

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

February 18, 2015

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 18th day of February, 2015, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, 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
Donnice Hoffman	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 Ryan Fortner of Wheeler & Associates, Inc.; Victor Saenz and Stephen Swindell of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services ("DDS"); Bill Richmond of Severn Trent Environmental Services ("ST"); and Robert A. Seale and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 21, 2015, Board meeting. After review and discussion, Director Winkler moved to approve the minutes as presented. Director Brandman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

There were no comments from the public.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the AWBD winter conference and attendance at the AWBD summer conference. After review and discussion, Director Nava moved to approve reimbursement of eligible expenses for the winter conference, subject to submission of

expenses in accordance with the District's travel guidelines, and authorize all interested directors to attend the AWBD summer conference. Director Winkler seconded the motion, which carried by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Nava moved to approve the bookkeeper's report and payment of the bills. Director Winkler seconded the motion, which carried by unanimous vote.

#### BUDGET FOR FISCAL YEAR ENDING MARCH 31, 2016

The Board concurred to hold a special meeting on February 23, 2015 to discuss the budget for fiscal year ending March 31, 2016.

#### RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy and determined no changes were necessary. Mr. Seale presented and reviewed a Resolution Regarding Annual Review of Investment Policy reflecting no changes to the District's Investment Policy. After review and discussion, Director Winkler moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed unanimously.

#### RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOME THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Seale presented a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. He added that an updated list of qualified broker/dealers with whom the District may engage in investment transactions has been provided by the District's bookkeeper. After review and discussion, Director Winkler moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Fortner presented and reviewed the tax assessor/collector's report, a copy of which is attached. He presented and reviewed the cash flow report and delinquent tax

roll, copies of which are included in the tax assessor/collector's report. Mr. Fortner noted that 95.62% of the District's 2014 taxes have been collected to date. Following review and discussion, Director Nava moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Hoffman seconded the motion, which carried by unanimous vote.

#### OPERATOR'S REPORT

Mr. Richmond presented and reviewed the operations and maintenance report and the regional sewage treatment plant report and testing results, copies of which are attached. He reported that the water accountability for the past month was 99.93% and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Richmond stated that there are three accounts with outstanding balances over \$25.00 to be turned over to a collection agency and there are no accounts to be written off.

Mr. Richmond next discussed vendor pricing for repainting 131 fire hydrants in the District. He recommended the \$18.00 per-hydrant option, which would total approximately \$2,600.00 for the 131 units. Discussion ensued regarding the various options for repainting the fire hydrants.

Next, Director Brandman reported on matters discussed at the most recent Harris County Municipal Utility District No. 70 meeting. Discussion ensued. No action was taken by the Board.

Following review and discussion, Director Hoffman moved to (1) approve the operator's report; (2) authorize ST to turn over three accounts totaling \$353.37 to a collection agency; and (3) authorize ST to have 131 fire hydrants repainted for \$18.00 per unit. Director Winkler seconded the motion, which passed 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 customers 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. After review and discussion, Director Nava moved that, since no customers 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 Hoffman seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

## ENGINEERING MATTERS

Mr. Swindell reviewed the engineer's report, a copy of which is attached.

Mr. Swindell updated the Board on the closed circuit television program related to the sanitary sewer rehabilitation project and stated that CSI Consolidated, LLC d/b/a CleanServe, LLC ("CleanServe") had not yet returned the required contract documents to J&C. He requested Board authorization to rescind the award to CleanServe and award the project to the next lowest bidder, Specialized Maintenance Services, in the amount of \$39,321.00, if CleanServe has not submitted the required documents by February 20, 2015.

Mr. Swindell reviewed the Capital Improvements Plan and the proposed Summary of Costs for the bond issue.

Mr. Swindell stated that J&C submitted the bond application report to the Texas Commission on Environmental Quality ("TCEQ") on February 6, 2015 and that he had answered questions from the TCEQ reviewer.

After review and discussion, Director Brandman moved to (1) approve the engineer's report and (2) authorize J&C to rescind the award to CleanServe and award the closed circuit television program related to the sanitary sewer rehabilitation project to the next lowest bidder, Specialized Maintenance, if CleanServe does not submit proper documentation by February 20, 2015. Director Winkler seconded the motion, which passed by unanimous vote.

## WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA") MATTERS

Director Appelget reported on WHCRWA matters.

## PUBLIC BEAUTIFICATION AND CONSERVATION

There was no discussion on this agenda item.

## DISTRICT WEBSITE

There was no discussion on this agenda item.

## ATTORNEY'S REPORT

Mr. Seale updated the Board on ongoing discussions with the apartment complex ownership group, Kroger, and Cy-Fair Independent School District regarding the force main replacement project.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on March 18, 2015 at 5:30 p.m. at ABHR.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR SETTLEMENT OFFER

The Board did not convene in executive session.

There being no further business to come before the Board, the meeting was adjourned on the motion of Director Appelget, which was seconded by Director Brandman and carried by unanimous vote.



*Asst.* Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report .....	2
tax assessor/collector's report .....	2
operations and maintenance report .....	3
regional sewage treatment plant report and testing results .....	3
engineer's report .....	4