

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

June 17, 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 17th day of June, 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 except Director Brandman, thus constituting a quorum.

Also present at the meeting were Ray Arce of Wheeler & Associates, Inc.; Victor Saenz and Stephen Swindell of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services; Bill Richmond of Severn Trent Services, Inc. ("ST"); and Robert A. Seale and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 5, 2015, special meeting and the May 20, 2015, regular meeting. After review and discussion, Director Hoffman moved to approve both sets of minutes as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

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 (1) approve the bookkeeper's report and payment of the bills; and (2) authorize disbursement of bond proceeds, contingent upon the closing of the Series 2015 bonds scheduled for June 18, 2015. Director Hoffman seconded the motion, which carried by unanimous vote.

## TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Arce 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. Arce noted that 99.41% of the District's 2014 taxes have been collected to date. Mr. Arce stated that the District's 2015 preliminary taxable value, as received by the Harris County Appraisal District, is \$221,025,750.00. Following review and discussion, Director Winkler 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.

## AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), to proceed with the collection of delinquent taxes owed to the District as of July 1, 2015. After discussion, Director Hoffman moved to authorize Perdue Brandon to proceed with the collection of outstanding delinquent taxes as of July 1, 2015. Director Nava seconded the motion, which carried unanimously.

## 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 92.42%, and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Richmond updated the Board on the billing issue with Harris County Municipal Utility District No. 70 ("MUD 70"). He stated that ST has received a large amount of data from MUD 70's bookkeeper and that ST will be reviewing the data before the next Board meeting. Mr. Richmond added that ST is meeting with MUD 70's attorney before the MUD 70 meeting next week.

Mr. Richmond recommended that two accounts with outstanding balances of over \$25.00 be turned over to a collection agency and that one account be written off as uncollectible.

Following review and discussion, Director Nava moved to (1) approve the operator's report; (2) authorize ST to submit two accounts totaling \$197.70 to a collection agency; and (3) authorize ST to write off one account totaling \$12.62 as uncollectible. Director Hoffman 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 ("CCTV") program related to the sanitary sewer rehabilitation project. Mr. Swindell reported that the CCTV Phase One project is complete. He requested Board approval of Pay Estimate No. 1, in the amount of \$24,607.60, to CleanServe. He stated that he met with Director Appelget to discuss future CCTV projects for the District. He reported that the pipes in Somerall West Sections 1 and 3 are largely truss pipe which are in average condition. Mr. Swindell recommended that the remaining pipes and manholes be inspected as part of Phase Two. Mr. Swindell added that the remaining trunk sewers greater than eight inches in diameter are composed of various other materials and should be included in Phase Two as well. Mr. Swindell reported that since this project falls in between the \$25,000 and \$75,000 threshold, he will solicit a minimum of three bids for the Phase 2 CCTV project.

After review and discussion, Director Winkler moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 to CleanServe, for the CCTV Phase One project, in the amount of \$24,607.60; and (3) authorize J&C to solicit bids for the Phase Two project. Director Nava seconded the motion, which carried unanimously.

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

Director Appelget discussed WHCRWA matters.

## PUBLIC BEAUTIFICATION AND CONSERVATION PROJECTS

There was no discussion on this agenda item.

DISTRICT WEBSITE

Director Nava reported that he added Ms. Ollwerther as an additional contact on the District website.

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. He stated that he has sent a draft agreement to Kroger and the cost summary prepared by J&C to the apartment complex ownership group.

Mr. Seale updated the Board on the District's \$3,375,000 Unlimited Tax Bonds, Series 2015. He reported that the bonds have been released by the Texas Attorney General's office and are scheduled to close on June 18, 2015 at 10:00 a.m.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on July 15, 2015 at 5:30 p.m. at ABHR.

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

(SEAL)



*Donnic Hoffman*  
Secretary, Board of Directors

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