

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors  
December 13, 2018

The Board of Directors ("Board") of Harris County Municipal Utility District No. 261 ("District") met on December 13, 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. Loren Morales, financial advisor for the District; Mr. Troy Bordelon, engineer for the District; Mr. Shane Stuckey with Stuckey's, Inc.; 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 8, 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, a copy of which is attached, which showed 99.6% collections for 2017 taxes and 9.7% already collected for 2018. Current certified taxable value in the District was \$138,351,332. 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, 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. White presented the operations report, copy attached, which showed 484 active connections with 95% water accountability. Three bacteriological tests had been performed, all with good results. 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.

5. Mr. Bordelon presented the engineer's report, a copy of which is attached. He reviewed the status of the sanitary sewer cleaning, televising and smoke testing project and stated that the work was progressing in good form. The contractor was in constant communication with District residents. The engineer then reviewed the status of the Rolling Fork joint sewage treatment plant, and stated that Rolling Fork was likely to authorize the project to proceed by means of a bond application in early 2019.

6. In that regard, Mr. Morales approached the Board to discuss the financial effects on the District of a bond issue and the possibility of an increase in the District's tax rate. The Board expressed a desire to maintain the current maintenance tax rate if possible, and the financial advisor agreed to continue to review the matter and provide additional information assuming a \$0.54 total tax rate for the District.

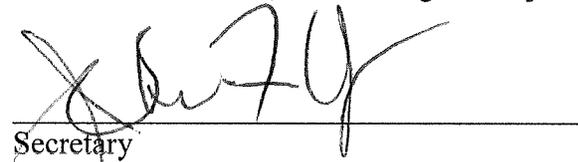
7. Mr. Stuckey discussed the status of the District's pond and reviewed proposed changes in the current contract for his services. After a full discussion and review it was the unanimous conclusion of all present that the District did not need to adopt any changes; rather, the additional work addressed by Mr. Stuckey should be performed and paid for by the homeowners association. The attorney confirmed that his office would complete the required annual eminent

domain filing by the deadline in early 2019, and he was requested to ensure that a representative with Waste Management was present at the January meeting.

8. The attorney also addressed the status of the District's claims against AT&T and Comcast. Both companies had been served. AT&T had answered and negotiations were ongoing. Comcast had failed to answer, and the attorneys were in the process of obtaining a default judgement. President Whitaker stated that he was discussing the District's own claim against the homeowners association for damages with the HOA and would keep the Board advised of any progress.

9. Finally, the attorney confirmed that the District had received correspondence from the financial advisor confirming the required MSRB Rule G-10 disclosure to the District by RBC Capital Markets LLC.

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

  
Secretary