

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
January 11, 2018

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 261 (“District”) met on January 11, 2018 at 2701 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
Emory Milton Dooley, Jr., Director

and the following absent:

None.

Also present were Mr. Nathan White, operator for the District; Mr. Troy Bordelon, engineer for the District; Ms. Michelle Lofton, the District’s bookkeeper; Ms. Pat Hall, tax assessor-collector for the District; Mr. Shane Stuckey, with Stuckey’s Contract Services, LP.; 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 December 20, 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 29.9% collections for 2017 taxes. 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. It was reported to the meeting that under the provisions of Article VIII, Section 1-b of the Constitution of Texas, this District may exempt by its own action not less than \$3,000 of the assessed value of residence homesteads of persons 65 years of age or older or disabled from all ad valorem taxes thereafter levied by the District. Those present discussed at length the various points for

or against the adoption of the exemption by the District. After the discussion, it was duly moved, seconded and unanimously carried that there be passed and adopted the attached Order providing a \$20,000 homestead exemption for residents of the District 65 years of age or older or disabled.

4. Ms. Lofton presented the bookkeeper's report. The Board also reviewed and approved the investment report and the energy usage report. No action was taken with respect to a review of billings from Windfern Forest, but the Board requested that the item be kept on the agenda. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon.

5. Mr. White presented the operations report which showed 484 active 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, which had operated at 24% of capacity. The Board reviewed with operator recent maintenance and repair items including numerous leaks. The operator had begun work on the manhole survey. The operator then submitted a list delinquent accounts to the Board for termination of utility service and stated that the accounts 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 accounts 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 accounts pursuant to the provisions of the District's Rate Order.

6. Mr. Bordelon presented the engineer's report and confirmed that the easement survey work was virtually complete and his office was in the process of reviewing the matter so that the District's potential claim against cable companies could proceed. The engineer also discussed future projects that were included in the District's series 2014 bond issue. Mr. Bordelon further discussed plans for significant work in the future at the Rolling Fork sewage treatment plant.

7. Mr. Stuckey presented his report and stated that the District's ponds remain stable particularly in light of significant rain fall during the previous month. He also stated that the claim process with FEMA is nearly completed, and the operators have been released to begin making repairs. He had provided a proposed contract for services which the Board agreed to take under advisement for consideration and action at the February meeting, and Mr. Stuckey agreed to bring a list

of future projects ranked by priority at that time.

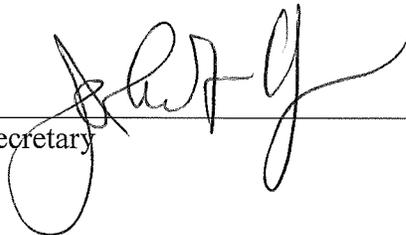
8. The Board discussed the status of the work on the fence between Congo and Allegro, and Director Goldberg reported that work had commenced. The Board approved the project going forward and noted that it was correcting a previous location of a portion of the fence to conform to correct boundary lines.

9. The Board next discussed the need to designate an additional meeting place outside the District located at President Whitaker's office, and after a brief discussion the attached Order so designating the additional meeting place was unanimously approved. The attorneys were directed to publish notice of such designation as required by law.

10. With respect to other matters the attorney confirmed that as previously stated the District's potential claim against cable companies for damages will proceed pending the results of the survey discussed by the engineer. There was no new information to present concerning the District's pending claim against the homeowners association, and President Whitaker agreed to provide the attorney's office with a final version of the District's contract with the homeowners association for joint maintenance at certain facilities.

11. Finally, the Board reviewed an inquiry from the District's website manager concerning the 2018 directors election, and the attorney's office was authorized to provide a copy of the Order calling the election when such order was approved, and also to provide a copy of the notice previously posted relating to applications for places on the ballot.

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


Secretary