

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
December 20, 2017

The Board of Directors ("Board") of Harris County Municipal Utility District No. 261 ("District") met on December 20, 2017 at 2817 W. Dallas St., Houston, Harris County, Texas, 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

and the following absent:

Emory Milton Dooley, Jr., Director.

Also present were Mr. Nathan White, operator for the District; Ms. Michelle Lofton, the District's bookkeeper; Ms. Pat Hall, tax assessor-collector for the District; and Mr. W. James Murdaugh, Jr., attorney for District.

President Whitaker called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board reviewed the minutes of the meeting held on November 9, 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, which showed 99.8% collections for 2016 taxes and approximately 10% collections for 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and payment of the checks listed thereon.

3. Ms. Lofton presented the bookkeeper's report. The Board also reviewed and approved the investment report and the energy usage report. At the Board's request the bookkeeper agreed to hold a check to Rolling Fork for an adjustment subject to receipt of additional information. Further, the Board requested that the January agenda contain an item for reviewing billings to the District by Windfern pursuant to the water contract with Windfern Forest. Subject to that discussion,

upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon.

4. Mr. White presented the operations report which showed 484 connections and 98% water accountability. Three bacteriological tests had been performed, all with good results. No excursions had occurred at the Rolling Fork sewage treatment plant, and on the operator's recommendation the Board approved replacement of an autodialer at the lift station at an estimated cost of \$2,000. The Board also discussed routine maintenance and repairs with the operator. The operator then submitted a delinquent account to the Board for termination of utility service and stated that the account in question had 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 account listed had 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 account pursuant to the provisions of the District's Rate Order.

5. The Board reviewed the engineer's report which had been distributed by the attorney. The engineer expected the survey relating to District easements to be completed in the very near future. The Board also noted the engineer's analysis of possible surplus construction funds from the series 2014 bond issue.

6. There was no report from Stuckey's nor was there a contract with Stuckey's for review and action.

7. The Board next considered significant changes to the District's rate order in light of a recent study performed by the engineer and further in light of proposed format changes from the attorney. The proposed changes previously had been distributed to Board members for review and consideration; accordingly after a discussion the Board unanimously approved the attached Resolution for Adoption of an Order Establishing Policy and Rates as well as an Order for adoption of a schedule for such rates.

8. The attorney confirmed that his office will submit the required annual eminent domain filing and had posted the appropriate notice relating to ballot applications for the 2018 directors election. Mr. White confirmed he was coordinating with the attorney's office on the

District's FEMA application.

9. The Board discussed the work relating to the fence on Congo Lane. Director Goldberg stated that he expected work to begin just after Christmas, and that he was coordinating the job as best he could.

10. With respect to other pending matters the Board confirmed that the District's claim against the homeowners association for damages was still pending, and the District's claim against cable companies would proceed once the engineering easement survey had been completed. The Board stated that they would obtain for the attorney's records a final copy of the agreement with the homeowners association for shared maintenance of certain facilities.

11. The attorney distributed a proposed calendar of events and District actions for 2018, and the Board requested that the January agenda contain an item designating President Whitaker's office as an official meeting place of the District.

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


Secretary