

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 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 July, 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 Rodriguez, thus constituting a quorum.

Also present at the meeting were Stephen Swindell and Victor Saenz of Jones & Carter, Inc. ("J&C"); Kathryn Foss of Municipal Financial Services; Wendy Austin of District Data Services Inc.; Ryan Fortner of Wheeler & Associates, Inc.; Cyrus Dumas 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 June 28, 2017, regular meeting, and the July 10, 2017, special meeting. After review and discussion, Director Brandman moved to approve the June 28, 2017, regular meeting minutes and the July 10, 2017, special meeting minutes as presented. Director Hoffman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

PRESENTATION FROM MUNICIPAL FINANCIAL SERVICES ON EVO METRICS REPORT

Ms. Foss distributed and reviewed a presentation from Municipal Financial Services on the Evo Metrics Report. Discussion ensued. The Board concurred to further discuss the Evo Metrics Report later in the meeting.

## FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell reviewed and recommended approval of (i) Pay Estimate No. 5 in the amount of \$65,900.50, payable to W.W. Payton Corporation, for the ground storage tank no. 1 replacement project; and (ii) Pay Estimate No. 4, in the amount of \$171,078.30, payable to McDonald Municipal and Industrial, for the motor control center replacements.

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. 5, in the amount of \$65,900.50, payable to W.W. Payton Corporation, for the ground storage tank no. 1 replacement project; (2) approve Pay Estimate No. 4, in the amount of \$171,078.30, payable to McDonald Municipal and Industrial, for the motor control center replacements; and (3) 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. Fortner reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.35% of the District's 2016 taxes have been collected as of June 30, 2017. Following review and discussion, Director Nava 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

Mr. Dumas presented and reviewed the operations and maintenance report and the sanitary sewer testing results, copies of which are attached. He reported that the water accountability for the past month was 92.99% and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Dumas reviewed the list of customers with sanitary sewer surcharges.

Mr. Dumas reviewed a preventative maintenance task schedule for the District's facilities. The Board inquired about annual performance tests for the water plant and requested that ST provide copies of the reports to the Board going forward.

Mr. Dumas updated the Board on the repairs of sidewalk panels adjacent to the District's sanitary sewer manholes.

Mr. Dumas reported that lift pump no. 2 at the lift station would need to be repaired for an estimated cost of \$3,500.00.

Mr. Dumas reported that ST's United Kingdom parent company has sold its North American business operations to a group led by the company's current United

States (“US”) management team backed by US investors in the infrastructure and industrial space markets. He stated that ST will be a standalone American company exclusively focused on US infrastructure. He stated that while a contract assignment may be necessary at a future date, there will be no change in the District’s current contract terms with ST, and there will be no changes to ST’s current management, leadership, or account teams.

Following review and discussion, Director Nava moved to (1) approve the operator’s report; and (2) authorize the recommended repair of lift pump no. 2. 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. Dumas 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

Director Brandman discussed the most recent Harris County Municipal Utility District No. 70 meeting. The Board took no action on this agenda item.

#### 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 the contractor completed the work on the well riser piping, which the Board approved last month. He added that while completing the work, the contractor discovered that one of the fittings was too badly corroded to be recoated and recommended replacing the fitting for an additional \$700.00. Mr. Swindell reviewed and recommended approval of a change order in the amount of \$3,500.00, which includes the well riser piping and the replacement of the fitting, payable to W.W. Payton Corporation.

Mr. Swindell updated the Board on the status of the motor control center replacement project. He stated that J&C is continuing to work on getting the water plant online early next week.

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

Mr. Swindell stated that the repairs to the sidewalk panels will begin on July 25, 2017.

Mr. Swindell requested authorization to prepare the bond issue requirement report for the upcoming bond election, with the bond authorization amount of \$15,000,000.

After review and discussion, Director Brandman moved to (1) approve the engineer's report; (2) approve the change order increasing the original contract amount by \$3,500.00, payable to W.W. Payton Corporation, for the ground storage tank no. 1 replacement; and (3) authorize J&C to prepare the bond issue requirement report for the upcoming bond election, with the bond authorization amount of \$15,000,000. Director Hoffman seconded the motion, which carried unanimously.

#### ATTORNEY'S REPORT

In response to written questions submitted by Director Brandman, Mr. Seale discussed several District matters, as follows. First, Mr. Seale explained the requirement and purpose of the bond issue requirement report discussed above. Second, Mr. Seale discussed the process and typical schedule for levying District taxes. Finally, Mr. Seale discussed legal limitations on political advertising regarding elections. He distributed and reviewed with the Board two pamphlets on the topic of political advertising published by the Texas Ethics Commission.

#### 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 Brandman discussed the upcoming Westcreek Village Homeowners Association agenda and reported the next meeting will be held on July 25, 2017 at 6:30 p.m.

DISTRICT MEETING SCHEDULE

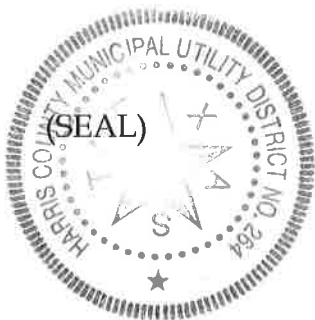
The Board concurred to hold its next regular meeting on August 16, 2017, at 5:30 p.m. at ABHR.

PRESENTATION FROM MUNICIPAL FINANCIAL SERVICES ON EVO METRICS REPORT (CONTINUED)

Discussion ensued regarding the Evo Metrics Report. Ms. Foss reviewed an engagement letter from Municipal Financial Services for the Evo Metrics Report for the District. After review and discussion, Director Hoffman moved to engage Municipal Financial Services to prepare an EVO metrics report and authorize execution of same. Director Brandman seconded the motion, which carried unanimously. The Board requested that Ms. Foss provide the tax and bond portions of the report to the Board by the end of September.

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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