

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 15, 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 15th day of July, 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 Noel Barfoot of McCall Gibson Swedlund Barfoot PLLC; Ryan Fortner of Wheeler & Associates, Inc.; Stephen Swindell of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; 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 June 17, 2015, regular meeting. After review and discussion, Director Winkler moved to approve the minutes as presented. Director Nava seconded the motion, which passed by unanimous vote, with the exception of Director Brandman, who abstained from voting.

PUBLIC COMMENTS

The Board did not receive any public comments.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2015

Mr. Barfoot reviewed the District's audit for the fiscal year ended March 31, 2015. After review and discussion, Director Winkler moved to approve the audit, subject to final director and consultant review, authorize filing of the audit with the Texas Commission on Environmental Quality, and direct that the audit be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the Association of Water Board Directors summer conference. Ms. Austin noted that expenses were submitted in accordance with the District's travel reimbursement guidelines. After review and discussion, Director Winkler moved to approve reimbursement of eligible expenses for the summer conference and authorize all interested directors to attend the Association of Water Board Directors winter conference. Director Brandman 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 Winkler moved to approve the bookkeeper's report and payment of the bills. Director Nava seconded the motion, which carried by unanimous vote.

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 99.36% of the District's 2014 taxes have been collected to date.

Mr. Fortner reviewed the roster of delinquent accounts with the Board and requested authorization to write off two personal property accounts totaling \$108.21 as uncollectable.

Following review and discussion, Director Nava moved to (1) approve the tax assessor/collector's report, including payment of the tax bills; and (2) authorize the tax assessor/collector to write off two personal property accounts totaling \$108.21 from the District's accounts receivable ledger. Director Winkler seconded the motion, which carried by unanimous vote.

APPROVE INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT ("HGSD") FOR WATER WISE PROGRAM

The Board discussed participation in the HGSD Water Wise program for the 2015 - 2016 school year. Mr. Seale stated that the cost per student sponsored is \$35.40 and the estimated number of students sponsored at Holmsley Elementary School is 155 for the 2015 - 2016 school year. After review and discussion, Director Nava moved to approve

and authorize execution of an Interlocal Agreement between the District and the HGSD reflecting the District's sponsorship of the Water Wise Program at Holmsley Elementary School for the 2015 - 2016 school year, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Hoffman 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 91.98%, and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Richmond presented and reviewed the recalculation of the Harris County Municipal Utility District No. 70 ("MUD 70") joint sewage treatment plant billing between July 2010 and February 2015 with the Board, a copy of which is included in the operations and maintenance report. He stated that MUD 70 has repaid the District a total of \$9,466.49.

Mr. Richmond recommended that two accounts with outstanding balances over \$25.00 be turned over to a collection agency.

Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize ST to submit two accounts totaling \$362.50 to a collection agency. 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 Winkler 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.

Mr. Swindell reported that J&C is designing the Phase Two CCTV project. He stated that J&C will bid the project and provide a recommendation for award of a contract at the August meeting.

After review and discussion, Director Hoffman moved to approve the engineering report. Director Winkler 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

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 ("Cy-Fair ISD") regarding the force main replacement project. He stated that he has sent a draft agreement to Kroger for review. Mr. Seale discussed a list of possible amendments to the Water, Sewer, and Drainage Services Contract between the District and Cy-Fair ISD, and asked for the Board's direction regarding an extension of the contract term. After discussion, the Board concurred that an extension of up to 30 years beyond the current contract term would be acceptable.

Mr. Seale distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 84th Regular Session of the Texas Legislature. A copy of the report is attached.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on August 19, 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)



Donnice Hoffman
Secretary, Board of Directors

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