

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

June 15, 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 15<sup>th</sup> day of June, 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 except Director Gingell, 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 Englebort of Wheeler & Associates, Inc.; and Kerri J. Dorman of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 18, 2011, regular meeting. After review and discussion, Director Brandman moved to approve the minutes with revisions as discussed. Director Winkler seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

No members of the public were present.

ATTORNEY'S REPORT

Ms. Dorman reported on matters ABHR had handled between the May and June meetings, including an update on the agreements with Harris County Municipal Utility District No. 70 ("MUD 70") and Harris County Municipal Utility District No. 144 ("MUD 144") and the follow up on MUD 70's request concerning an "industrial" rate order. After discussion, the Board requested that Mr. Willis give a recommendation at the next meeting regarding the need for any revisions to the District's Rate Order. Ms. Dorman noted that she would discuss a potential water purchase by Harris County

Municipal Utility District No. 173 ("MUD 173") and correspondence received from the "Copperfield Coalition" under the operator's report.

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 Winkler moved to approve the bookkeeper's report and payment of the bills. Director Brandman seconded the motion, which passed unanimously.

DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, DISCUSS CONFERENCE, AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

The Board deferred action on expenses for the summer conference until the next meeting and, following discussion, Director Brandman moved to authorize any interested director to attend the AWBD winter conference. Director Winkler seconded the motion, which carried unanimously.

Director Nava entered the meeting.

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 99.17% collected and reported that the preliminary assessed value for the District for 2011 is \$185,616,213, including personal property as valued during the 2010 tax year. Following review and discussion, Director Winkler moved to approve the tax assessor/collector's report, payment of the tax bills, and the delinquent tax attorneys' report. Director Brandman seconded the motion, which carried by unanimous vote. The District's delinquent tax attorney had no recommended action items.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION

After discussion, Director Nava, with a second by Director Winkler, moved to authorize the District's delinquent tax attorneys authorize the District's delinquent tax attorney to proceed with collection efforts pursuant to the terms of the District's existing contract. The motion carried by unanimous vote.

AUTHORIZE PREPARATION OF ANNUAL REPORT

After discussion, the Board directed ABHR to prepare the District's annual report in accordance with its Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12.

## 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 three accounts be turned over for collection.

Discussion ensued regarding correspondence received from the "Copperfield Coalition" and the request from MUD 173 regarding the possible purchase of water sometime later in the summer. The Board directed Ms. Dorman to contact counsel for MUD 173 and advise that, in principle, a non-emergency purchase would be acceptable on the terms and conditions discussed.

Following review and discussion, Director Nava moved to approve the operator's report, including sending three accounts to collection. Director Brandman 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 Brandman 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 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. Mr. Richmond reported that Wayne Ahrens, the engineer for the West Harris County Regional Water Authority ("WHCRWA"), has not indicated any supply issues. Director Appelget reported, however, that, at the last meeting of the WHCRWA he attended, the Board announced it was approaching its contract limit and that participants with wells will be allowed to use them as 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. The Board accepted the report. No action was necessary.

Director Brandman asked to reopen the operator's report to discuss maintenance and operation items at the wastewater treatment plant and lift station.

## OPERATOR'S REPORT, CONTINUED

Mr. Willis reported that MUD 70 plans to inspect the wastewater treatment plant and the lift station and to provide participants with an updated list of improvements. He said that when he receives the report, he will analyze and categorize it for the Board.

## WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Appelget made additional comments on the WHCRWA Board meeting.

## PUBLIC BEAUTIFICATION AND CONSERVATION

Director Appelget said that Director Gingell has obtained all necessary documentation for the "smart controllers" from the Westcreek Village Homeowners' Association ("HOA") and that the project is complete. He reported that the planting project is still in progress.

## DISTRICT WEBSITE

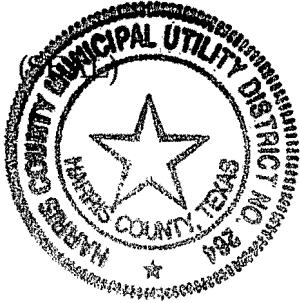
Directors Appelget and Nava stated that they are continuing to update the District's website.

## 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 Brandman, seconded by Director Winkler, and passed by unanimous vote.

  
Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report.....	2
tax assessor/collector's report .....	2
operations and maintenance report .....	3
surface water quality report .....	3
regional sewage treatment plant report.....	3
engineer's report.....	4
termination list .....	3