, as prepared by WCA. A copy of the Monthly Customer Issue Listing 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 Monthly Customer Issue Listing.

Tax Assessor/Collector's Report

Ms. Brittain-Drew distributed the Tax Assessor/Collector's Report for the month of March 2017, a copy of which is attached hereto as an exhibit to these minutes. She stated that as of 31 March 2017, the District's 2016 tax levy was 96.6% collected. She noted that the District's Tax Account had a balance of \$126,444.31 as of the end of this reporting period (31 March 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 \$64,130.85. She noted that Assessments was requesting approval for eight checks written on the District's tax account, said checks including the escheatment of unclaimed funds to the Texas Comptroller in the amount of \$40.86; and two transfers by wire as follows: a transfer of \$22,755.60 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$50,000.00 to the Debt Service Fund.

The Board then reviewed the Unpaid Accounts Report dated 20 April 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.

Delinquent Tax Attorney's Report

Next, Ms. Brittain-Drew submitted to and reviewed with the Board the Delinquent Tax Attorney's Report dated 24 April 2017, as prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorney. A copy of the Delinquent Tax Attorney's Report is attached hereto as an exhibit to these minutes. Ms. Brittain-Drew discussed with the Board the status of the legal action being taken against various delinquent tax accounts. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Delinquent Tax Attorney's Report.

Operator's Report

Next, Mr. Love distributed the Operator's Report prepared by MDS for the month of March 2017. He reviewed the Water Production portion of the Operator's Report in detail. Mr. Love reported that the District had produced 1,850,000 gallons of water and had purchased 20,662,000 gallons of water from the West Harris County Regional Water Authority (the "Authority") during the period of 16 February through 15 March 2017, with an accountability rate of 98.0%. He reported that the District had provided 1,962,000 gallons of water to Harris County Municipal Utility District No. 250 during the reporting period. The District currently has 3,010 active service connections, he told the Board. Then Mr. Love reviewed the Wastewater Treatment portion of the Operator's Report. He noted that the District's Wastewater Treatment Plant (the "Plant") operated at 47.8% of design capacity during the March 2017 reporting period, with an average daily flow of 565,000 gallons per day ("gpd").

A discussion ensued regarding the operation of the District's four active water wells (the "Wells"). Mr. Kurzy discussed with the Board the desired minimum monthly rate of groundwater production in order for the Wells to be exercised. Director Iken expressed his desire for the District's Operator to prepare a chart denoting the monthly groundwater production from each of the Wells over a five-year period.

Mr. Love 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. He 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.

Wastewater Treatment Plant / Effluent Basin

Mr. Love discussed with the Board the possibility of performing a periodic cleaning of the Plant effluent basin (the "Basin Cleaning"). Mr. Love stated that he would present cost estimates for performing the Basin Cleaning on an annual or semi-annual basis at a future meeting of the Board.

Lift Station No. 1 / Lift Pump No. 2

Next, Mr. Love reported that lift pump No. 2 (the "Lift Pump") at the District's Lift Station No. 1 had been removed from service. He reviewed with the Board a proposal dated 23 March 2017 from Neil Technical Services, Corp. ("NTS") to (1) repair the Lift Pump at a cost of \$8,470; or (2) supply and install a new Flygt 20 horsepower lift pump at a cost of \$19,250. A copy of the proposal is included with the Operator's Report. The Directors expressed their desire to replace the Lift Pump with a new unit as described in the NTS proposal. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the proposal and to authorize the District's Operator to notify NTS to proceed with the installation of the new Lift Pump.

2016 Drinking Water Quality Report

Mr. Love then reviewed with the Board the draft 2016 Drinking Water Quality Report for the District (the "DWQR") as prepared by MDS. The Directors deferred approval of the DWQR to a future meeting of the Board, pending review by the District's Attorney.

Fire Hydrant Report

Next, the Board discussed the condition of the fire hydrants located in the District (the "Hydrants"). Mr. Love reviewed with the Board the Annual Fire Hydrant and Flushing Valve Report (the "Fire Hydrant Report") dated 17 February 2017 as prepared by MDS regarding the condition of the Hydrants, and listing the recommended repairs for same (the "Hydrant Repairs"). A copy of the Fire Hydrant Report is included with the Operator's Report. Mr. Love stated that MDS had proposed to (1) perform the Hydrant Repairs at a cost of \$11,701.25; (2) perform water blast cleaning and repainting on all 277 Hydrants at a cost of \$11,149.25 (the "Repainting"); and (3) replace the reflectors on 60 Hydrants at a cost of \$690.00 (the "Reflector Replacement"), for a total project cost of \$23,540.50. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to (1) proceed with the Hydrant Repairs; (2) proceed with the Reflector Replacement; and (3) perform the Repainting on individual Hydrants as needed.

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. Mr. Love reported that MDS had prepared the Conservation Plan and Water Audit Report and would submit same to the Texas Water Development Board (the "TWDB") by the 1 May 2017 deadline date. Copies of the Conservation Plan and Water Audit Report are included with the Operator's Report attached hereto. A discussion ensued regarding the number of metered water connections in the District (the "Metered Connections") as stated in the Conservation Report and the Water Audit Report. The Directors noted that the number for the Metered Connections as stated in the Water Audit Report and the Conservation Plan was not consistent with the number of service connections in the District as listed in the Operator's Report. Mr. Love stated that he would review the method by which MDS calculated the number of Metered Connections and would make revisions as needed to the Water Audit Report and the Conservation Report prior to submitting same to the TWDB.

After review, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to submit the Conservation Plan and the Water Audit Report to the TWDB, subject to review and possible revision of the Metered Connections.

Homeland Security Contact Information

Next, the Board discussed the status of the submission to the Texas Commission on Environmental Quality (the "Commission") of the Annual Homeland Security Contact Update and Information Form (the "Information Form") listing the Homeland Security contact information for the District's wastewater treatment facilities. Mr. Love informed the Board that the District's Operator had submitted the Information Form to the Commission. A copy of the Information Form is attached hereto as an exhibit to these minutes.

District Administration Building

Next, the Directors discussed the condition of the District's Administration Building at Water Plant No. 2 (the "Building"). Mr. Hoffman reviewed with the Board the status of the repairs to the Building and replacement of damaged equipment being performed by Accent. He informed the Board that the replacement of the paneling and cabinets was underway and that certain electrical lines were being rerouted around the section of the interior wall between the office and the storage room that had been removed. He recommended the replacement of the ceiling tiles and insulation in the Building. With regard to the replacement flooring, Mr. Hoffman recommended (1) the installation of vinyl flooring or vinyl composition tiles ("VCT") in the bathrooms, rear hallway, storage area, and kitchen area; and (2) the installation of 20-ounce carpet (the "Carpet") in the portion of the Building that is used for meetings (the "Meeting Area").

Mr. Hoffman then recommended the replacement of the sink and faucet in the kitchen area. In response to a question from Director Moorman, Mr. Hoffman stated that he would obtain price quotes for the replacement of the front and side doors on the Building. A discussion ensued regarding the audio-visual system in the Building. The Directors expressed their desire for the electric drop-down screen to be installed in the ceiling over the west wall of the Meeting Area. Mr. Hoffman stated that he would obtain price quotes for the installation of a new sound system in the Building. Mr. Hoffman then reviewed with the Board the color samples for the Carpet, VCT flooring, and granite countertops for the Building. After review, the Directors selected the following materials: (1) 57501 Nougat for the VCT flooring; (2) Neyland 20 – Cool Umber for the Carpet; and (3) Juparana White for the granite countertops.

Director Moorman commented that there was a significant quantity of documents relating to the District being stored in the office and storage area in the Building (the "Documents"). Mr. Yale suggested that the Documents could be transported to the offices of Coats Rose for review by the District's Attorney to determine which Documents could be retained or destroyed, pursuant to the District's document retention policy.

The Board then discussed the status of the District's insurance claim for the water damage to the Building (the "Damage"). Mr. Yale submitted for the Board's review and approval the Proof of Loss Form as prepared by Allied World Specialty Insurance Company declaring a Net Claim for the District in the amount of \$61,211.47 in connection with the Damage. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Proof of Loss Form and to authorize Director Ward to execute same. A copy of the executed Proof of Loss Form is attached hereto as an exhibit to these minutes.

Termination of Service

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The President recognized Mr. Love, 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.

Engineer's Report

Then 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

Next, 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. (called "SWS"). Mr. Kurzy submitted to and reviewed with the Board the Inspection Report for the Detention Pond Maintenance for April 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

The Board discussed matters relating to the contract with Blastco Texas, Inc. ("Blastco") for the 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. Mr. Kurzy stated that the District's Engineer would forward the surety bonds and insurance submitted by Blastco in connection with the GST Rehabilitation project to the District's Attorney for review. Mr. Kurzy presented the Board with execution drafts of the contract for the GST Rehabilitation (the "Blastco Contract"). Director Ward then executed the Blastco Contracts.

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 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.

Mr. Kurzy then submitted to and reviewed with the Board a memorandum dated 19 April 2017 from the District's Engineer regarding the status of the SSO Initiative Action Plan. A copy of the memorandum is attached hereto as an exhibit to these minutes.

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 still "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 (the "Rigsdale Manhole") that had been left uncovered during the Area B Inspection. Mr. Kurzy called the Board's attention to a photograph of the Rigsdale Manhole, a copy of which is included in the Engineer's Report. He stated that the Rigsdale Manhole was initially photographed on 1 November 2016 and that AEI's on-site representative indicated that he had verbally notified the District's Operator of the problem. When access was attempted earlier this month, he continued, the site was not accessible. On 6 April 2017, Mr. Kurzy told the Board, a text message was sent to the District's Operator regarding the Manhole based on previous observations.

Survey of Sanitary Sewer Line Manholes

Mr. Kurzy reported that the District's Engineer had received the survey (the "Manhole Survey") of the manholes on the District's sanitary sewer lines (the "Manholes") as prepared by the District's Operator. He stated that the District's Engineer would commence its review of the Manhole Survey and determine which Manholes were most in need of immediate attention.

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 had received the draft Permit and had forwarded comments on same to the Commission. Mr. Kurzy stated that the District's Engineer was awaiting notification from the Commission to proceed with the second round of advertising in connection with the renewal of the 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 stated that the District's Engineer was anticipating a response from the Commission regarding the new MS4 Permit in the near future.

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

Next, the Directors discussed matters relating to the proposed development by Schellite, LLC ("Schellite") of a 10-acre tract located at 6010 Addicks-Satsuma Road (the "Schellite Tract"). Mr. Kurzy stated that the District's Engineer had transmitted a letter dated 4 April 2017 to Eby Engineers, Inc., the engineer for Schellite, expressing

no objection in connection with the submittal of the most recent set of revised plans for the proposed development in the Schellite Tract. A copy of the letter is attached hereto as an exhibit to these minutes.

Business Plan and SWOT Analysis / Capital Improvement Plan

The Board briefly discussed matters relating to the District's Business Plan and SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats). Mr. Kurzy reported that AEI had reviewed the equipment notes from NTS (the "Equipment Notes") as provided by the District's Operator and had determined that the Equipment Notes accurately represent the status of the District's equipment.

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

Bookkeeper's Report

Ms. Davis presented the Bookkeeper's Report, a copy of which is attached hereto and shall be considered to be part of these minutes. She reviewed the District's revenues and expenses for the month of March 2017 as well as the investments for each of the accounts maintained by the District. She reported that the District's Operating Fund checking account began this reporting period with a balance of \$42,501.78 and that there were total receipts of \$325,000.00 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 \$34,842.83. Ms. Davis 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 \$4,416,373.97 available for the District as of 24 April 2017.

Ms. Davis informed the Board that the District had received a payment of \$8,222.03 from the City of Houston (the "City") for the District's share of sales tax collections during January 2017 pursuant to the Strategic Partnership Agreement with the City for limited purpose annexation of commercial property in the District.

Ms. Davis then reported that the balance of the District's Debt Service Fund, including investments, totals \$469,995.13 and the balance of the District's Capital Projects Fund, including investments, totals \$259,612.84 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 3 April 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.

Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program

Mr. Yale submitted to and reviewed with the Board the Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review (the "Review") dated 3 April 2017 as prepared by Arbitrage Compliance Specialists, Inc. ("ACSI") in connection with its review of the District's (1) Series 2008 Bonds; (2) Series 2012 Refunding Bonds; and (3) Series 2014 Bonds. A copy of the Review is attached hereto as an exhibit to these minutes. Mr. Yale pointed out to the Board that the Series 2008 Bonds and Series 2012 Refunding Bonds were subject to arbitrage rebate. The next report filing date for the Series 2008 Bonds is the final arbitrage rebate report due within 60 days of 1 April 2018, said Mr. Yale. He stated that the next report filing date for the Series 2012 Refunding Bonds is the 5th-year arbitrage rebate report due within 60 days of 12 June 2017.

Mr. Yale then pointed out to the Board that ACSI had determined that the Series 2008 Bonds and Series 2014 Bonds were subject to project fund yield restriction. He noted that the capital project funds associated with the Series 2008 Bonds were not spent below the minor portion before 27 August 2011, the end of the temporary period. For the period of 27 August 2011 until the funds were spent below the minor portion on 26 January 2015, he continued, the capital projects funds rate of return has not exceeded the materially higher yield of 4.6904% and accordingly ACSI had determined that no further reports were required.

With regard to the Series 2014 Bonds, Mr. Yale told the Board that ACSI reported that the capital project funds associated with this bond issue were not spent below the minor portion before 26 March 2017, the end of the temporary period. He noted that the unspent capital project funds at that time totaled \$263,222.42. For the period of 26 to 27 March 2017, he told the Board, the capital project funds rate of return had not exceeded the materially higher yield of 3.7438%. Mr. Yale reviewed with the Board a note from Doug Pahnke of ACSI, a copy of which is attached hereto, in which Mr. Pahnke recommended that the District spend the balance of the capital project funds for the Series 2014 Bonds below \$100,000. Mr. Yale then noted that ACSI had determined that the Series 2012 Refunding Bonds were not subject to project fund yield restriction.

Proposals for Arbitrage Compliance Programs

Mr. Yale reviewed with the Board three proposals (the "ACSI Proposals") submitted by ACSI for the Arbitrage Reports as required by the U.S. Treasury Department and the U.S. Internal Revenue Service in connection with (1) the final computation for the District's Series 2008 Bonds; (2) the 5th-year computation for the District's Series 2012 Refunding Bonds; and (3) the final computation for the District's

Series 2012 Refunding Bonds. Mr. Yale stated that the estimated cost for the Arbitrage Reports as presented in the ACSI Proposals described above was \$2,950 for the Series 2008 Bonds; \$2,950 for the Series 2012 Refunding Bonds (5th-year computation); and \$950 for the Series 2012 Refunding Bonds (final computation). After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the ACSI Proposals and to authorize Director Ward to execute same. Copies of the ACSI Proposals as accepted by the Board are attached hereto and shall be considered to be part of these minutes.

Identity Theft Prevention Program / Annual Review

The Board then discussed the District's Identity Theft Prevention Program that was adopted 27 April 2009 and was effective 1 May 2009. Mr. Yale presented a letter from MDS stating that MDS had implemented procedures and controls that provide the security of accounts as required under the District's Identity Theft Prevention Program and under the Identity Theft Rules adopted by the Federal Trade Commission. He stated that, based on the report, it appeared that no "red flags" had been raised during the past year and that all of the procedures were working smoothly for Assessments. A copy of the letter is attached hereto as an exhibit to these minutes. Mr. Yale added that Assessments was preparing its annual letter relating to its implementation of the District's Identity Theft Prevention Program for presentation at a future meeting of the Board.

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 had revised the proposed Amendment and Restatement of Emergency Water Supply Contract between the District and HCMUD 185 (the "Amendment") pursuant to the comments received from Smith, Murdaugh, Little & Bonham, LLP ("Smith Murdaugh"), the attorney for HCMUD 185. He added that he had transmitted the revised Amendment to Smith Murdaugh for review.

West Harris County Regional Water Authority

Mr. Yale distributed copies of a memorandum from Coats Rose regarding the 12 April 2017 meeting of the Authority's board of directors. A copy of the memorandum is attached hereto as an exhibit to these minutes. Mr. Yale informed the Board that the Authority would conduct a MUD Directors' Outreach Workshop (the "Workshop") at 6:00 p.m. on Thursday, 8 June 2017, at the Fry Road Facility located at 20111 Saums Road in Katy, Texas. A copy of a flier for the Workshop 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 the Public Power Pool ("P3"). Mr. Yale distributed copies of a newsletter from P3 dated 11 April 2017, a copy of which is attached hereto.

Landscaping Report

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 March 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 March 2017, as written.

Continuing Disclosure

Mr. Yale reported that the District's Annual Financial Report for the fiscal year ended 30 September 2016 had been filed through the Electronic Municipal Market Access ("EMMA") website in fulfillment of continuing disclosure requirements under Securities and Exchange Commission Rule 15(c)2-12. A copy of the documentation of filing through EMMA is attached to and shall be considered to be part of these minutes.

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

Executive Session

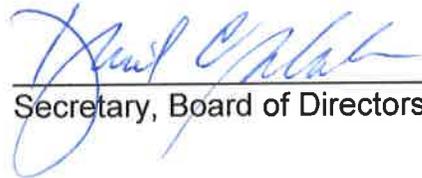
The Board went into executive session, pursuant to the Open Meetings Act, Section 551.071, Government Code, at 8:30 p.m. to discuss matters relating to possible litigation. The Board returned to open session at 9:15 p.m.

District Facilities / Flooding Event on 18 April 2016

Finally, the Board discussed matters relating to the District's Request for Public Assistance filed with the Federal Emergency Management Agency ("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. Mr. Yale submitted for the Board's review and approval the Subrecipient's Attestation for Duplication of

Benefits form (the "Attestation Form") as prepared by the Texas Division of Emergency Management in connection with the Flooding Event. After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) authorize Director Ward to execute the Attestation Form; and (2) authorize the District's consultants to take actions necessary to reconcile the claim payments received by the District from FEMA and the District's insurance provider. A copy of the executed Attestation Form is attached hereto and shall be considered to be part of these minutes.

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 24 April 2017
Attachments

1. Visitor Sign-in Sheet;
2. Security Patrol Report;
3. WCA Customer Issue Listing;
4. Tax Assessor/Collector's Report;
5. Delinquent Tax Attorney's Report;
6. Operator's Report;
7. Annual Homeland Security Contact Update and Information Form;
8. Proof of Loss Form / Allied World Specialty Insurance Company;
9. Engineer's Report;
10. Inspection Report for the Detention Pond Maintenance;
11. Memo from AEI / Status Update on SSOI Action Plan;
12. Letter from AEI to Eby Engineers, Inc. / Schellite Office Development;
13. Bookkeeper's Report;
14. Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review;
15. Note from Doug Pahnke of Arbitrage Compliance Specialists, Inc.;
16. Engagement Letters from ACSI;
17. Letter from MDS / Identity Theft Prevention Program;
18. Coats Rose memo / WHCRWA;
19. Flier for WHCRWA MUD Directors Outreach Workshop;
20. P3 Newsletter;
21. Continuing Disclosure / proof of filing through EMMA; and
22. Subrecipient's Attestation for Duplication of Benefits Form.