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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
March 8, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 261 ("District") met on March 8, 2018 at 2727 Allen Parkway, Suite 1100, 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. Shane Stuckey, with Stuckey's Contract Services; Ms. Wendy Rambin, representing the operator; Mr. Troy Bordelon, engineer for the District; Ms. Pat Hall, tax assessor-collector for the District; Ms. Michelle Lofton, the District's bookkeeper; 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 February 8, 2018. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
2. Mr. Stuckey approached the Board and stated that he had recently met with Director Goldberg concerning a sink hole in the District. He also presented a revised proposal for sink hole work, a copy of which is attached, with a new total of \$26,005.64, which was approved by the Board. He stated he was meeting this date with representatives from FEMA and expected to have the District's reimbursement for flood damages in the near future. He also agreed to confirm the status of prior estimates and proposals.
3. Ms. Hall presented the tax assessor-collector's report, copy attached, which showed 97.4% collections for 2017 taxes. She stated that delinquent tax statements have now been

mailed, and the Board reviewed the report of delinquent taxes with the attorney. Certified values in the District currently stood at \$138,226,078. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and payment of the checks listed thereon.

4. Ms. Lofton presented the bookkeeper's report, copy attached. The Board also noted the energy usage report as well as a draft budget for the next fiscal year for action at the April meeting. The Board had certain suggestions for changes in the proposed budget and also had questions concerning the sewage treatment plant billings from Rolling Fork. The operator and the operator for Rolling Fork were requested to coordinate on the matter, and the attorney was requested to place an item on the April agenda for further discussion. The Board reviewed and approved the investment report, and in that regard, the Board discussed the required review of the District's investments in compliance with Senate Bill 253. The Board asked that the District's bookkeeper and investment officer review the list promulgated by the State Comptroller and monitor it periodically to prevent violations of Senate Bill 253. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon.

5. Ms. Rambin presented the operations report, copy attached, which showed 484 connections with 99% water accountability. Three bacteriological samples had been performed, all with good results. No excursions had occurred at the Rolling Fork sewage treatment plant. The operator reviewed the replacement of 15 residential meters and the results of the recent manhole survey, which was approximately 80% complete. The Board discussed the estimates for repairs as well as the recent fire hydrant survey. The Board agreed to take the matter under advisement but unanimously authorized the first priority fire hydrant repair to be performed as well as the installation of reflectors at 9203 Burger. Ms. Rambin noted a February 20, 2018 favorable inspection of the District's water system by the Texas Commission on Environmental Quality. 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.

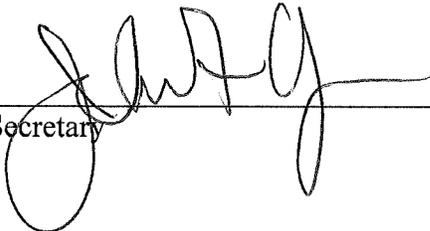
6. Mr. Bordelon presented the engineer's report, copy attached and discussed the completion of the recent easement survey as well as the expenditure of funds from the District's 2014 bond issue. He agreed to have further discussions with the operator concerning possible smoke testing of the District's lines as well as a request for sanitary sewer service from a resident (Mr. Koenig). The Board authorized the engineer to review the proposed plans, but the Board essentially approved the requested service subject to the engineer's review.

7. The Board next addressed matters regarding the May 5, 2018 directors election. Pursuant to the relevant provisions of the Texas Election Code, the Secretary presented to the Board an executed Certificate of Unopposed Candidacy and No Declared Write-In Candidates. After reviewing the Certificate and determining that no proposition is to appear on the ballot, and upon motion duly made, seconded and unanimously carried, the Board accepted the Certificate and adopted the attached Order Declaring Unopposed Candidates Elected and Canceling Election. The Board then noted that a copy of said Order would be posted at the District's polling place no later than 7:00 a.m. on May 5, 2018 and the Order would remain posted until 7:00 p.m. on that day.

8. The attorney confirmed that his office was performing the necessary report to the Texas Comptroller required by Senate Bill 625. The Board also requested that the April meeting be moved to the first Thursday of the month, April 5, 2018, due to various scheduling conflicts by District directors.

9. The attorney confirmed that as a result of completion of the recent easement survey by the engineer's office it appeared that a claim could be made by the District for damages against Comcast, but not against AT&T. Accordingly the attorneys were authorized to proceed with the necessary filing of the claim for damages in the approximate amount of \$60,000. In that regard President Whitaker also reviewed his discussions with the representative of the homeowners association concerning the District's claim against the HOA

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


Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

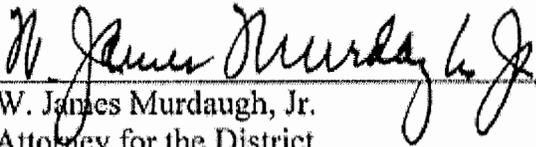
NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **2727 Allen Parkway, Suite 1100, Houston, Texas.**

The meeting will be held at **12:00 p.m. on Thursday, March 8, 2018.** The subject of the meeting is to consider and act on the following:

1. Approve minutes of meeting held on February 8, 2018
2. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; status of delinquent taxes; authorize litigation, as necessary; consider any taxpayer appeals; approve installment payment agreements, as necessary
3. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
4. Review draft budget for F.Y.E. 4/30/2019 (including joint budget for STP)
5. Review billing from Windfern pursuant to Contract
6. Operator's report; review active connections and water accountability; status of operation, maintenance and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts
7. Stuckey's report on sinkholes and other repairs; take action, as appropriate
8. Engineer's report; status of perimeter wall project; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders; discuss sinkhole repairs
9. Status of FEMA claim
10. Order Declaring Unopposed Candidates Elected and Canceling Election
11. Annual report to the Texas Comptroller pursuant to Senate Bill 625 (Texas Local Gov't Code, Chapter 203, Subchapter D)
12. Pending business, including:
 - a. Status of claims against cable companies
 - b. Status of claim against homeowner's association for costs incurred as a result of the irrigation system
 - c. Status of agreement for shared maintenance of District and HOA properties
13. Executive Session as necessary Authorized under Texas Government Code Ann., §551.071




W. James Murdaugh, Jr.
Attorney for the District

AVISO DE LA REUNIÓN PÚBLICA

El aviso se da por este medio a todos los miembros interesados del público que la junta directiva del distrito subtítulo celebrará una reunión pública en at **2727 Allen Parkway, Suite 1100, Houston, Texas**. La reunión será celebrada en 12:00 p.m. el día 8 de Marzo 2018. El tema de la reunión es considerar y actuar sobre el siguiente:

Adoptar una Orden que Declara Elegidos a los Candidatos Unicos y Cancela la Elección

THOẢNG BAÙO VEÀ BUỎÀI HOÏP MAËT COÀNG KHAI

Theo ñaây cho taát caù caùc thaønh vieân coäng ñoàng coù quan taâm bieát raèng Ban Giaùm Ñoác cuûa cô quan ñoõic vieát in ôû treân seõ toả chòuc moät buoải hoïp maët coâng khai at **2727 Allen Parkway, Suite 1100, Houston, Texas**, Quaàn Harris, Texas. Buoải hoïp maët seõ ñoõic toả chòuc vaøo luùc 12:00 p.m., ngaøy 8 thaùng 3 Năm 2018.

Caùc vaán ñeà caàn ñoõic xem xeùt vaø thoïc hieän trong buoải hoïp maët naøy nhõ sau:

Thủ Tục Công Bố Ứng Cử Viên Độc Nhất Được Bầu và Bãi Bỏ Bầu

公共會議通知

現通知公眾各有關方面人士如下：上列行政區管理委員會將於at **2727 Allen Parkway, Suite 1100, Houston, Texas**, 假德克薩斯州Harris郡休士頓 2018年3月8日 下午12:00 召開公共會議。

會議議題為考慮並酌情議決以下事項：

宣佈自動當選候選人 及取消選舉指示