

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
October 11, 2018

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 261 (“District”) met on October 11, 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 Ms. Pat Hall, tax assessor-collector for the District; Ms. Michelle Lofton, District bookkeeper; Mr. Nathan White, operator for the District; Mr. Troy Bordelon, engineer 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 September 6, 2018. 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 99.6% collections for 2017 taxes, and 2018 certified taxable value of \$136,178,097 with a little more than \$2,000,000 remaining uncertified. 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. The tax assessor-collector confirmed that her office had published notice of the District’s intent to hold a public hearing and set the 2018 tax rate at this meeting. Accordingly, the Board called a public hearing on the District’s proposed 2018 tax rate. It appeared that the Harris County Appraisal District had heretofore prepared and certified to the District’s tax assessor-collector

the final 2018 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds and for maintenance purposes. It was moved, seconded and unanimously carried that there be passed and adopted the attached Order accepting the final appraisal roll and setting a tax rate of \$0.10 for each \$100 of assessed valuation shown on such appraisal roll for the purpose of debt service, and a rate of \$0.40 per \$100 valuation for maintenance and operations purposes. The Board executed the amendment to the District's Statement of Directors to reflect the tax rate, and the attorneys were directed to file executed copies with the Harris County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor for the District a certified copy of the Order levying the tax.

4. Ms. Lofton presented the bookkeeper's report, copy attached. The Board reviewed and approved the investment report and noted the energy usage report. The Board also noted with great pleasure a payment from FEMA in the amount of \$71,140.55. 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.

5. Mr. White presented the operations report, copy attached, which showed 484 active connections with 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 21.6% of capacity. The operator further advised that fire hydrant repairs had been completed. 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. The Board discussed work performed by Stuckey's, was of the opinion that

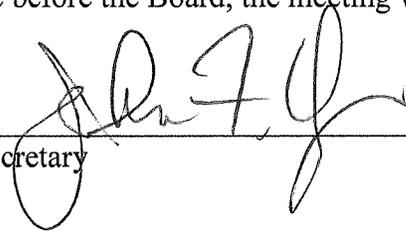
additional maintenance was required and should be covered under the existing contract. Director VanLoo agreed to contact Shane Stuckey directly for further discussion of the matter.

7. Mr. Bordelon presented the engineer's report, copy attached. On his recommendation the Board approved execution of the contract for sanitary sewer cleaning, televising and smoke testing which had been approved at the September meeting. He also discussed with the Board information from Rolling Fork concerning proposed major capital improvements to the sewage treatment plant. The attorney agreed to confirm the District's responsibilities under its contract with Rolling Fork, and the Board also noted that as part of its next discussion with the financial advisor for the 2019 tax rate a possible bond issue should be considered in light of likely expenditures related to the Rolling Fork plant.

8. The representative from Waste Management was not available for this meeting and therefore the Board agreed to postpone discussion of its contract for garbage collection until the November meeting. The attorney noted with respect to the AT&T and Comcast matters both parties had been sued, and his office was in the process of possible settlement with AT&T.

9. President Whitaker agreed to coordinate on providing appropriate photographs for the District's website. He also agreed to pursue the status of the District's claim for damages against the homeowners association. Finally, the Board considered the District's letter agreement with the Woodland Lakes Homeowners Association dated June 21, 2017, and after a brief discussion unanimously approved and ratified the version a copy of which is attached to these minutes.

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


Secretary