

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

June 15, 2016

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 June, 2016, 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 Coleen Danna and Melissa Cordts, residents of the District; Joe Hallmark of Joe Hallmark; Shannon Waugh of Off Cinco; Stephen Swindell and Victor Saenz of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Ryan Fortner of Wheeler & Associates, 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 May 18, 2016, regular meeting. After review and discussion, Director Brandman moved to approve the minutes as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

Ms. Danna and Ms. Cordts discussed homes in the District near the east side of Barker-Cypress Road that are being affected by lighting associated with new commercial development along the west side of Barker-Cypress Road, outside the boundary of the District. The Board expressed its concern regarding the issue, but informed Ms. Danna and Ms. Cordts that the District cannot involve itself in matters between private property owners and does not have the authority to construct or finance improvements for the benefit of a limited number of District residents.

DISTRICT WEBSITE, INCLUDING RECEIVE WEBSITE PROPOSALS AND AUTHORIZE APPROPRIATE ACTION

The Board received presentations on proposals for development and maintenance of a District website from Joe Hallmark and Off Cinco, copies of which are attached. Discussion ensued.

After review and discussion, Director Nava moved to approve and authorize execution of a Services Agreement with Off Cinco, including design of a standard layout for \$1,500 and a monthly maintenance fee of \$75, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Appelget seconded the motion, which carried unanimously.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed outreach and community relations.

In response to resident inquiries, the Board discussed the possibility of posting District agendas at the Forrest Heights Club House in addition to posting agendas at the District lift station as required by law. Director Brandman stated that he would confirm with the Westcreek Village Community Association that a bulletin Board could be installed for the sole purpose of housing District agendas.

APPROVE AUDIT FOR FISCAL YEAR END MARCH 31, 2016

The Board concurred to table this agenda item until the July Board meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Hoffman 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 reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.25% of the District's 2015 taxes have been collected as of May 31, 2016. Following review and discussion, Director Hoffman moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Nava 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, 2016. After discussion, Director Hoffman moved to authorize Perdue Brandon to proceed with the collection of outstanding delinquent taxes as of July 1, 2016. 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 94.88% and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Richmond updated the Board on the recovery of costs of the fire hydrant damage at 17103 Ivory Falls Court. He reported that he sent a third and final letter to the owner of the vehicle requesting payment. After discussion, the Board authorized Mr. Richmond to turn over the account to Collections Unlimited.

Mr. Richmond updated the Board on lift station pump no. 3 and stated that he is continuing to work with the insurance company to finalize the claim for pump no. 3.

Mr. Richmond stated he had received a promotion with ST and as a result Ms. Teri Schoener would be the manager for the District's account and attending the Board meetings going forward.

Mr. Richmond reviewed the completed fire hydrant survey with the Board. Discussion ensued. After discussion, the Board instructed Mr. Richmond to gather more information from the fire department regarding the requirements for fire hydrants for presentation at the next Board meeting.

Mr. Richmond recommended that one account with an outstanding balance over \$25.00 be turned over to a collection agency and one account with an outstanding balance of less than \$25.00 be written off the District's accounts receivable ledger as uncollectible.

Following review and discussion, Director Nava moved to (1) approve the operator's report; (2) authorize ST to submit one account totaling \$49.46 to a collection agency and to write off one account with an outstanding balance of \$16.11 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.

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

Director Appelget reported on WHCRWA matters.

ENGINEERING MATTERS

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

Mr. Swindell updated the Board on the force main project. He stated that City of Houston (the "City") is no longer requiring the encroachment agreements or letter from the engineer and that all other comments from the City and Harris County (the "County") have been addressed. Mr. Swindell stated that J&C will meet with the City for final plan signatures in August and added that the approvals from the City and County last for one year.

Mr. Swindell updated the Board on the ground storage tank no. 1 replacement and stated that J&C has received and addressed comments from the City and the County. He added that J&C will secure signatures on June 16 from the City, and County signatures soon thereafter, and will begin advertising in late August.

Mr. Swindell next updated the Board on the motor control center projects and stated that J&C has sent the plans to the City and County for review. He reviewed new features of the controls.

Mr. Swindell reviewed an updated schedule for the bond projects, a copy of which is included in the engineer's report.

The Board discussed touring the District facilities on August 4, 2016 at 5 p.m.

After review and discussion, Director Winkler moved to approve the engineer's report. Director Nava seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Seale updated the Board on ongoing discussions with the apartment complex ownership group regarding agreements for the force main replacement project.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on July 20, 2016, 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 A 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 Nava and carried by unanimous vote.



Dannice Hoffman
Secretary, Board of Directors

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