

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

June 28, 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 28th day of June, 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, thus constituting a quorum.

Also present at the meeting were Julia McCain of McCall Gibson Swedlund Barfoot PLLC; Anthea Moran of FirstSouthwest, a Division of Hilltop Securities; Stephen Swindell and Victor Saenz of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Ray Arce 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").

REPORT FROM FINANCIAL ADVISOR ON CAPITAL IMPROVEMENT PLAN AND FINANCING OPTIONS

Ms. Moran discussed financing options for the District's future capital improvements and maintenance items and responded to questions from the Board. After review and discussion, the Board concurred to hold a special meeting on July 10, 2017, at 6:30 p.m. at Palio's Pizza, to further discuss the capital improvement plan and financing options.

MINUTES

The Board considered approving the minutes of the May 17, 2017, regular meeting. After review and discussion, Director Hoffman moved to approve the May 17, 2017, regular meeting 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, 2017

Ms. McCain reviewed the District's audit for the fiscal year ended March 31, 2017. After review and discussion, Director Brandman moved to approve the audit, subject to incorporation of final comments, authorize filing of the audit with the TCEQ, and direct that the audit be filed appropriately and retained in the District's official records. Director Rodriguez seconded the motion, which passed unanimously.

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

The Board discussed the AWBD summer conference. After review and discussion, Director Nava moved to approve reimbursement of eligible expenses for the summer conference, subject to verification of eligibility by the bookkeeper, and authorize all interested directors to attend the AWBD winter conference. Director Rodriguez seconded the motion, which carried by unanimous vote.

Director Rodriguez left the meeting.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell reviewed and recommended approval of Pay Estimate No. 4 in the amount of \$31,050.00, payable to W.W. Payton, for the ground storage tank no. 1 replacement project.

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Brandman moved to (1) approve Pay Estimate No. 4 in the amount of \$31,050.00, payable to W.W. Payton, for the ground storage tank no. 1 replacement project; and (2) 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. Arce reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.28% of the District's 2016 taxes have been collected as of May 31, 2017. Following review and discussion, Director Brandman 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.

Mr. Arce distributed and reviewed a flyer for a taxation workshop on July 22, 2017 at 10:00 a.m.

## 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 99.79% and updated the Board on maintenance and repairs conducted during the previous month.

Ms. Laguarda recommended that three accounts with outstanding balances over \$25.00 be turned over to a collection agency.

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

Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize ST to submit three accounts totaling \$893.23 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.

## JOINT WASTEWATER TREATMENT PLANT MATTERS

The Board took no action on this agenda item.

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

Director Appelget reported on WHCRWA matters and the Board discussed the MUD directors' outreach workshop held on June 8, 2017.

## ENGINEERING MATTERS

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

Mr. Swindell distributed and reviewed a revised capital improvement plan, which includes projects that are likely to cost more than \$75,000.00, and a maintenance plan, which includes projects that are likely to cost less than \$75,000.00.

Mr. Swindell updated the Board on the progress of the construction of the ground storage tank no. 1 replacement. He stated that the contractor noticed areas of coating failure on ground storage tank no. 2 that J&C identified in the water plant inspection earlier in the year. He reported that the contractor provided a lump sum cost of \$2,800.00 to rebuild and coat the existing well riser piping. Mr. Swindell added that J&C recommends approving the work and will present a change order at the next meeting for the Board's consideration.

Mr. Swindell updated the Board on the MCC replacements and stated that the contractor completed the MCC and control panel installation. He stated that J&C will program the panel next week.

Mr. Swindell updated the Board on the progress of the sanitary sewer force main replacement project.

Mr. Swindell recommended that ST contract with a subcontractor to repair seven sidewalk panels adjacent to the District's sanitary sewer manholes for \$1,780.00. He further recommended that ST repair two additional sidewalk panels around two manholes that will require additional work.

After review and discussion, Director Hoffman moved to (1) approve the engineer's report; (2) approve the additional work to address the coating failure on ground storage tank no. 2; and (3) authorize ST to contract with a subcontractor to repair seven sidewalk panels adjacent to the District's sanitary sewer manholes and to repair two additional sidewalk panels that will require additional work. Director Brandman seconded the motion, which carried unanimously.

#### ATTORNEY'S REPORT, INCLUDING REPORT REGARDING LEGISLATIVE MATTERS

Mr. Seale distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 85th Regular Session of the Texas Legislature. A copy of the report is attached.

Discussion ensued regarding the possibility of communications with board members of other districts that have recently held bond and maintenance tax elections.

#### WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

#### DISTRICT WEBSITE MATTERS

The Board did not discuss the District website.


DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

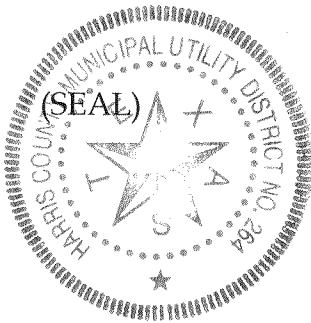
Director Hoffman updated the Board on the most recent Westcreek Village Community Association, Inc. ("Westcreek HOA") meeting. The Directors discussed attendance at future HOA meetings.

DISTRICT MEETING SCHEDULE

The Board concurred to hold a special meeting on July 10, 2017, at 6:30 p.m., at Palio's Pizza, and its next regular meeting on July 19, 2017, 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 Hoffman, which was seconded by Director Nava and carried by unanimous vote.

  
Secretary, Board of Directors



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