

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

October 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 October, 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 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 and 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 September 20, 2017, regular meeting and the October 9, 2017, special town hall meeting. After review and discussion, Director Brandman moved to approve the regular meeting minutes, as revised, and the special town hall meeting minutes, as presented. Director Rodriguez seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

UPDATE ON EVO METRICS REPORT

The Board discussed the status of the preparation of the EVO Metrics Report for the District. No action was taken.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed the proposal submitted by HARCO. After discussion, the Board directed ABHR to solicit insurance proposals from Arthur J. Gallagher & Co. and McDonald and Wessendorff.

## FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell reviewed and recommended approval of Pay Estimate No. 6 and Final, in the amount of \$43,351.20, payable to McDonald Municipal and Industrial for the motor control center replacement project.

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. The Board discussed attending the Association of Water Board Directors seminar on Hurricane Harvey on October 25, 2017. After review and discussion, Director Brandman moved to (1) approve Pay Estimate No. 6 and Final, in the amount of \$43,351.20, payable to McDonald Municipal and Industrial for the motor control center replacement project; (2) approve the bookkeeper's report and payment of the bills; and (3) authorize interested directors to attend the seminar on Hurricane Harvey on October 25, 2017. Director Nava 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 99.57% of the District's 2016 taxes have been collected as of September 30, 2017. Following review and discussion, Director Rodriguez 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.

## CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Fortner stated that Wheeler & Associates, Inc., published a Notice of Public Hearing stating that the District anticipates levying a total tax rate of \$0.365 per \$100 of assessed valuation at this meeting.

Director Appelget then opened the public hearing. No members of the public came forward to make comments. Director Appelget then closed the public hearing.

Mr. Seale presented to the Board an Order Levying Taxes for 2017 reflecting a total tax rate of \$0.365 per \$100 of assessed valuation, comprised of \$0.115 for debt service and \$0.25 for operations and maintenance. Mr. Seale next presented to the Board an Amendment to Information Form reflecting the 2017 tax rate. After review and discussion, Director Rodriguez moved to adopt the Order Levying Taxes as

presented, approve and authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed unanimously. The Board confirmed its intention that the 2017 tax levy includes a debt service component for the calendar year ending December 31, 2018, and a maintenance tax component for the fiscal year ending March 31, 2018.

#### OPERATOR'S REPORT

Ms. Laguarda presented and reviewed the operations and maintenance report, a copy of which is attached. She reported that the water accountability for the past month was 97.83% and updated the Board on maintenance and repairs conducted during the previous month.

Ms. Laguarda and Mr. Dumas updated the Board on the status of the hydro tank no. 1 rehabilitation. Ms. Laguarda stated that the welding work would begin next week, with the recoating of the tank to follow.

Ms. Hoffman requested information related to the water sampling and testing for lead and copper done in the District from ST.

Ms. Laguarda stated that there were three accounts totaling \$405.30 for collections.

Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize ST to submit three accounts totaling \$405.30 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

Director Brandman reported on the most recent Harris County Municipal Utility District No. 70 Board meeting.

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

Director Appelget reported on WHCRWA matters. The Board noted that the WCHRWA town hall meeting will be held on October 26, 2017, at 6:00 p.m., at the Fry Road Municipal Utility District administration building.

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 ground storage tank no. 1 is operational and in service. Mr. Swindell reported that J&C performed a site visit last month and provided the contractor with punchlist items related to site grading and seeding. He added that the contractor is addressing those items.

Mr. Swindell updated the Board on the status of the motor control center replacement project and reported that the project is complete and recommended District acceptance of the facilities. He stated that ST reported that there was a malfunction related to the air compressor that the contractor has addressed and repaired.

Mr. Swindell updated the Board on the progress of the sanitary sewer force main replacement project. He reported that J&C met with the contract on September 26, 2017, to discuss alternative construction methods and unit price adjustments for the pipe adjacent to the school. He stated that the projected construction savings are anticipated to be approximately \$100,000. Mr. Swindell reported on the status of the replacement of the fence along the property line at Holmsley Elementary School. He stated that the contractor will replace the fencing to its original length, leaving in place the pre-existing small walkway granting access to the playground at the school for the community.

Mr. Swindell stated that J&C provided ST with a proposal of a welder for the hydro-pneumatic tank no. 1 rehabilitation. He stated that the proposal includes rotating the gate valve, rehabilitating the coupling, cover, and recertifying the tank. He added that J&C will assist ST as necessary to obtain proposals from the contractor to perform the coating work as a separate contract.

After review and discussion, Director Hoffman moved to approve the engineer's report and authorize acceptance of the motor control center replacement project. Director Rodriguez seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Seale updated the Board on communications with Kroger with regards to the force main project. Following discussion, the Board directed Mr. Seale to send a demand letter to Kroger.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board concurred to convene in executive session to deliberate the purchase, exchange, lease, or value of real property, pursuant to Section 551.072 of the Texas Government Code. The Board convened in executive session at 7:43 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:58 p.m., the Board reconvened in open session.

WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

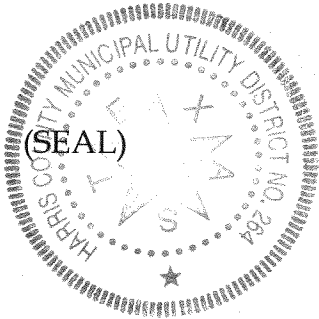
The Board discussed the most recent Westcreek Village Homeowners Association meeting.

The Board discussed the town hall meeting held on October 9, 2017, at Holmsley Elementary School.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on November 15, 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 Nava, which was seconded by Director Rodriguez and carried by unanimous vote.



*Donnicé Hoffman*  
Secretary, Board of Directors

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