

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

20 May 2019

THE STATE OF TEXAS  
COUNTY OF HARRIS

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 102 (the "District") of Harris County, Texas, met in special session, open to the public, on the 20th day of May, 2019, 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 and Assistant Treasurer
Robert Moorman	Treasurer, Assistant Secretary, and Investment Officer
Richard Barbour	Assistant Secretary

and all of said persons were present with the exception of Director Jordan, thus constituting a quorum.

Also present were: Amy Symmank of Myrtle Cruz, Inc. the District's Bookkeeper; Brittany Bogard 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; George Jarquesy representing Jarquesy Merchant Capital, Ltd. ("Jarquesy Merchant Capital"); and 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**

Mr. Yale reviewed with the Board an electronic mail message dated 16 May 2019 with attached correspondence from District resident Nancy Johnson regarding traffic issues on Kentwick Drive and the construction of sidewalks on Kentwick Drive. A copy of the electronic mail message is attached hereto as an exhibit to these minutes. The Board noted that in addition to the District, Ms. Johnson's correspondence was addressed to Harris County Precinct 4, the Harris County Sheriff's Department (the "Sheriff's Department"), Texas Representative Dwayne Bohac, the Cypress-Fairbanks Independent School District Transportation Department, and the Langham Creek Colony Townhouse Association No. 2. Director Ward remarked that the District could

seek assistance from the Sheriff's Department regarding the traffic issues on Kentwick Drive. He noted that the construction of sidewalks on Kentwick Drive and certain other matters mentioned in Ms. Johnson's message were not within the purview of the District.

### **Request for Adjustment to Utility Service Account**

Ms. Hollingsworth then reviewed with the Board an electronic mail message dated 15 May 2019 from Barbara Gordon regarding her utility service account with the District for the residence at 6463 Alisa Lane. A copy of the electronic mail message is attached hereto as an exhibit to these minutes. Ms. Hollingsworth stated that Ms. Gordon was requesting an adjustment to her service account due to a leak on the water service line at her residence. She noted that the leak had caused Ms. Gordon's monthly water usage to increase from 3,000 gallons in August 2018 to 22,000 gallons in September 2018; 44,000 gallons in October 2018; and 23,000 gallons in November 2018. Ms. Hollingsworth reviewed the History Ledger for Ms. Gordon's service account, a copy of which is attached hereto as an exhibit, and stated that the average monthly water usage on the service account from November 2017 through August 2018 was 3,600 gallons (the "Average Usage"). Ms. Hollingsworth noted that according to Ms. Gordon, the leak on the water service line had been repaired. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to offer to Ms. Gordon a credit on her utility service account equivalent to the difference between the Average Usage and the actual monthly water usage during the months of September, October, and November 2018.

### **Approval of Minutes**

The Board next considered approval of the minutes of the meeting of 22 April 2019. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 22 April 2019, 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 April 2019 as prepared by the Sheriff's Department. Directors Ward and Iken stated that they had received several comments from District residents regarding the apparent lack of visibility of the contract officers assigned to patrol duties in the District. Director Ward expressed his desire for Sergeant Billy Johnson and his supervising officer to attend the Board's meeting on 24 June 2019. Director Barbour stated that he would contact Sergeant Johnson regarding these matters. Then, after review, the Directors accepted the Security Report and directed the District's Attorney to attach a copy of same to these minutes.

## **Solid Waste Collection Service**

Next, the Directors discussed matters relating to the solid waste collection service (the "Service") provided in the District through 30 April 2019 by Waste Corporation of Texas, L.P. ("WCA"). Mr. Yale distributed to the Board copies of the Monthly Customer Issue Listing for the Service for April 2019, as prepared by WCA. After review, the Board accepted the Monthly Customer Issue Listing and directed the District's Attorney to attach a copy of same to these minutes.

The Board then discussed the transition of the Service (the "Transition") during May 2019 from WCA to Texas Pride Disposal ("TPD"). Director Ward reported that he had observed the TPD crews at work during their collection runs in the District earlier this month. He remarked that the Service being performed by the TPD crews appeared to be satisfactory. Director Iken stated that he would contact Kevin Atkinson of TPD and request that he attend the Board's meeting on 24 June 2019 to discuss matters relating to the Transition.

## **Tax Assessor/Collector's Report**

Ms. Bogard distributed the Tax Assessor/Collector's Report for the month of April 2019, a copy of which is attached hereto as an exhibit to these minutes. She stated that as of 30 April 2019, the District's 2018 tax levy was 97.4% collected. She noted that the District's Tax Account had a balance of \$53,217.91 as of the end of this reporting period (30 April 2019). 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 \$46,952.02. She noted that Assessments was requesting approval for eight checks written on the District's tax account, as well one transfer by wire as follows: a transfer of \$5,222.19 in revenues from the tax for maintenance and operations to the District's Operating Fund.

The Board then reviewed the Unpaid Accounts Report dated 15 May 2019, 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.

## **Annual Review of Unclaimed Property**

Ms. Bogard distributed copies of the Annual Escheated Funds Report for the District as prepared by Assessments, a copy of which is attached hereto as an exhibit to these minutes. She stated that upon review of the District's tax records, Assessments determined that there were no unclaimed funds to be escheated to the Texas Comptroller's Office for the period of 1 March 2015 through 28 February 2016.

## **Operator's Report**

Next, Ms. Hollingsworth distributed the Operator's Report prepared by MDS for the month of April 2019. She reviewed the Water Production portion of the Operator's Report in detail. Ms. Hollingsworth reported that the District had produced 2,320,000 gallons of water and had purchased 25,557,000 gallons of water from the West Harris County Regional Water Authority (the "Authority") during the period ending 17 April 2019, with an accountability rate of 98.7%. She reported that the District had provided 3,517,000 gallons of water to Harris County Municipal Utility District No. 250 during the reporting period. The District currently has 3,006 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 55.3% of design capacity during the April 2019 reporting period, with an average daily flow of 719,000 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 2016 to April 2019; and (2) charts depicting the influent and effluent testing results for April 2019 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.

## **Portable Auxiliary Generator**

Ms. Hollingsworth reported on the condition of the District's 30-kilowatt ("kW") mobile auxiliary generator (the "Generator"). She informed the Board that the Generator had tripped out during a four-hour load test at Lift Station No. 3 earlier this month. She stated that the estimated cost to repair the Generator was approximately \$15,000. A discussion ensued as to whether the Generator should be repaired or replaced. Director Iken remarked that the Board could consider purchasing a 25-kW or 20-kW Generator as a replacement unit. Ms. Hollingsworth stated that a 20-kW Generator could provide adequate power for any of the District's Lift Stations but would not be capable of powering the Plant. After further discussion, the Board directed the District's Operator to obtain a second opinion regarding the proposed repair or replacement of the Generator.

## **Fire Hydrant Repairs**

Next, the Board discussed the condition of the fire hydrants located in the District (the "Hydrants"). Ms. Hollingsworth reported that the repairs to the Hydrants as authorized at the Board's meeting on 25 February 2019 were complete.

## **2018 Drinking Water Quality Report**

Ms. Hollingsworth then reviewed with the Board the draft 2018 Drinking Water Quality Report for the District (the "DWQR") as prepared by MDS. In response to a question from the District's Attorney, Ms. Hollingsworth stated that the water loss information in the DWQR would be revised as discussed at the Board's meeting on 22 April 2019. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the DWQR as amended, subject to review by the District's Attorney. A copy of the final DWQR is attached hereto as an exhibit to these minutes.

### **Website Signs**

Next, Ms. Hollingsworth reported that the District's Operator had ordered 10 signs displaying the URL address for the District's internet website (the "Signs") at an estimated cost of \$1,000, as authorized at the Board's meeting on 22 April 2019. She called the Board's attention to the design for the Signs, which is included with the Operator's Report. Ms. Hollingsworth stated that the Signs were scheduled to be installed by 1 June 2019 on the posts for the existing signs on certain roadways that denote the boundaries of the District.

### **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.

### **Collection of Delinquent Accounts**

Ms. Hollingsworth reviewed with the Board the Collection Accounts Detail Listing dated 29 April as prepared by the District's Operator (the "Detail Listing"). A copy of the Detail Listing is included with the Operations Report. The Directors noted that there were seven delinquent service accounts in the total amount of \$24,090.50 that would be turned over to a collection agency. Ms. Hollingsworth pointed out to the Board that three of the accounts in the Detail Listing involved residential customers and that four of the accounts pertained to unpaid backcharges to contractors who had caused damage to the District's facilities (the "Contractor Accounts"). She recommended that no action be taken in connection with regard to the Contractor Accounts in view of the pending backcharges. After review, upon a motion duly made and seconded, the Board voted unanimously to direct the District's Operator 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 Detail Listing, with the exception of the Contractor Accounts as described above.

Mr. Yale mentioned to the Board that the law firm of Ted A. Cox, P.C. ("Cox"), had been engaged by other water district clients of Coats Rose (the "Water Districts") to recover backcharges due to the Water Districts from contractors that had damaged their facilities. Ms. Hollingsworth stated that MDS would transmit another round of demand letters in connection with the Contractor Accounts that specifies a deadline date of 15 June 2019 for payment of the backcharges due to the District (the "Demand Letters"). Director Iken expressed his view that the Board could consider engaging Cox at a later date if the Demand Letters do not generate a favorable response from the contractors. The Board agreed.

### **Engineer's Report**

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 May 2019 as prepared by AEI, a copy of which is attached hereto as an exhibit to these minutes.

Mr. Kurzy then informed the Board that SWS had submitted two Pay Estimates, each in the amount of \$225.37, for Detention Pond Maintenance performed during November 2018 and January 2019 (the "SWS Pay Estimates"). He explained that the SWS Pay Estimates had not previously been paid. He went on to say that AEI had reviewed the work and recommended payment of the SWS Pay Estimates. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of the SWS Pay Estimates.

### **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 Texas Commission on Environmental Quality (the "Commission"). He submitted to and reviewed with the Board a memorandum dated 15 May 2019 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. Mr. Kurzy remarked that the District's Engineer had submitted the annual report on the SSO Initiative to the

Commission in January 2019 and was awaiting a response. He then reported that the District's Engineer will provide the District's Operator with educational pamphlets to be included with the utility bills to be distributed to the District's customers in June 2019.

### **Federal Emergency Management Agency / Flood Mitigation Projects**

Mr. Kurzy reported that the District's Engineer was continuing to coordinate with the Federal Emergency Management Agency ("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 disinfection facility at the Plant (collectively, the "Mitigation Projects"). Mr. Kurzy reviewed with the Board the status of the proposals for the Mitigation Projects, as follows:

- On-site Lift Station at the Plant: FEMA has requested that AEI withdraw its FEMA Section 406 request because it does not meet the current policy for supplemental mitigation. Accordingly, AEI will need to submit a request under FEMA Section 404 for State support of supplemental mitigation (the "Section 404 Request").
- Plant Disinfection Facility: The final inspection of the permanent conversion of disinfection system in the effluent basin in the Plant to operate with bleach instead of the ultraviolet disinfection system (the "Conversion") is scheduled for 21 May 2019. AEI will close out the project to meet the FEMA deadline but will retain the check until the contractor has completed all items.
- Lift Station No. 2: AEI submitted the revised estimate for mitigation to FEMA and is awaiting a response.
- 18 April 2016 Flooding Event: AEI requested closeout on two additional projects and is finalizing the documents.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Engineer to submit the Section 404 Request to FEMA.

### **Area B – Phase II Sanitary Sewer System Improvements**

Next, the Directors reviewed the bids submitted for the proposed installation of "top hat" inserts on the connections between the main sanitary sewer lines and the lateral lines in certain segments of Area B – Phase II of the District's wastewater collection system (the "Insert Installation Project"). Mr. Kurzy reported that two bids were received by the District's Engineer for the Insert Installation Project. He stated that the apparent low base bid for the Insert Installation Project was submitted by BLD Services, LLC (called "BLD"), in the amount of \$82,600.00. A copy of the bid tabulation for the Insert Installation Project is included with the Engineer's Report.

Mr. Kurzy pointed out to the Board that the base bid for the Insert Installation Project covered the installation of 42 inserts on the lateral lines by full wrap. He then called the Board's attention to the following alternate bid items that were included in the bid package for the Insert Installation Project: Bid Alternate No. 1, consisting of the installation of an additional 23 inserts on the lateral lines by full wrap; Bid Alternate Nos. 2 and 3, consisting of the installation of an additional 23 inserts on the lateral lines with a brim type seal; and Bid Alternate Nos. 4 and 5, which provide for the televised inspection of the Insert Installation Project at the end of one year. A discussion ensued regarding the alternate bid items. Mr. Kurzy stated that the District's Engineer recommended the installation of the inserts with full wrap rather than with a brim type seal. The Directors expressed their desire to include Bid Alternate Nos. 1, 4, and 5 in the award for the contract for the Insert Installation Project. The Board noted that the cost for the Insert Installation Project with the base bid and Bid Alternate Nos. 1, 4, and 5 would total \$164,750.00.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the low bid and award the contract for the Insert Installation Project, including Bid Alternate Nos. 1, 4, and 5, to BLD.

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

The Directors discussed the contract with N&S Construction Co., LP for the Conversion project at the Plant. Mr. Kurzy reported that the Conversion project was essentially complete and the final inspection has been scheduled for 21 May 2019.

### **Water Plant No. 2 / 265,000 Gallon Ground Storage Tank**

Mr. Kurzy then discussed with the Board the proposed blast cleaning and recoating of the interior of the 265,000 gallon ground storage tank at Water Plant No. 2 (the "GST Recoating"). After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Engineer to commence the design work for the GST Recoating project.

### **Inspection of 125,000 Gallon Ground Storage Tank / Water Plant No. 1**

Mr. Kurzy submitted to and reviewed with the Board an Evaluation Report prepared by AEI in connection with the "hatch" inspection conducted on 9 April 2019 of the 125,000 gallon ground storage tank (the "GST") at Water Plant No. 1. A copy of the Evaluation Report is attached hereto as an exhibit to these minutes. Mr. Kurzy reported that the external coating system appears to be in good overall condition, with light staining on the 16-inch overflow line. The interior of the GST appears to be in good overall condition, he told the Board, with light staining on the walls at and below the high water level; and light corrosion on the Authority surface fill line rim. Mr. Kurzy recommended that the District maintain the current one-year evaluation schedule on the GST.

## **Inspection of 240,000 Gallon Ground Storage Tank / Water Plant No. 1**

Mr. Kurzy then submitted to and reviewed with the Board an Evaluation Report prepared by AEI in connection with the "hatch" inspection conducted on 9 April 2019 of the 240,000 gallon GST at Water Plant No. 1. A copy of the Evaluation Report is attached hereto as an exhibit to these minutes. Mr. Kurzy reported that the exterior of the GST was in good overall condition. He noted that the interior of the GST appears to be in fair overall condition with moderate staining on the walls at and below the high water level. He continued that there was light corrosion along the weld seams between the ceiling and walls, and at the Authority surface fill line. Mr. Kurzy recommended the following actions with regard to the 240,000 gallon GST: (1) monitor the areas of corrosion on the interior of the GST; and (2) maintain the current one-year evaluation schedule.

## **Water Well Performance Testing**

Next, Mr. Kurzy reviewed with the Board the Performance Testing Reports dated as prepared by G-M Inspection Services, Inc. in connection with testing conducted in April 2019 of the District's Water Well Nos. 1, 2, 4, and 6. Copies of the Performance Testing Reports are included in the Engineer's Report. Mr. Kurzy commented that all of the Water Wells were deemed to be operating within acceptable parameters. He noted that Water Well No. 1 was continuing to produce sand.

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

## **Possible Request for Service / 35-acre Tract Located South of Langham Creek / Langham Bayou Links, Ltd.**

Next, the Board discussed the proposed development by Jarquesy Merchant Capital of a certain 35-acre tract of land owned by Langham Bayou Links that is located south of Langham Creek, outside the boundaries of the District (the "LBL Tract"). Mr. Jarquesy stated that the proposed development in the LBL Tract (the "Development") would consist of an operator-managed community (the "Community") with approximately 161 manufactured residences. He estimated that the valuation of the manufactured residences would total approximately \$9,900,000, plus the valuation of the land and the improvements for the Community. Mr. Jarquesy then reviewed with the Board a PowerPoint slideshow of another Community operated by Jarquesy Merchant Capital that was similar to the Development being proposed for the LBL Tract. He also reviewed with the Board the Community Rules for the Morning Side Village Community. Mr. Kurzy reported that Jarquesy had placed a deposit in the amount of \$5,000.00 with the District to cover the District's cost for the preparation by the District's Engineer of a feasibility study (the "Feasibility Study") with regard to the District providing water and sanitary sewer service to the LBL Tract and the possible annexation of same by the District. He added that AEI was ready to begin work on the Feasibility Report but was awaiting certain information from the engineer for Jarquesy Merchant Capital.

Mr. Jarkey then departed from the meeting. The Directors discussed matters relating to the proposed Development again later in the meeting during the presentation of the Attorney'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 April 2019 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 \$6,503,269.81 as of this date. Ms. Symmank informed the Board that the District had received a payment of \$8,227.31 from the City of Houston (the "City") for the District's share of sales tax collections pursuant to the Strategic Partnership Agreement with the City for limited purpose annexation of commercial property in the District.

A discussion ensued regarding check No. 1789 to Waste Management of Texas, Inc. ("Waste Management") for servicing the waste receptacle at the Plant (the "Plant Receptacle"). The Board directed Ms. Hollingsworth to look into whether TPD would charge a lower rate than Waste Management for servicing the Plant Receptacle.

Ms. Symmank then reported that the balance of the District's Debt Service Fund, including investments, totals \$543,246.55 and the balance of the District's Capital Projects Fund, including investments, totals \$3,328,039.35 as of this date. The Board then reviewed: (1) the District's Operating Budget for the fiscal year ending 30 September 2019; (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.

### **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 18 April 2019 as prepared by Arbitrage Compliance Specialists, Inc. ("ACSI") in connection with its review of the District's Series 2014 Bonds and Series 2018 Bonds. A copy of the Review is attached hereto as an exhibit to these minutes. Mr. Yale informed the Board that ACSI stated in the Review that both the Series 2014 Bonds and Series 2018 Bonds qualified for the Small Issuer Exception to arbitrage rebate.

Mr. Yale then pointed out to the Board that ACSI had determined that the Series 2014 Bonds and Series 2018 Bonds were subject to project fund yield restriction. He noted that the capital project funds associated with the Series 2014 Bonds were not spent below the minor portion before 26 March 2017, the end of the temporary period. For the period of 26 March 2017 to 25 March 2019, he continued, the capital project funds rate of return has not exceeded the materially higher yield of 3.7438%. As of 25 March 2019, he told the Board, the project fund balance was approximately \$103,828.37.

With regard to the Series 2018 Bonds, said Mr. Yale, ACSI reported that project fund yield restriction would be required if the project fund balance remaining on 28 August 2021 was \$100,000 or greater. As of 25 March 2019, he told the Board, the project fund balance was \$3,293,243.61.

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

The Board briefly discussed matters relating to the invoices submitted to the District by AT&T in recent years in connection with the land lines for the telecommunication systems at the District's facilities. Director Moorman reported that Randall C. Owens of Wright Close & Barger, Attorneys at Law ("Wright Close"), had prepared the PETITION TO TAKE DEPOSITION BEFORE SUIT PURSUANT TO TRCP RULE 202, for execution by the District. The Board discussed possible revisions to the Petition with regard to the description of the telecommunication systems. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize Director Moorman to (1) execute the Petition, subject to review by the District's Engineer and Attorney; and (2) execute all court documents as deemed necessary by Wright Close.

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

Mr. Yale distributed copies of a memorandum from Coats Rose regarding the 10 April 2019 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 14 May 2019, a copy of which is attached hereto.

Mr. Yale then submitted for the Board's review the Forward Budget Report for the period of January 2019 through December 2022 as prepared by P3 to assist the District in anticipating its future budgetary needs with respect to the cost for electric service. A copy of the Forward Budget Report is attached hereto as an exhibit to these minutes. Mr. Yale noted that P3 had forecast a reduction of \$19,336.00 in the District's total

electricity costs in 2020, which reflects a 16.1% reduction in the commodity rate as negotiated by P3 in its most recent procurement.

### **Landscaping Report**

Director Ward reported on the status of landscaping activities in the District. Then Mr. Yale presented for the Board's review and approval a proposal dated 20 April 2019 (the "Proposal") from Arbor Care, Inc. ("Arbor Care") to raise the canopy of the trees in the medians on West Little York Road and Huffmeister Road in the District to the ANSI Street Clearance of 14 feet (the "Canopy Raising") at a cost of \$16,975.00. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Proposal and to authorize the District's Attorney to notify Arbor Care to proceed with the Canopy Raising. A copy of the Proposal is attached hereto and shall be considered to be part of these minutes.

### **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 22 April 2019. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the certified agenda for the executive session of 22 April 2019, as written.

### **Oaths of Office**

The Board considered approval of the Oaths of Office and the Statements of Officers as executed and submitted by Directors Ward and Iken. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Oaths and Statements. Mr. Yale told the Board that the Public Employee Blanket Bond covering the five positions of Director of the District would continue in force and effect. Copies of each of the executed Oaths and Statements are attached to these minutes as exhibits.

### **Election of Officers**

The Directors next considered the need to reconstitute the Board of Directors, pursuant to the requirements of Section 49.054(b), Texas Water Code. After discussion, upon a motion duly made and seconded, the Board voted unanimously to elect the Directors to the offices indicated:

Randal W. Ward  
Douglas Jordan  
Jason A. Iken  
Robert Moorman

Richard Barbour

President  
Vice President  
Secretary and Assistant Treasurer  
Treasurer, Assistant Secretary,  
and Investment Officer  
Assistant Secretary

Then, upon a motion duly made and seconded, the Board voted unanimously to authorize Coats Rose to prepare a revised District Registration Form and file same with the Commission.

**Possible Request for Service / 35-acre Tract Located South of Langham Creek / Langham Bayou Links, Ltd., continued**

The Directors returned to their earlier discussion regarding the proposed Development in the LBL Tract. The Directors expressed their preference for water service to be provided to the LBL Tract through one master water meter for the Community. Mr. Yale discussed with the Board the possible depreciation over time of the valuation of the manufactured housing in the proposed Development. He recommended that the Board authorize the District's Engineer to release the Feasibility Study, when completed, to Robert W. Baird & Co. Incorporated ("Baird"), the District's Financial Advisor, for review. After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) authorize the District's Engineer to release the Feasibility Study to Baird; and (2) authorize the District's Financial Advisor to review the Feasibility Study.

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 20 May 2019  
Attachments

1. Attendance Sheet;
2. Email from Nancy Johnson;
3. Email from Barbara Gordan;
4. History Ledger for service account;
5. Security Patrol Report;
6. WCA Monthly Customer Issue Listing;
7. Tax Assessor/Collector's Report;
8. Annual Escheated Funds Report;
9. Operator's Report;
10. 2018 Drinking Water Quality Report;
11. Engineer's Report;
12. Detention Pond Maintenance Report;
13. Memo from AEI / Sanitary Sewer Overflow Initiative update;
14. Evaluation Report / 125,000 gallon GST at Water Plant No. 1;
15. Evaluation Report / 240,000 gallon GST at Water Plant No. 1;
16. Bookkeeper's Report;
17. Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review;
18. Coats Rose memo / WHCRWA;
19. P3 Newsletter;
20. P3 Forward Budget Report;
21. Proposal from Arbor Care, Inc.
22. Oath of Office and Statement of Officer / Randal Ward; and
23. Oath of Office and Statement of Officer / Jason Iken.