

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

December 14, 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 14th day of December, 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 Stephen Swindell of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Lizandro Campos of Wheeler & Associates, Inc.; Teri Laguarta 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 October 19, 2016, regular meeting, and the November 16, 2016, regular meeting. After review and discussion, Director Hoffman moved to approve the minutes of the October 19, 2016, as amended, and November 16, 2016, regular meeting, as revised. Director Winkler seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

OPERATOR'S REPORT

Ms. Laguarta presented and reviewed the operations and maintenance report and the regional sewage treatment plant report and testing results, copies of which are attached. She reported that the water accountability for the past month was 98.07% and updated the Board on maintenance and repairs conducted during the previous month.

Ms. Laguarta distributed a revised fire hydrant survey, a copy of which in included in the operator's report. Ms. Laguarta stated that the survey includes 45 hydrants that ST recommends be raised 6 inches to achieve a certain clearance.

Directors Brandman and Winkler reported that they met with Mr. Brent Scalise, who is the Chief of Operations for Harris County Emergency Services District No. 9, which serves the District. Director Winkler reported that Mr. Scalise stated that the principal concerns regarding hydrants from a firefighting perspective are: (i) access; (ii) lateral clearance for opening the top bonnet valve; and (iii) flow. Director Winkler further reported that Mr. Scalise also stated that the only vertical clearance needed is that which is adequate for the caps on the sides of the hydrants to be removed by hand after being broken with a wrench, and that he did not see an issue with the vertical clearance of the District's hydrants.

Ms. Laguarta 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; (2) authorize ST to complete the remaining repairs identified on the revised fire hydrant survey after the remaining references to hydrants that need to be raised have been deleted; and (3) authorize ST to submit two accounts totaling \$315.02 to a collection agency. 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. Ms. Laguarta 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.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the upcoming Association of Water Board Directors winter conference. After discussion, Director Nava moved to authorize for directors attending the conference up to two per diems, one night's hotel accommodations, and reimbursement of any meals not sponsored by the conference. Director Brandman seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. The Board reviewed the monthly energy consumption report and directed

Ms. Austin to contact Mike Harrington of AEP regarding same to confirm the information is correct. After review and discussion, Director Hoffman moved to approve the bookkeeper's report and payment of the bills. Director Brandman seconded the motion, which carried by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Campos reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 6.20% of the District's 2016 taxes have been collected as of November 30, 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.

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

Mr. Swindell reported on WHCRWA matters. Mr. Swindell reported that the WHCRWA is conducting a water quality study, and requested the Board's authorization to provide the District's GIS information to the WHCRWA in connection therewith. After discussion, the Board concurred to authorize J&C to provide the District's GIS information to the WHCRWA.

ENGINEERING MATTERS

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

Mr. Swindell updated the Board on the ground storage tank replacement and reported that J&C received a revised geotechnical report. He stated the J&C should receive the revised submittal for the foundation of the new tank before the end of the month. He added that construction is anticipated to resume at the beginning of January.

Mr. Swindell updated the Board on the motor control center ("MCC") replacements and reported that the contractor provided revised submittals for the water plant and lift station controls. He stated that J&C will provide comments on the water plan submittal and approve the lift station controls.

Mr. Swindell updated the Board on the Change in Scope application and stated that J&C will follow up with the reviewer at the Texas Commission on Environmental Quality later this month, if necessary.

Mr. Swindell reported on the lift station rehabilitation and stated that J&C began preliminary design on the lift station repairs.

Mr. Swindell reviewed a revised capital improvement plan for the District, along with an example of a bond authorization report that would need to be prepared if the District called a bond election, copies of which are included in the engineer's report.

Mr. Swindell updated the Board on the force main project. He stated that J&C is working with CenterPoint Energy to receive approval of the plans for the project. He added that J&C will continue to work with Kinder Morgan to coordinate construction access to the site.

Mr. Swindell reviewed an updated construction schedule and budget overview for the Series 2015 bond projects, a copy of which is included in the engineer's report.

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

ATTORNEY'S REPORT

Mr. Seale reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

WATER CONSERVATION MATTERS

The Board discussed water conservation matters.

DISTRICT WEBSITE MATTERS

The Board discussed website matters, including the suggestions submitted by Directors Brandman and Winkler via email. After discussion, the Board concurred that Director Brandman will prepare an outline of possible website revisions for discussed at the Board's next regular meeting. The Board further concurred to hold a special meeting in the future to further discuss potential website revisions.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the town hall meeting scheduled for January 25, 2017.

DISTRICT MEETING SCHEDULE

The Board concurred to hold the following meetings: (1) a special meeting on December 20, 2016, at 6:00 p.m., at Jo Jo Chinese Café to discuss town hall meeting matters; (2) its next regular meeting on January 18, 2017, at 5:30 p.m. at ABHR; and (3) a special town hall meeting on January 25, 2017, at 6:30 p.m. at the Copperfield Community Center.

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.

Donnic Hoffman
Secretary, Board of Directors



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