

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 261

Minutes of Meeting of Board of Directors
May 11, 2017

The meeting of the Board of Directors (“Board”) of Harris County Municipal Utility District No. 261 (“District”) was held on May 11, 2017 at 2727 Allen Pkwy., Suite 1100, Houston, Texas 77019, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

S. Brady Whitaker, President
John F. Oyen, Secretary
Emory Milton Dooley, Jr., Director

and the following absent:

Jason VanLoo, Vice President
Larry Goldberg, Assistant Secretary.

Also present were Mr. Troy Bordelon, the District’s engineer; Mr. Nathan White, operator for the District; Ms. Michelle Lofton, the District’s bookkeeper; Ms. Pat Hall, tax assessor-collector for the District; Mr. and Mrs. Martin Matras, former residents of the District; and Mr. W. James Murdaugh, Jr., attorney for the District.

The meeting was called to order and declared open for such business as might regularly come before it.

1. The Board reviewed the minutes of the meeting held on April 13, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. President Whitaker recognized Mr. and Mrs. Matras. Mr. Matras, a former resident of the District for 11 years, addressed the Board concerning his request for a reduction in his final bill due to the few days in the final month he and his wife inhabited their house. After a full review and discussion, and based on the specific facts and circumstances presented, the Board authorized waiver of a portion of the final water and sewer bill based on the days of the month the Matras residence was actually occupied. Mr. and Mrs. Matras thanked the Board for their understanding and concern.

3. Ms. Hall presented the tax assessor-collector's report, copy attached, which showed 2016 taxes 98.4% collected, with certified taxable values of \$134,648,856. The attorney also distributed the delinquent tax report, copy attached. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Mr. White presented the operations report, copy attached, which showed 484 active connections with 97% 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 27% of capacity. On the operator's recommendation, four old accounts totaling approximately \$521 were referred to a collection agency. The Board also discussed various repair and maintenance matters which had been addressed, including a sidewalk repair in the District. The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have 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 have 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. White next reviewed the 2016 Consumer Confidence Report with the Board, and after a review and discussion it was unanimously approved in substantially the form presented. The Board authorized distribution of the CCR by electronic means, and requested that the operator also coordinate with the District's website consultant for a link to the CCR. All present agreed to review the CCR carefully, and the attorney agreed to have an item on the June agenda ratifying today's approval.

6. Mr. Bordelon presented the engineer's report, copy attached. The perimeter wall was virtually complete, and all present expressed satisfaction with the results. Assuming the contractor provides the final pay estimate (only retainage at this time), Mr. Bordelon expects the project to be accepted as final at the June meeting.

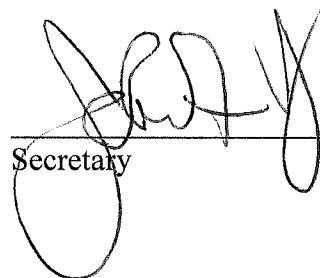
7. President Whitaker reviewed various other matters. A meeting with representatives of the homeowners association had not yet occurred, so the Board agreed to table action on a contract with Stuckey's Contract Services until the June meeting.

8. Ms. Lofton presented the bookkeeper's report, copy attached. The Board unanimously approved the investment report, reviewed the energy usage report, and noted a very satisfactory budget-to-actual comparison for the current fiscal year. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and payment of the checks listed thereon. The Board did not take action on the joint budget with Rolling Fork Public Utility District inasmuch as no budgetary information had yet been received from Rolling Fork.

9. The attorney stated that there was no significant new information with respect to the AT&T/Comcast claim, but lawyers from his office would be meeting with the District engineers in the next week or two to address various easement questions. There also was no new information with regard to an agreement with the homeowners association for maintenance of District and HOA facilities, and likewise no new information concerning the District's claim against the HOA for costs incurred as a result of problems with the HOA's irrigation system.

10. In that regard, President Whitaker distributed a proposed contract between the HOA and Greater Houston Landscaping, LLC, and stated that the District likely would take such proposed contract into consideration in negotiating any cost sharing arrangement with the HOA, as well as the likely contract between the District and Stuckey's.

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


Secretary