

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 20, 2011

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 264 (the "District") met in regular session, open to the public, on the 20th day of July, 2011, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Russell Appelget	President
Jose Nava	Vice President
Janet Gingell	Secretary
Charles E. Brandman	Assistant Vice President
Thomas Winkler	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Darren Willis of Jones & Carter, Inc. ("J&C"); Bill Richmond of Severn Trent Environmental Services ("ST"); Wendy Austin of District Data Services, Inc.; Cindy Englebert of Wheeler & Associates, Inc.; Noel Barfoot of McCall Gibson Swedlund Barfoot PLLC ("McCall"); and Kerri J. Dorman of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 15, 2011, regular meeting. After review and discussion, Director Winkler moved to approve the minutes with revisions as discussed. Director Nava seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public were present. Ms. Dorman reported that a District resident has requested various documents and described the process for producing them.

ATTORNEY'S REPORT

Ms. Dorman reported on matters ABHR had handled between the June and July meetings. Director Brandman asked for the consultants to obtain a copy of the resource sharing agreement among Langham Creek and other neighboring districts. No action was taken on the interlocal agreement with the Harris-Galveston Subsidence District and the Board requested that it be repeated on the August agenda.

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

No action was necessary on this item because no directors attended the conference.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached, including the District's energy consumption report. After review and discussion, Director Brandman moved to approve the bookkeeper's report and payment of the bills. Director Gingell seconded the motion, which passed unanimously.

APPROVE AUDIT

Mr. Barfoot presented and reviewed the audit for the fiscal year ended March 31, 2011, which had been circulated previously to the Board. After review and discussion, Director Nava moved to approve the audit with revisions as discussed, and to authorize it be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed by unanimous vote. The Board agreed that ABHR should not review the audit. Mr. Barfoot also presented and reviewed correspondence "Board Representation Letter" to be reviewed and signed by individual Board members.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Englebert presented and reviewed the tax assessor/collector's report, a copy of which is attached, including the cash flow report and delinquent tax roll. She stated that the 2010 taxes are 99.37% collected. She requested that the Board consider transferring the tax account from Frost Bank to Wells Fargo National Bank. Following review and discussion, Director Brandman moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Winkler seconded the motion, which carried by unanimous vote. Ms. Englebert then reviewed the delinquent attorneys' report, noting that the attorneys recommended writing off two personal property accounts totaling \$239.76. After review and discussion, Director Brandman, seconded by Director Nava, moved to approve the delinquent attorneys' report and to write off two personal property accounts totaling \$239.76, as recommended. The motion carried by unanimous vote.

OPERATOR'S REPORT

Mr. Richmond presented and reviewed the operations and maintenance report, including the regional sewage treatment plant report and the surface water quality report, copies of which are attached, and updated the Board on maintenance and repairs conducted during the previous month. He reviewed the water production and

accountability report. Mr. Richmond responded to questions regarding various District issues, and requested that five accounts be turned over for collection.

Following review and discussion, Director Nava moved to approve the operator's report, including sending three accounts to collection. Director Gingell seconded the motion, which carried unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board considered termination of utility service to customers with delinquent accounts. Mr. Richmond reported that the residents appearing on the termination list were given proper notice and the opportunity to be heard in order to explain, contest or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order. Director Nava moved that, since no residents on the list were present at the meeting or had presented any written statement on the matter, service should be terminated to said accounts pursuant to the provisions of the District's Rate Order. Director Gingell seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

EMERGENCY PREPAREDNESS PLANS

Mr. Richmond described ST's emergency preparedness plans and facilities with regard to obtaining and delivering fuel, and responded to directors' questions.

EXECUTIVE SESSION REGARDING SECURITY ISSUES

The Board did not convene in executive session.

DROUGHT CONTINGENCY PLAN

The Board discussed the effects of the recent dry weather. No action was necessary.

ENGINEERING MATTERS

Mr. Willis reviewed the items in the engineering report sent to the Board prior to the meeting, a copy of which is attached. After discussion, including a discussion of the wastewater treatment plant and lift station inspections, the Board accepted the report. No action was necessary. Mr. Willis said that when he receives a report from Harris County Municipal Utility District No. 70 ("MUD 70") regarding the findings of the inspections, he will circulate it and analyze and categorize the findings for the Board.

AMEND RATE ORDER OR ADOPT INDUSTRIAL WASTE ORDER

After discussion, the Board directed ABHR and J&C to review the MUD 70 industrial waste order and the District's rate order and to make a recommendation. The Board authorized Director Winkler to assist in the process.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Appelget reported on the WHCRWA Board meeting.

PUBLIC BEAUTIFICATION AND CONSERVATION

Director Gingell reported that she has the certification from the Westcreek Village Homeowners' Association ("HOA") for the "smart controllers" project. She also reported that the planting project is complete and that the HOA has contacted her regarding possible security contributions. Ms. Dorman said that she would forward a certification for the planting project.

LEGISLATIVE MATTERS

Ms. Dorman presented and briefly reviewed an ABHR report on selected legislative matters.

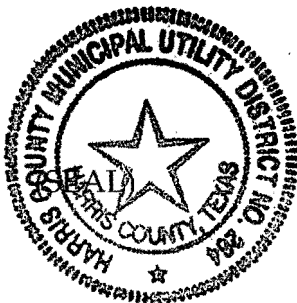
DISTRICT WEBSITE

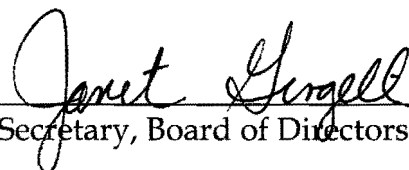
Directors Appelget and Nava stated that they are continuing to update the District's website.

REVIEW OF ACTION ITEMS AND AGENDA ITEMS FOR NEXT MEETING

The Board and Ms. Dorman reviewed these items.

There being no further business to come before the Board, the meeting was adjourned upon a motion by Director Nava, seconded by Director Gingell, and passed by unanimous vote.




Secretary, Board of Directors

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