

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

23 April 2018

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 23rd day of April, 2018, at the regular meeting place thereof, at 15300 Falmouth, Harris County, Texas, inside 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
Jason A. Iken	Assistant Secretary
Robert Moorman	Assistant Secretary/Treasurer and Investment Officer
Vacant	Secretary/Treasurer

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"), 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; Will Yale and David Green of Coats Rose, P.C. ("Coats Rose"), the District's Attorney; Jerry Elick and Izzat Nasser representing Seven Star Plus, Inc. ("Seven Star Plus"); and Klint Kovar, a resident of the District.

Director Ward called the meeting to order.

Public Comments

The President recognized Mr. Kovar, who presented questions to the Board regarding (1) the temporary effluent disinfection system (the "Disinfection System") at the District's Wastewater Treatment Plant; and (2) the inclusion of certain items on the agendas for the meetings of the Board.

Approval of Minutes

The Board then considered approval of the minutes of the meeting of 26 March 2018. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of 26 March 2018, as written.

Security Patrol Report

The Board next discussed security related issues. Mr. Yale presented the Board with copies of the Security Patrol Report for March 2018 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.

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 2018, as prepared by WCA. A copy of the Monthly Customer Issue Listing is attached hereto as an exhibit to these minutes.

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

Proposal for Collection of Residential Construction Debris

The Directors then discussed the proposed collection of residential construction debris in the District (the "Debris Collection") pursuant to the proposal (the "Proposal") submitted at the Board's meeting on 26 March 2018 by M. Marlon Ivy & Associates, Inc. ("Marlon"). Mr. Yale stated that, pursuant to teleconferences with Director Iken and the District's Attorney, Marlon had submitted a revised Proposal that included a provision obligating Marlon to provide the District with documentation relating to the Debris Collection. A copy of the revised Proposal is attached hereto as an exhibit to these minutes. The Directors noted that under the revised Proposal, Marlon proposed to charge the District \$42 per cubic yard for the Debris Collection, for an estimated total of \$16,800 based on 400 cubic yards of construction debris. A discussion ensued regarding the revised Proposal. Director Iken stated that he would drive certain portions of the District this week to determine whether the Debris Collection was still necessary at this time. Ms. Hollingsworth informed the Board that the District's Operator had procured a sufficient number of signs that could be placed in certain subdivisions in the District to provide notification to the District's customers regarding the Debris Collection.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the revised Proposal and to authorize Marlon to proceed with the Debris Collection, subject to the determination by Director Iken that said Debris Collection was still necessary.

Tax Assessor/Collector's Report

Ms. Brittain-Drew distributed the Tax Assessor/Collector's Report for the month of March 2018, a copy of which is attached hereto as an exhibit to these minutes. She stated that as of 31 March 2018, the District's 2017 tax levy was 96.6% collected. She noted that the District's Tax Account had a balance of \$105,360.02 as of the end of this reporting period (31 March 2018). 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 \$50,564.01. She noted that Assessments was requesting approval for 12 checks written on the District's tax account, and two transfers by wire as follows: a transfer of \$23,725.84 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$30,000.00 to the Debt Service Fund.

The Board then reviewed the Unpaid Accounts Report dated 19 April 2018, 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 23 April 2018, 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. She 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, Ms. Hollingsworth distributed the Operator's Report prepared by MDS for the month of March 2018. She reviewed the Water Production portion of the Operator's Report in detail. Ms. Hollingsworth reported that the District had produced 3,622,000 gallons of water and had purchased 17,972,000 gallons of water from the West Harris County Regional Water Authority (the "Authority") during the period ending 15 March 2018, with an accountability rate of 93.6%. She reported that the District had provided 1,420,000 gallons of water to Harris County Municipal Utility District No. 250

during the reporting period. The District currently has 3,011 active 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 46.5% of design capacity during the March 2018 reporting period, with an average daily flow of 541,000 gallons per day ("gpd").

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. The Board then reviewed (1) charts depicting the monthly groundwater pumpage from the District's active water wells during the period of January 2012 to March 2018; and (2) charts depicting the influent and effluent testing results for March 2018 at the Plant, copies of which are 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 Facilities / Hurricane Harvey

The Board then discussed the status of the District's Request for Public Assistance ("RPA") that was filed with the Federal Emergency Management Agency ("FEMA") for reimbursement of the District's costs incurred in response to the Hurricane Harvey flooding event in August 2017 that were not covered by the District's insurance policies. Ms. Hollingsworth reported that the District's Operator was meeting periodically with FEMA representatives and had compiled the damage inventory assessment. She noted that the District's claims filed in connection with the Hurricane Harvey flooding event total approximately \$200,000. Ms. Hollingsworth added that the District's Operator would continue to provide updated information to FEMA, including the invoices related to the temporary Disinfection System at the Plant.

District Facilities / Flooding Event on 18 April 2016

The Board then briefly discussed matters relating to the District's RPA filed with 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 (the "2016 Flooding Event") that were not covered by the District's insurance policies. Ms. Hollingsworth called the Board's attention to an electronic mail message dated 18 April 2018 from Niv Bulsara of Horne, LLP, the FEMA Auditor, a copy of which is included with the Operator's Report. According to Mr. Bulsara, she told the Board, the state office is awaiting a "reasonableness determination" from FEMA with regard to the District's claim for costs incurred for storm debris cleanup following the 2016 Flooding Event. No further action or additional documentation was required from the District at this time, she told the Board.

Service Accounts / Hurricane Harvey

Next, the Board discussed matters relating to the requests received from District customers since September 2017 for the Board to consider granting relief on water bills for those customers who were affected by the Hurricane Harvey flooding event (the "Relief Requests"). Ms. Hollingsworth discussed with the Board a Relief Request from Ishisha Hickman at 15515 Waldron Circle. She noted that Ms. Hickman's check for the initial deposit and transfer fees on her service account had been returned for insufficient funds. The District's Operator allowed a payment arrangement, she continued, and Ms. Hickman paid the initial deposit and fees on 23 January 2018. Ms. Hollingsworth stated that as of this date, the balance due on Ms. Hickman's service account for January, February, and March 2018 totals \$210.83 (the "Balance Due"). After discussion, the Board authorized the District's Operator to offer Ms. Hickman a payment plan in which she would submit biweekly payments of \$50 on the Balance Due.

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 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 2018 deadline date. Copies of the Conservation Plan and Water Audit Report are attached hereto as exhibits to these minutes.

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.

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. Ms. Hollingsworth 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.

2017 Drinking Water Quality Report

Ms. Hollingsworth then reviewed with the Board the draft 2017 Drinking Water Quality Report for the District (the "DWQR") as prepared by MDS. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the DWQR, subject to review by the District's Attorney. A copy of the DWQR is attached hereto as an exhibit to these minutes.

District Message Signs

Ms. Hollingsworth reported that the District's Operator had purchased 12 additional 18"-by-24" metal sign frames into which information or emergency notification signs made of corrugated plastic could be placed as needed.

Termination of Service

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The President recognized Ms. Hollingsworth, 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 27 March 2018 as prepared by the District's Operator. A copy of the Customer Write-Off Report is included with the Operations Report. It was noted by the Board that there were three delinquent service accounts in the total amount of \$913.34 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. (called "SWS"). Mr. Kurzy submitted to and reviewed with the Board the Inspection Report for the Detention Pond Maintenance for March 2018 as prepared by AEI, a copy of which is attached hereto as an exhibit to these minutes. He noted that

SWS had repaired the damage to the Waldron Estates Detention Pond outfall that was caused by vandalism.

Mr. Kurzy then informed the Board that SWS had submitted a Pay Estimate in the amount of \$225.37 for Detention Pond Maintenance performed during March 2018. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the Pay Estimate.

Water Plant No. 1 / 10,000-Gallon South Hydropneumatic Tank

The Board next discussed the condition of the 10,000-gallon south hydropneumatic tank (the "South HPT") at Water Plant No. 1. Mr. Kurzy reported that the inspection recently performed on the South HPT showed that the interior of the South HPT was in poor condition. Accordingly, he continued, the District's Engineer directed W. W. Payton Corp. to proceed with the recoating of the interior of the South HPT.

Federal Emergency Management Agency / Hurricane Harvey

Mr. Kurzy reported that the District's Engineer had met with FEMA personnel to discuss specific items that need to be completed prior to applying for the FEMA grant. He pointed out to the Board that a FEMA grant would pay an amount equivalent to the value of the loss of the ultraviolet disinfection system at the Plant but would not cover the overall cost for permanently converting the disinfection system at the Plant to operate with a chlorination/dechlorination basin (the "Chlorination Conversion"). He explained that the District could file a separate application with the State of Texas for grant funds to help fund the Chlorination Conversion.

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 submitted to and reviewed with the Board a memorandum dated 23 April 2018 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.

Award Contract for Area B – Phase II Sanitary Sewer Televised Inspection and Evaluation

Mr. Kurzy then reviewed with the Board the bids submitted for the proposed 10-year televised inspection and evaluation of sanitary sewer lines in Area B – Phase II (the "10-year Inspection"). The Board noted that five bids were received by the District's Engineer for the 10-year Inspection project. Mr. Kurzy stated that the apparent low base bid for the 10-year Inspection was submitted by Magna-Flow Environmental, Inc. (called "Magna-Flow"), in the amount of \$48,990.00. Copies of the bid tabulation and the

Engineer's Review of Bids for the 10-year Inspection project are attached hereto as an exhibit to these minutes.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the low bid and award the contract for the 10-year Inspection project to Magna-Flow.

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 he had nothing new to report in regard to the Schellite Tract.

Bond Application Report / Series 2018 Bonds

The Board then discussed the status of the bond application report ("BAR") prepared by the District's Engineer in connection with the proposed sale of the District's Series 2018 Bonds to fund the Priority 1 Projects in the Capital Improvement Plan as prepared by the District's Engineer. Mr. Kurzy recalled that AEI submitted the BAR to the Commission in March 2018 with a request for a 45-day expedited review. He reported that on 23 March 2018 the Commission confirmed receipt of the BAR and declared it to be administratively complete.

Award Contract for Wastewater Treatment Plant Effluent Basin Conversion

Next, the Directors reviewed the bids submitted for the proposed improvements to the effluent basin at the Plant (the "Basin"), to consist of permanently converting the disinfection system in the Basin to operate with bleach instead of the ultraviolet disinfection system (the "Conversion"). Mr. Kurzy reported that six bids were received by the District's Engineer for the Conversion project. Mr. Kurzy stated that the apparent low base bid for the Conversion was submitted by N&S Construction Co., LP (called "N&S Construction"), in the amount of \$759,480.00. He added that N&S Construction also submitted the apparent low bid including Alternate Nos. 1 and 2 in the total amount of \$787,480.00. Copies of the bid tabulation and the Engineer's Review of Bids for the Conversion project are attached hereto as exhibits to these minutes. Mr. Kurzy explained that Alternate No. 1 pertains to replacing the existing refrigerated sampler with a new unit; and that Alternate No. 2 pertains to providing and installing the dechlorination system, including chemical storage tanks and controls. He pointed out to the Board that Alternate No. 2 must be adopted as part of the Conversion project in view of the Commission's dechlorination requirements and the Plant's permitted average wastewater flow of 1,300,000 gpd.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the low bid and award the contract for the Conversion project, including Alternate Nos. 1 and 2, to N&S Construction.

Water Well Performance Testing

Mr. Kurzy next reviewed with the Board the Performance Testing Reports as prepared by G-M Services in connection with testing conducted earlier this month of the District's Water Well Nos. 1, 2, 4, and 6 (the "Wells"). Copies of the Performance Testing Reports are included with the Engineer's Report. Mr. Kurzy remarked that the Wells appeared to be operating in satisfactory condition at the time they were tested. He then informed the Board that the Performance Testing Report for Well No. 4 indicated a divergence between the static water level and the pumping level (the "Divergence"), which was cause for concern. Mr. Kurzy stated that the Divergence could possibly be caused by bacterial growth in the bottom of the well shaft. He then recommended that bacteriological testing be performed on Well No. 4 (the "Testing").

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Engineer to proceed with the Testing.

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

Next, the Board briefly 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 (the "Community Center") in addition to the existing Church facilities in the District. Mr. Kurzy noted that the Community Center had been constructed. Ms. Hollingsworth stated that the District's Operator would send an inspector to confirm the status of the service connections at the Community Center.

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

Request for Service / 2-acre Tract on Addicks-Satsuma Road / Bayou Sports Bar

The Board discussed matters relating to the request from Seven Star Plus for utility service to a proposed development in a certain 2-acre tract of land located on Addicks-Satsuma Road (called "Tract A"), outside the boundaries of the District, in which the Bayou Sports Bar is located. Mr. Yale reported that Seven Star Plus had submitted the plans as requested for the proposed commercial development consisting of storage units to be constructed in the 2-acre tract (called "Tract B") that is adjacent to Tract A. He stated that Seven Star Plus was seeking a utility capacity commitment from the District to serve the establishment in the Tract A and the proposed development in Tract B (the "Capacity Commitment") in order to obtain permits and required documentation relating to the development of the tracts. Mr. Yale stated that the District's Attorney could include a provision regarding the Capacity Commitment in the proposed Agreement for Out-of-District Service between the District and Seven Star Plus (the "Service Agreement") for service to Tract A and Tract B. A discussion ensued regarding the Capacity Commitment. Mr. Yale remarked that Seven Star Plus was requesting (1) capacity in the District's existing utility systems sufficient for one equivalent single family connection ("ESFC") for Tract B; and (2) approximately

10,000 gallons per month of water capacity and approximately 20,000 gallons per month of sanitary sewer capacity for Tract A. Mr. Kurzy stated that the District had sufficient water supply capacity and wastewater treatment capacity to serve Tract A and Tract B. Mr. Kurzy expressed his concern that any drainage improvements constructed by Seven Star Plus on Tract A or Tract B could potentially affect the District's storm water drainage system. The Directors expressed their desire for the Service Agreement to include provisions for (1) providing water supply service and sanitary sewer service to both Tract A and Tract B; and (2) the Capacity Commitment for both Tract A and Tract B as described above.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) authorize the District's Attorney to revise the Service Agreement as described above; and (2) authorize Director Ward to review and approve the revised draft of the Service Agreement.

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 March 2018 as well as the investments for each of the accounts maintained by the District. He reported that the balance of the District's Operating Fund, including the collections account, checking account, and investments, totals \$4,807,721.59 as of this date. Mr. Russell informed the Board that the District had received a payment of \$8,419.99 from the City of Houston (the "City") for the District's share of sales tax collections during January 2018 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 \$420,333.10 and the balance of the District's Capital Projects Fund, including investments, totals \$218,085.28 as of this date. The Board then reviewed: (1) the District's Operating Budget for the fiscal year ending 30 September 2018; (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; and (5) the balance of deposits paid by developers for legal and engineering fees incurred by the District for their respective projects.

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.

Telecommunication Systems at District Facilities / AT&T Invoices

The Board next discussed matters relating to the invoices submitted to the District by AT&T during the past year in connection with the telecommunication systems

at the District's facilities (the "Telecommunication Systems"). Director Moorman, recalling that the Telecommunication Systems had been improved in recent years to use cellular telephone service in place of land lines, remarked that the District's Operator and Engineer would need to determine the date on which the service accounts for the dedicated land lines for the Telecommunication Systems should have been terminated.

Reschedule Board of Directors Meeting

The Directors then considered rescheduling the 28 May 2018 Board meeting in view of the Memorial Day holiday. After discussion, upon a motion duly made and seconded, the Board voted unanimously to meet on Monday, 21 May 2018.

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 letters from Assessments and MDS stating that both Assessments and MDS had implemented procedures and controls that provide the security of accounts as required under the District's Identity Theft Program and under the Identity Theft Rules adopted by the Federal Trade Commission. He stated that, based on the reports, it appeared that no "red flags" had been raised during the past year and that all of the procedures were working smoothly for Assessments and MDS. Copies of the letters are attached hereto as exhibits to these minutes.

Possible Appointment of Director

The Directors discussed matters relating to the possible appointment of a Director to fulfill the term of former Director David Scholler through May 2021. Mr. Yale distributed to the Board copies of a memorandum dated 23 April 2018 from the District's Attorney summarizing the statutes that relate to Director qualifications and conflicts of interest. A copy of the memorandum is attached hereto as an exhibit. Mr. Yale reminded the Board that to serve as a Director an individual must be a qualified voter residing in the District or own property in the District that is subject to taxation. A discussion ensued regarding certain individuals who might be interested in completing Mr. Scholler's unexpired term of office on the Board.

West Harris County Regional Water Authority

Mr. Yale distributed copies of a memorandum from Coats Rose, regarding the 11 April 2018 meeting of the Authority's board of directors. A copy of the memorandum 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 10 April 2018, a copy of which is attached hereto.

Landscaping Report

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

Internet Website

The Directors next discussed matters relating to the District's internet website (the "Website"). The Board noted that hurricane season would commence on 1 June 2018. The Board then directed the District's Operator to include a message on the bills distributed to the District's customers, recommending that they access the Website during hurricane season to obtain storm-related information from the District.

Attorney's Report

Mr. Yale presented the Attorney's Report.

Continuing Disclosure

Mr. Yale reported that the District's Annual Financial Report for the fiscal year ended 30 September 2017 and selected financial information 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. He informed the Board that the District's Attorney had also filed a Voluntary Notice related to Hurricane Harvey through the EMMA website. Copies of the documentation filed through EMMA are attached hereto and shall be considered to be part of these minutes.

Texas Comptroller / Special Purpose District Report

Mr. Yale reported that on 15 February 2018 the District's Attorney had filed the Special Purpose District Report (the "SPD Report") with the Texas Comptroller's Office pursuant to Senate Bill 625 as approved by the 85th Texas Legislature (Regular Session – 2017). He reviewed with the Board the SPD Report Confirmation and Summary, copies of which are attached hereto as exhibits to these minutes.

Proposed Depository Pledge Agreement / Spirit of Texas Bank

Next, the Board briefly discussed a proposed Depository Pledge Agreement (the "Agreement") between the District and Spirit of Texas Bank. Mr. Yale reported that the

District's Attorney was reviewing the Agreement and would inform Spirit of Texas Bank of certain revisions to be made to the Agreement.


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 8:15 p.m. to discuss matters relating to possible litigation. The Board returned to open session at 9:15 p.m.

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





Asst. Secretary, Board of Directors

Harris County Municipal Utility District No. 102
Meeting of 23 April 2018
Attachments

1. Visitor Attendance Sheet;
2. Security Patrol Report;
3. Monthly Customer Issue Listing;
4. Revised Proposal from M. Marlon Ivy & Associates;
5. Tax Assessor/Collector's Report;
6. Delinquent Tax Attorney's Report;
7. Operator's Report;
8. Water Conservation Plan Annual Report;
9. Water Audit Report;
10. Annual Homeland Security Contact Update and Information Form;
11. 2017 Drinking Water Quality Report;
12. Engineer's Report;
13. Detention Pond Maintenance Report;
14. Memo from AEI / SSO Initiative Action Plan;
15. Bid Tabulation / Phase II Sanitary Sewer Televised Inspection and Evaluation;
16. Bid Tabulation / Wastewater Treatment Plant Effluent Basin Conversion;
17. Bookkeeper's Report;
18. Identity Theft Prevention Program Reports from Municipal District Services, L.L.C. and Assessments of the Southwest, Inc.;
19. Coats Rose memo / Director qualifications;
20. Coats Rose memo / WHCRWA;
21. P3 newsletter;
22. Continuing Disclosure / proof of filing through EMMA (Annual Report);
23. Continuing Disclosure / proof of filing through EMMA (Voluntary Notice related to Hurricane Harvey); and
24. SPD Report Confirmation and Summary.