

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
June 8, 2017

The meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 261 ("District") was held on June 8, 2017 at 2727 Allen Pkwy., Suite 1100, Houston, Texas 77019, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

S. Brady Whitaker, President
Jason VanLoo, Vice President
John F. Oyen, Secretary
Larry Goldberg, Assistant Secretary
Emory Milton Dooley, Jr., Director

and the following absent:

None.

Also present were Mr. Troy Bordelon, the District's engineer; Mr. Nathan White, operator for the District; Ms. Michelle Lofton, the District's bookkeeper; Ms. Pat Hall, tax assessor-collector for the District; Mr. Ray Pavia, Ms. Mendi Strnadel, and Mr. Darryl Hackfield, members of the board of directors for the Woodwind Lakes homeowners' association and residents of the District; and Ms. Jennifer B. Seipel, on behalf of the attorney for the District.

The meeting was called to order and declared open for such business as might regularly come before it.

1. The Board reviewed the minutes of the meetings held on May 11, 2017 and May 24, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Hall presented the tax assessor-collector's report, copy attached, which showed 2016 taxes 98.9% collected, with certified taxable values of \$134,609,821. The attorney also distributed the delinquent tax report, copy attached. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

3. The Board considered a Payment Services Agreement with First Billing Services for receipt of tax payments. The attorney reviewed the agreement and Ms. Hall recommended its approval by the Board. Upon unanimous vote, the Board authorized approval of Payment Services Agreement with First Billing Services for receipt of tax payments.

4. Mr. White presented the operations report, copy attached, which showed 484 active connections with 95% water accountability. Three bacteriological tests had been performed, all with good results. No excursions had occurred at the Rolling Fork sewage treatment plant, which had operated at 24.5% of capacity. The Board also discussed various repair and maintenance matters which had been addressed, including the need to replace certain fencing in disrepair. The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. The operator noted that the accounts listed have neither attended the Board meeting nor contacted the operator's office or the District to contest or explain the charges. After discussion, upon motion duly made, seconded and unanimously carried, the Board authorized the District's operator to proceed with termination of utility service to said accounts pursuant to the provisions of the District's Rate Order.

5. The Board discussed the annual Consumer Confidence Report. Upon motion duly made, seconded, and unanimously carried, the Board ratified its prior approval of the report.

6. Ms. Seipel discussed with the Board the critical load submission required by the District and confirmed that the required filing was made on the District's behalf with the operator's assistance.

7. Mr. Bordelon then presented the engineer's report, copy attached. The perimeter wall is complete. Accordingly, the engineer presented Pay Application No. 4 in the amount of \$72,818.97 and recommended approval thereof. Upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report and Pay Application No. 4 as presented.

8. Ms. Lofton presented the bookkeeper's report, copy attached. The Board unanimously approved the investment report, reviewed the energy usage report, and noted a very satisfactory budget-to-actual comparison for the current fiscal year. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon.

9. The Board considered the ethics letter and update from the District's investment officer. The Board noted that no conflicts were disclosed.

10. The Board did not take action on the joint budget with Rolling Fork Public Utility District inasmuch as no budgetary information had yet been received from Rolling Fork.

11. The attorney discussed the need to establish a new official meeting place inside the District boundaries at the Woodwind Lakes HOA Pavilion located at 7523 Allegro. Accordingly, after a brief discussion, the attached Resolution Designating Official Meeting Place Inside District was unanimously approved.

12. Under pending business, Ms. Seipel stated that she met with the District engineers earlier in the month regarding Comcast's response to the District's damages claim. The engineers are in the process of soliciting proposals to do necessary survey work and will bring them to the July meeting. The Board discussed a proposed memorandum of understanding between it and the HOA regarding the possible shared maintenance of District and HOA properties, including a monthly payment to the HOA by the District of \$2,250 to assist in the maintenance of certain drainage facilities within the District boundaries. After some discussion, the Board requested that the attorney draft the memorandum for presentation to the HOA. Finally, the Board considered a contract between the District and Stuckey's for routine inspections of the District's detention ponds and other drainage facilities. Upon motion duly made, seconded, and unanimously carried, the Board approved the proposal as presented.

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


Secretary