

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

27 August 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 27th day of August, 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	Secretary
Robert Moorman	Assistant Secretary/Treasurer and Investment Officer
Vacant	Assistant Secretary

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

Also present were: Amy Symmank 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., and Wayne Cherry, P.E., of AEI Engineering, L.L.C. ("AEI"), the District's Engineer; and Dick Yale, Will Yale, 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 electronic mail messages dated 2 August 2018 and 8 August 2018 from District resident Nancy Johnson regarding (1) possible safety issues relating to the volume of traffic on Kentwick Drive; and (2) the dumping of refuse on 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. Copies of the electronic mail messages are attached hereto as exhibits. The Board noted that Ms. Johnson's electronic mail message dated 2 August 2018 was addressed to Harris County Precinct 4 Commissioner R. Jack Cagle.

## **Approval of Minutes**

Next, the Board considered approval of the minutes of the meetings of 19 July 2018 and 23 July 2018. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of 19 July 2018 and 23 July 2018, as written.

## **Security Patrol Report**

The Board then discussed security related issues. Mr. Yale presented the Board with copies of the Security Patrol Report for July 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 July 2018, 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 July 2018, a copy of which is attached hereto as an exhibit to these minutes. She stated that as of 31 July 2018, the District's 2017 tax levy was 98.5% collected. She noted that the District's Tax Account had a balance of \$51,592.21 as of the end of this reporting period (31 July 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 \$39,624.72. She noted that Assessments was requesting approval for 10 checks written on the District's tax account, said checks including the transfer of \$2,822.06 in revenues from the tax for maintenance and operations to the District's Operating Fund; and the transfer by wire of \$10,000.00 to the Debt Service Fund. Ms. Brittain-Drew informed the Board that unclaimed funds totaling \$560.00 would be escheated to the Texas Comptroller's Office by the District's Tax Assessor/Collector.

The Board then reviewed the Unpaid Accounts Report dated 23 August 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.

## **Consider Setting Tax Rate for 2018**

Next, the Board discussed the proposed tax rate for the 2018 tax year (the "Tax Rate"). Mr. Will Yale submitted to and reviewed with the Board: (1) an electronic mail message dated 27 August 2018 from Robert W. Baird & Co. Incorporated ("Baird"), the District's Financial Advisor; (2) a letter dated 27 August 2018 from Baird; and (3) a copy of the 2018 Tax Rate Analysis as prepared by Baird. Copies of the aforementioned documents are attached hereto as exhibits to these minutes. Mr. Yale remarked that the District's Financial Advisor had recommended that the Board consider setting a debt service tax rate of \$0.25 per \$100 of assessed valuation and a maintenance tax rate of \$0.37 per \$100 of assessed valuation for the 2018 tax year, for a total tax rate of \$0.62 per \$100 of assessed valuation, based on the following projections: (1) a 2018 net taxable value of \$483,041,443; (2) a historical tax collection rate of 98%; (3) no growth beyond 1 January 2018; (4) a balance of \$456,729 in the District's Debt Service Fund as of 25 June 2018; (5) interest earnings of 1.5% on the District's surplus construction funds; and (6) adequate ending debt service coverage balances.

Mr. Yale continued that Mr. Smalling had advised that the Board could authorize publication of a tax rate calculation showing a debt service rate of \$0.33 per \$100 valuation and a maintenance tax rate of \$0.31 per \$100 valuation for a combined tax rate of \$0.64 per \$100 valuation. He explained that the Board could adopt a total tax rate that was equal to or less than the proposed total tax rate as presented in the published tax rate calculation. Mr. Yale then reviewed the procedures that the District would have to follow in setting the 2018 Tax Rate for the District.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize publication of the tax rate calculation showing a debt service tax rate of \$0.33 per \$100 valuation and a maintenance tax rate of \$0.31 per \$100 valuation for a combined tax rate of \$0.64 per \$100 valuation. The Board agreed that the tax rate hearing would be held on 24 September 2018.

## **Operator's Report**

Next, Ms. Hollingsworth distributed the Operator's Report prepared by MDS for the month of July 2018. She reviewed the Water Production portion of the Operator's Report in detail. Ms. Hollingsworth reported that the District had produced 12,699,000 gallons of water and had purchased 17,669,000 gallons of water from the West Harris County Regional Water Authority (the "Authority") during the period ending 15 July 2018, with an accountability rate of 92.4%. She reported that the District had provided 2,479,000 gallons of water to Harris County Municipal Utility District No. 250 during the reporting period. The District currently has 3,009 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 42.6% of design capacity during the July 2018 reporting period, with an average daily flow of 554,000 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 July 2018; and (2) charts depicting the influent and effluent testing results for July 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.

### **Water Plant No. 1 / Comprehensive Compliance Inspection**

Ms. Hollingsworth reviewed with the Board a letter dated 12 June 2018 from the Texas Commission on Environmental Quality (the "Commission") in connection with the comprehensive compliance inspection conducted by the Commission at the District's Water Plants on 26 April 2018 (the "Inspection"). A copy of the letter is included with the Operator's Report. Ms. Hollingsworth remarked that the District's Operator had submitted documentation to the Commission demonstrating that corrective measures had been taken to resolve certain issues that were noted at Water Plant No. 1 during the Inspection.

### **District Facilities / Electrical Surge Suppression Devices**

The Board then discussed the status of the electrical surge suppression devices at the District's facilities. Ms. Hollingsworth reported that the District's Operator had engaged Neil Technical Services, Corp. to perform electrical and infra-red surveys at all of the District's facilities (the "Surveys"). She stated that the results from Surveys would be presented at the Board's meeting on 24 September 2018.

### **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 had received notification from the Texas Department of Public Safety (the "DPS") that the District would be awarded (1) a Public Assistance Grant in the amount of \$37,331.71 in connection with its invoiced costs relating to emergency protective measures before and during Hurricane Harvey; and (2) a Public Assistance Grant in the amount of \$9,263.88 for invoiced costs relating to repairs to fire hydrants in the District and the replacement of meter box lids in flooded areas (collectively, the "Grants"). Copies of the letters dated

24 July 2018 from the DPS regarding the Grants are included with the Operator's Report.

Ms. Hollingsworth then reported that the District had received a payment in the amount of \$83,606.67 from Allied World Specialty Insurance Company in connection with the insurance claims filed by the District relating to damage to the District's facilities from the Hurricane Harvey flooding event.

### **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 remarked that the state office was awaiting a "reasonableness determination" from FEMA with regard to the District's claim for costs incurred for storm debris cleanup performed by WCA following the 2016 Flooding Event.

### **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 July 2018 as prepared by the District's Operator. A copy of the Customer Write-Off Report is included with the Operations Report. The Directors noted that there were three delinquent service accounts in the total amount of \$228.49 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.

### **Operating Service Agreement / Revised Schedule of Rates**

The Board then discussed matters relating to the Service Agreement between the District and MDS for the operation of the District's facilities. Ms. Hollingsworth

submitted to and reviewed with the Board a letter dated 27 August 2018 from Bryan K. Chapline, President of MDS, to which is attached the current Schedule of Rates. Copies of the aforementioned documents are attached hereto as exhibits to these minutes. Ms. Hollingsworth remarked that MDS had incurred an increase in its cost to provide operating services to the District since the previous revision to the Schedule of Rates that became effective as of 1 October 2014. She reviewed with the Board the proposed Schedule of Rates to be effective as of 1 October 2018 (the "Revised Schedule of Rates"), to be attached as Exhibit "A" to the Service Agreement.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Revised Schedule of Rates and to authorize Director Ward to execute same. A copy of the executed Revised Schedule of Rates is attached hereto and shall be considered to be part of these minutes.

### **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**

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 July 2018 as prepared by AEI, a copy of which is attached hereto as an exhibit to these minutes. He informed the Board that the District's Engineer was continuing to monitor the two sinkholes had formed in the Concord Colony Detention Pond, as well as the erosion in the Waldron Estates Detention Pond. Mr. Kurzy reported that the permits (the "Permits") for the storm water quality features in the Detention Ponds (the "SWQ Features") would expire on 12 October 2018. He stated that the District's Engineer would submit the application for the renewal of the Permits after the District's Operator had cleaned out the SWQ Features.

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 July 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 / Spot-Coating Rehabilitation of Ground Storage Tanks / One-Year Warranty Period**

Next, the Board discussed matters relating to the one-year warranty period for 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"), which concluded on 10 August 2018. Mr. Kurzy stated that during the warranty inspection on the GST Rehabilitation the District's Engineer had observed corrosion on an interior ladder in one of the GSTs. To date, he continued, Blastco had not made the necessary repairs to the ladder.

### **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 recalled that, as discussed at the Board's meeting on 23 April 2018, the District's Engineer had directed W. W. Payton Corp. ("Payton") to proceed with the recoating of the interior of the South HPT (the "Recoating"). He stated that Payton had completed the Recoating and that the South HPT could be returned to service.

### **Federal Emergency Management Agency / Hurricane Harvey**

Mr. Kurzy reported that the District's Engineer was continuing to coordinate with FEMA and the District's Operator with regard to the District's requests for funding of flood mitigation projects relating to (1) the Water Well No. 4 site; (2) Lift Station No. 2; (3) the on-site Lift Station at the Plant; and (4) the pumps for the non-potable water system at the Plant.

### **Sanitary Sewer Overflow Initiative**

Next, Mr. Kurzy reported on the status of the District's participation in the Sanitary Sewer Overflow Initiative (the "SSO Initiative") being promulgated by the Commission. He submitted to and reviewed with the Board a memorandum dated 22 August 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.

### **Area B – Phase II Sanitary Sewer Televised Inspection and Evaluation**

The Board discussed the contract with Magna-Flow Environmental, Inc. ("Magna Flow"), to perform the 10-year televised inspection and evaluation of sanitary sewer lines in Area B – Phase II (the "10-year Inspection"). Mr. Kurzy reported that the District's Engineer had reviewed the reports and video from the 10-year Inspection Video" as provided by Magna-Flow. Although the sanitary sewer lines in Area B appear to be in good condition, he told the Board, there were several segments in which significant grease accumulation and root intrusion were noted. He reviewed with the Board several photographs from the Inspection Video, copies of which are included with the Engineer's Report. He then reviewed with the Board a map of the sanitary sewer lines in Area B that depicts the segments affected by grease accumulation and root intrusion. A copy of the map is included with the Engineer's Report. The Board noted that the segments of the sanitary sewer lines that were most affected by grease accumulation and root intrusion were located on Alisa Lane, Baxter Avenue, and

Rumford Lane. A discussion ensued regarding the sanitary sewer lines in Area B. Mr. Kurzy commented that the application of Root X herbicide was not achieving the desired results with respect to preventing root intrusion. He recommended that the Board authorize the application of Razorooter II herbicide by Duke's Root Control, Inc. and to authorize the District's Operator to remove the grease accumulation in the sanitary sewer lines. A discussion ensued regarding the options for future actions with regard to the sanitary sewer lines in Area B, including the possible use of "top hat" inserts for the connections between the main sanitary sewer lines and the lateral lines (the "Inserts"). Mr. Kurzy stated that he would prepare a cost comparison regarding the use of the Inserts and other options for the sanitary sewer lines in Area B. After further discussion, the Board authorized the District's Operator to proceed with the removal of the grease accumulation and the application of Razorooter II in the affected segments of the sanitary sewer lines on Alisa Lane, Baxter Avenue, and Rumford Lane, as well as in any other segments that are deemed to be in need of treatment.

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

The Board briefly discussed the request for service from the Redeemed Christian Church of God – House of David (the "Church") in connection with the construction of a community center in addition to the existing Church facilities in the District (the "Community Center"). Mr. Kurzy reported that the Community Center project appeared to be complete.

### **Wastewater Treatment Plant Effluent Basin Conversion**

The Directors next discussed the contract with N&S Construction Co., LP (called "N&S Construction") for the improvements to the effluent basin at the Plant, 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 N&S Construction was continuing to work on the submittals and the ordering of equipment for the Conversion project.

### **Wastewater Treatment Plant / Minor Permit Amendment**

Mr. Kurzy recalled that the District's Engineer submitted the minor amendment to the District's Discharge Permit (the "Minor Amendment") to the Commission in June 2018. He stated that the Minor Amendment had been declared to be administratively complete and was undergoing technical review by the Commission.

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

### **Bookkeeper's Report**

Ms. Symmank 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 July 2018 as well as the investments for each of the accounts maintained by the District. She reported that the balance of the District's Operating Fund, including the collections account, checking account, and investments, totals \$4,891,853.98 as of this date. Ms. Symmank informed the Board that the District had received a payment of \$10,942.39 from the City of Houston (the "City") for the District's share of sales tax collections during May 2018 pursuant to the Strategic Partnership Agreement with the City for limited purpose annexation of commercial property in the District.

Ms. Symmank then reported that the balance of the District's Debt Service Fund, including investments, totals \$463,885.02 and the balance of the District's Capital Projects Fund, including investments, totals \$4,154,087.40 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 2018 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. 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.

### **Municipal District Services, L.L.C. / Electronic Lockbox Payment Service**

Next, Ms. Hollingsworth informed the Board that MDS desired to revise its electronic lockbox payment services for the payment of water bills by the District's customers (the "Payment Services") to include (1) electronic fund transfers from customers' accounts using the internet; (2) payments using a customer's financial institution's online bill payment system; and (3) payments at area retail locations. She explained it would be necessary for MDS to transfer the Payment Services to Central Bank of Houston ("Central Bank"). She explained that the District would not incur additional costs in connection with the proposed improvements to the Payment Services. The Board then considered approval of the following documents relating to the Payment Services as presented by the District's Attorney and Operator: (1) a RESOLUTION APPROVING CENTRAL BANK'S ELECTRONIC LOCKBOX PAYMENT SERVICES FOR DISTRICT CUSTOMERS; (2) an Addendum to Service Agreement between the District and MDS (the "Addendum"); (3) the Processing Agreement between the District and Central Bank (the "Processing Agreement"); and (4) the Depository Pledge Agreement by and among the District, Central Bank, and the Federal Home Loan Bank – Dallas. Mr. Yale stated that the District's Attorney had reviewed the aforementioned documents. After discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution and approve the Addendum, Processing Agreement, and Depository Pledge Agreement; authorize Director Ward to execute same; and authorize the District's Operator to proceed with the proposed

improvements to the Payment Services. Copies of the Resolution, Addendum, Processing Agreement, and Depository Pledge Agreement as approved and executed by the Board are attached hereto as exhibits to these minutes.

### **Sale of Series 2018 Bonds**

Mr. Yale reported to the Board that the closing of the sale of the District's Series 2018 Bonds (the "Bonds") was scheduled for the morning of Tuesday, 28 August 2018. He then presented certain instruments relating to the closing of the sale of the Bonds for execution by Directors Ward, Iken, and Moorman. Mr. Yale stated that the Transcript of Proceedings for the sale of the Bonds had been sent to Amegy Bank earlier this date.

### **Telecommunication Systems at District Facilities / AT&T Invoices**

The Board next discussed matters relating to the invoices submitted to the District by AT&T in recent years (the "AT&T Invoices") in connection with the land lines (the "Land Lines") for the telecommunication systems at the District's facilities. Mr. Yale reported that the District's Attorney had forwarded the AT&T Invoices to the Texas Public Utilities Commission for review and had not received a response as of this date. A discussion ensued regarding the Land Lines. Mr. Kurzy expressed his understanding that the Land Lines consisted of three sets of point-to-point telephone lines that had been installed between (1) Water Well No. 4 and Water Plant No. 1; (2) Water Well No. 5 (now abandoned) and Water Plant No. 1; and (3) Water Plant No. 1 and Water Plant No. 2. He remarked that the point-to-point telephone lines had been installed when Water Well No. 5 was constructed. Mr. Kurzy noted that in 2010 a radio communications system for the SCADA system was installed as part of the contract for the improvements to Water Plant No. 1. At that time, he continued, the Land Lines were probably disconnected but the service accounts with AT&T for the Land Lines apparently were not terminated. Mr. Kurzy stated that AEI was continuing to investigate the status of the Land Lines at the District's facilities.

### **West Harris County Regional Water Authority**

Mr. Yale distributed copies of two memoranda from Coats Rose regarding the 11 July 2018 and 8 August 2018 meetings of the Authority's board of directors. Copies of the memoranda are attached hereto as exhibits 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 14 August 2018, a copy of which is attached hereto.

## Internet Website

The Directors next discussed matters relating to the District's internet website (the "Website"), including a proposed initiative to encourage the District's customers to register through the Website to receive alerts and other messages from the District by text message and electronic mail (the "Messaging Service"). Mr. Yale recalled that on 23 July 2018 the Board had accepted a proposal from Off Cinco (the "Proposal") for the preparation and distribution of postcard mailers (the "Postcard Mailers") to the District's customers. He then called the Board's attention to an electronic mail message dated 26 August 2018 from Shannon Waugh of Off Cinco, a copy of which is attached hereto as an exhibit to these minutes. According to Ms. Waugh, he told the Board, Off Cinco had determined that there were approximately 250 more residential addresses in the District than was estimated when the Proposal was accepted by the Board, and accordingly the cost for the Postcard Mailers would be higher than the amount that was invoiced to the District pursuant to the Proposal. After discussion, the Directors expressed their preference for Off Cinco to invoice the District for the cost of the additional Postcard Mailers rather than submit a revised Proposal.

## Landscaping Report

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

## Attorney's Report

Mr. Yale presented the Attorney's Report.

## Executive Session

The Board went into executive session, pursuant to the Open Meetings Act, Section 551.071, Government Code, at 7:40 p.m. to discuss matters relating to potential litigation. The Board returned to open session at 8:25 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.

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

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



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Secretary, Board of Directors

Harris County Municipal Utility District No. 102  
Meeting of 27 August 2018  
Attachments

1. Emails from Nancy Johnson;
2. Security Patrol Report;
3. WCA Monthly Customer Issue Listing;
4. Tax Assessor/Collector's Report;
5. Email, Letter, and 2018 Tax Rate Analysis from Robert W. Baird & Co.;
6. Operator's Report;
7. Letter from Municipal District Services, L.L.C. / rate schedule;
8. Schedule of Rates to be effective 1 October 2018;
9. Engineer's Report;
10. Detention Pond Maintenance Report;
11. Memo from AEI Engineering / Status of SSOI Action Plan;
12. Bookkeeper's Report;
13. Electronic Lockbox Payment Services Documents / RESOLUTION APPROVING CENTRAL BANK'S ELECTRONIC LOCKBOX PAYMENT SERVICES FOR DISTRICT CUSTOMERS / Addendum to Service Agreement / Processing Agreement;
14. Depository Pledge Agreement / Central Bank;
15. Coats Rose memo / WHCRWA (11 July 2018);
16. Coats Rose memo / WHCRWA (8 August 2018);
17. P3 newsletter; and
18. Email from Off Cinco.