

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

December 20, 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 20th day of December, 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 Brandman, 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 Don Self of Inframark Water & Infrastructure Operations ("Inframark"); and Robert A. Seale and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

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

PUBLIC COMMENTS

The Board did not receive any public comments.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the upcoming Association of Water Board Directors winter conference. After discussion, Director Nava moved to authorize for directors attending the conference up to three per diems, two nights' hotel accommodations, and reimbursement of any meals not sponsored by the conference. Director Rodriguez seconded the motion, which passed by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell reviewed and recommended approval of Pay Estimate No. 3, in the amount of \$147,665.59, payable to MMG Contractors, for the force main 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. 3, in the amount of \$147,665.59, payable to MMG Contractors, for the force main replacement project; and (2) 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 6.72% of the District's 2017 taxes have been collected as of November 30, 2017. Following review and discussion, Director Rodriguez 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.

## OPERATOR'S REPORT

Ms. Laguarta stated that Severn Trent changed its name to Inframark Water & Infrastructure Operations. She 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 97.05% and updated the Board on maintenance and repairs conducted during the previous month. Ms. Laguarta stated that there were three accounts totaling \$225.06 to send to Collections Unlimited. Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize Inframark to submit the recommended accounts to Collections Unlimited. Director Hoffman seconded the motion, which passed unanimously.

Ms. Laguarta reviewed a draft letter to notify customers in the District who are selected for compliance sampling related to water quality. Discussion ensued regarding the letter and the process for water sample collection. Following discussion, the Board directed Inframark to send customers selected for water compliance sampling the letter with revisions as discussed.

Ms. Laguarta also introduced Mr. Don Self and stated that he would be taking over as the account representative for the District.

## HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board considered termination of utility service to customers with delinquent accounts. Ms. Laguarta 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

There was no discussion 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 sanitary sewer force main replacement project. He reported that Cypress-Fairbanks Independent School District has agreed to allow the contractor to store its materials at the transportation facility. He stated that there will be a change in the unit cost of the remaining construction decreasing the amount per linear foot from \$239 to \$203 and stated that he would present a change order at the next Board meeting that would outline the net decrease.

Mr. Swindell updated the Board on the hydro-pneumatic tank no. 1 rehabilitation. He stated that the welder completed the repair and the tank has been recertified. He stated that J&C had an inspector verify the work and note any additional areas to be addressed. Mr. Swindell added that Inframark will schedule the recoating of the tank.

Mr. Swindell reported that J&C submitted a work order request to CenterPoint Energy to reinstall the downed lines and granted them access to the Water Plant.

Mr. Swindell distributed and reviewed the revised J&C rate schedule for 2018, a copy of which is included in the engineer's report. He stated that there were no changes to the rates of employee classifications who work with the District. He added that the new rates will take effect in 30 days.

After review and discussion, Director Hoffman moved to (1) approve the engineer's report; and (2) approve the unit cost decrease for the remaining sanitary

sewer force main replacement construction. Director Nava seconded the motion, which carried unanimously.

#### ATTORNEY'S REPORT, INCLUDING EMINENT DOMAIN REPORTING

Mr. Seale provided an update on legal matters pertaining to the force main project.

Mr. Seale reported that ABHR will file the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

#### 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 did not 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.

#### DISCUSS EVO METRICS REPORT

The Board discussed the Evo Metrics Report prepared for the District. After discussion, Director Hoffman moved to (i) terminate the District's contract with Municipal Financial Services, and (ii) direct Mr. Seale to prepare a letter notifying Municipal Financial Services of the termination. Director Rodriguez seconded the motion, which carried unanimously.

#### 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

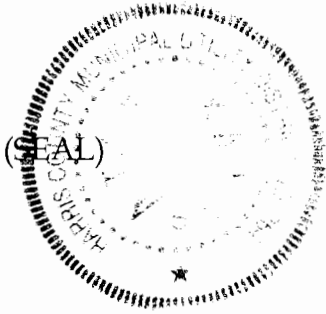
There was no discussion on this agenda item.

#### DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on January 17, 2018, 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.

*Donnice Hoffman*  
Secretary, Board of Directors



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