

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

January 18, 2017

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 January, 2017, 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 and Victor Saenz of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Ryan Fortner of Wheeler & Associates, Inc.; Teri Laguarda of Severn Trent Services, Inc. ("ST"); and Robert A. Seale and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

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

MINUTES

The Board considered approving the minutes of the December 14, 2016, regular meeting, the December 20, 2016, special meeting, and the January 8, 2017, special meeting. After review and discussion, Director Hoffman moved to approve the three 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 Winkler moved to approve the

bookkeeper's report and payment of the bills. Director Hoffman seconded the motion, which carried by unanimous vote.

Director Brandman stated that he spoke with Mike Harrington of AEP regarding the monthly energy consumption report. He added that Mr. Harrington did not recommend that the Board take any action.

The Board discussed the upcoming 6th Annual Gulf Coast Water Conservation Symposium on February 22, 2017. After discussion, the Board concurred to authorize attendance and reimbursement of any eligible expenses for any interested Board member.

ANNUAL DISCLOSURE STATEMENT

Mr. Seale stated that in accordance with the District's Investment Policy, Ms. Austin, as the District's bookkeeper and the District's Investment Officer, is required to execute a disclosure statement that discloses any relationships with banks and brokers who seek to sell investments to the District. He added that the Disclosure Statement will be filed with the Texas Ethics Commission. After review and discussion, Director Hoffman moved to accept the Disclosure Statement pursuant to the District's Investment Policy and the Public Funds Investment Act and direct that the statement be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Fortner reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 69.72% of the District's 2016 taxes have been collected as of December 31, 2016. 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.

The Board reviewed the report from the delinquent tax attorney.

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 98.80% and updated the Board on maintenance and repairs conducted during the previous month.

Ms. Laguarta recommended that one account with an outstanding balance over \$25.00 be turned over to a collection agency.

Ms. Laguarda reviewed the list of customers with surcharges. She stated that ST and J&C will be coordinating with Cypress-Fairbanks Independent School District ("CFISD") regarding the sampling points on CFISD's sites.

In response to Director Hoffman's inquiry at the last Board meeting about the Westcreek Village Community Association (the "Homeowners Association") irrigation, Ms. Laguarda stated that ST had scheduled a conference call tomorrow the Homeowners Association. Ms. Laguarda noted that the conference call would also address any billing issues with the Homeowners Association.

Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize ST to submit one account totaling \$31.67 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. Laguarda 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 Brandman 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 ground storage tank replacement. He stated the J&C resent the construction notices to the residents on Grand Terrace and Western Pass. He stated that the revised foundation submittal for the new tank was submitted on December 29, 2016. He added that no foundation modifications are required.

In order to address the variances found between the actual underground utilities and the recorded drawings for ground storage tank no. 1, Mr. Swindell stated that the water plant went on interconnect starting January 10, while the contractor determined where the conduits are connected. He stated that CenterPoint was onsite and set a new power pole on January 10 and will connect the new service on January 18.

Mr. Seale reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

WATER CONSERVATION MATTERS

The Board discussed water conservation matters.

Director Hoffman updated the Board on the irrigation system at the Forest Heights common areas.

DISTRICT WEBSITE MATTERS

The Board discussed website matters.

DISTRICT MEETING SCHEDULE

The Board concurred to hold a special town hall meeting on January 25, 2017, at 6:30 p.m. at the Copperfield Community Center, its next regular meeting on February 15, 2017, at 4:30 p.m. at ABHR, and a special budget workshop meeting on March 6, 2017, at 6:00 p.m. at Palio's Pizza in the District.

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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