

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
April 5, 2018

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 261 (“District”) met on April 5, 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 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; Mr. Brian Toldan, District auditor; Mr. Jeffrey Sonnheim, representing both the bookkeeper and the 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 March 8, 2018. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Mr. Sonnheim presented the tax assessor-collector’s report, copy attached, which showed 98% collections for 2017, taxes with current certified taxable value of \$138,216,806. The Board also discussed delinquent taxes with the attorney, and a copy of his report is attached. 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. Mr. Sonnheim presented the bookkeeper’s report, a copy of which is attached. The Board noted the energy usage report and approved the investment report. 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. The Board discussed the required review of the District's investments in compliance with Senate Bill 253. The Board requested 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.

4. Mr. Sonnheim then reviewed a proposed budget for the fiscal year ending April 30, 2019 and after a brief discussion the budget was unanimously approved in accordance with the resolution which is attached. The Board also considered a resolution relating to the joint budget with the Rolling Fork Public Utility District, but agreed to postpone action until the next meeting pending receipt of additional information.

5. Similarly, the Board also agreed to postpone until the May meeting consideration of billings from Windfern Forest and from Rolling Fork. Mr. Toldan then approached the Board to discuss engagement of his firm for the District's audit for the fiscal year ending April 30, 2018. After a brief review and discussion the Board unanimously approved engaging McCall Gibson Swedlund Barfoot PLLC, and also approved execution of an evergreen contract.

6. Mr. White presented the operations report, copy attached, which showed 484 connections with 96% water accountability. Three bacteriological samples had been taken, all with good results. No excursions had occurred at the Rolling Fork sewage treatment plant, which had operated at 44.2% of capacity. 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.

7. The operator presented the results of a recent manhole survey and his recommendations concerning certain repairs. The Board considered the matter and after lengthy discussion agreed that at the present time no work should be performed concerning the replacement of inflow preventers; however the operator was authorized to perform other repairs not to exceed \$8,000.00 based on his own judgement of priorities. The Board reviewed and approved the attached updated water conservation plan and draft contingency plan, both of which had been reviewed by the operator.

8. Director Goldberg discussed recent work performed by Stuckey's Contract Services, and expected the job to be substantially complete by the end of this week. It was his understanding that Stuckey's had arranged for additional reimbursement to the District by FEMA.

9. Mr. Bordelon presented the engineer's report, copy attached. He and the attorney confirmed that, contrary to information reported at the March meeting, it was the engineer's judgement, based on recent survey work, that both AT&T and Comcast were responsible for significant expenses incurred by the District relating to the recent perimeter wall project. The attorney confirmed that demand letters had been sent to AT&T requesting reimbursement in the amount of \$67,720.00 and to Comcast requesting reimbursement in the amount of \$31,320.00. Mr. Bordelon then reviewed with the Board information concerning sums relating the District's 2014 bond issue, and in that regard after a discussion the Board authorized the engineer to proceed with work on project No. 2, sanitary sewer cleaning, televising, and smoke testing, in the estimated amount of \$120,120.00. The engineer discussed a recent request from Mr. Koenig relating to a utility extension plan and was awaiting receipt of additional information after which the Board would determine whether to bill Mr. Koenig for the work as it progresses or to request a deposit.

10. Finally, the Board reviewed a request from the District's website operator and agreed to postpone discussion of the matter until the May meeting.

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

Secretary

A handwritten signature in black ink, appearing to be "J. H. J.", is written over a horizontal line. The signature is cursive and somewhat stylized.