

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

April 19, 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 19th day of April, 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
Patty Rodriguez	Assistant Secretary

and all of the above were present except Director Hoffman, 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 Laguarta of Severn Trent Services, Inc. ("ST"); and Robert A. Seale and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

DISCUSS TOWN HALL SPECIAL MEETING

The Board discussed the upcoming town hall special meeting. No action was taken.

MINUTES

The Board considered approving the minutes of the March 15, 2017, regular meeting and the April 3, 2017, special meeting. After review and discussion, Director Nava moved to approve the March 15, 2017 meeting minutes as amended and the April 3, 2017 special meeting minutes as presented. Director Rodriguez seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell reviewed and recommended approval of (1) Pay Estimate No. 2 in the amount of \$154,125.00, payable to W.W. Payton for the ground storage tank replacement project; and (2) Pay Estimate No. 2 in the amount of \$109,395.00, payable to McDonald Municipal and Industrial for the motor control center ("MCC") replacement project, and Change Order No. 2, increasing the contract amount by \$4,012.00, to increase the branch circuit protection and meter starters to accommodate new pumps. Mr. Swindell requested that the Board authorize the bookkeeper to hold the check to W.W. Payton until J&C confirms that one of W.W. Payton's subcontractors has been paid for work on the ground storage tank replacement project.

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 Pay Estimate No. 2 in the amount of \$154,125.00, payable to W.W. Payton, for the ground storage tank no. 1 replacement project, subject to confirmation from J&C that W.W. Payton has paid one of its subcontractors; (2) approve Pay Estimate No. 2 in the amount of \$109,395.00, payable to McDonald Municipal and Industrial for the MCC replacement project and Change Order No. 2, increasing the original contract amount by \$4,012.00; and (3) approve the bookkeeper's report and payment of the bills. Director Rodriguez 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 98.69% of the District's 2016 taxes have been collected as of March 31, 2017. Following review and discussion, Director Rodriguez moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Brandman seconded the motion, which carried by unanimous vote.

OPERATOR'S REPORT

Ms. Laguarda presented and reviewed the operations and maintenance report and the sanitary sewer testing results, copies of which are attached. She reported that the water accountability for the past month was 91.83% and updated the Board on maintenance and repairs conducted during the previous month.

Ms. Laguarda reviewed the list of customers with sanitary sewer surcharges.

Ms. Laguarda recommended that one account with an outstanding balance over \$25.00 be turned over to a collection agency. She reviewed one account with an outstanding balance of less than \$25.00 to write off the District's 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 \$145.63 to a collection agency; and (3) authorize ST to write off the District's ledger as uncollectible one account with an outstanding balance of less than \$25.00. Director Rodriguez 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 Rodriguez seconded the motion, which passed by unanimous vote.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

The Board tabled this agenda item.

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

Mr. Seale stated that the District's Identity Theft Prevention Program (the "Program") requires ST to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. Ms. Laguarda reviewed a report on the District's Program and stated that the report indicates no significant incidents of identity theft detection and that ST recommends no changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment.

JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Brandman reported on joint wastewater treatment plant matters.

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 progress of the construction of the ground storage tank no. 1 replacement. He stated that CenterPoint completed their work and J&C verified that the water plant was online and booster pumps were running on March 17. He reported that Preload set the ground storage tank walls and poured the concrete dome. Mr. Swindell stated that the inner forms were removed and the exterior was coated. He stated that the contractor is waiting on piping inside the ground storage tank and the equalizer line.

Mr. Swindell updated the Board on the MCC replacements and stated that the lift station continues to operate on the existing controls. He stated that the contractor is expected to test the new controls next week and transfer service.

Mr. Swindell discussed a capital improvement plan for the District and stated that J&C has incorporated more projects from the capital improvement plan for Harris County Municipal Utility District No. 70.

Mr. Swindell reported that J&C received one bid on March 20 for the sanitary sewer force main replacement project. He stated that the sole bidder was MMG Contractors, in the amount of \$1,099,725.00. He added that J&C recommends that the contract be awarded to MMG Contractors, the lowest responsible bidder, in the initial contract amount of \$1,099,725.00. The Board concurred that in its judgment, MMG Contractors was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

The Board discussed the possibility of making repairs to sidewalk panels in the District that include or are adjacent to the District's sanitary sewer manholes.

After review and discussion, Director Brandman moved to (1) approve the engineer's report; (2) award the contract for the sanitary sewer force main replacement project to MMG Contractors in the initial contract amount of \$1,099,725.00, based on the engineer's recommendation; and (3) authorize J&C to survey the sidewalks in the District and create an inventory of sidewalk panels that include or are adjacent to the District's sanitary sewer manholes for the Board's review. Director Nava seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Seale discussed the process by which J&C will determine the amounts allocable to Cypress-Fairbanks Independent School District and Kroger for the sanitary sewer force main rehabilitation project.

WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

The Board discussed District website matters.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the Westcreek Homeowners Association meeting scheduled for April 26, 2017, at 7:15 p.m. at Copeland Elementary School and the District's special town hall meeting scheduled for May 8, 2017, at 7:00 p.m. at Copeland Elementary School.

DISTRICT MEETING SCHEDULE

The Board concurred to hold (1) a special meeting on April 26, 2017, to attend the Westcreek Homeowners Association meeting; (2) a special town hall meeting on May 8, 2017, at Copeland Elementary School; and (3) its next regular meeting on May 17, 2017, at 5:00 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 Brandman and carried by unanimous vote.



Dennice Hoffman
Secretary, Board of Directors

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