

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

January 31, 2018

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 31st day of January, 2018, 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"); Wendy Austin of District Data Services Inc.; Ryan Fortner of Wheeler & Associates, Inc.; Don Self of Inframark Water & Infrastructure Operations ("Inframark"); and Robert A. Seale and Veronica Seguin of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 20, 2017, regular meeting. After review and discussion, Director Nava moved to approve the regular meeting minutes, as amended. Director Appelget seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

2018 DIRECTORS ELECTION

Mr. Seale discussed procedures related to the 2018 Directors Election. He reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2018 Directors Election Period. Following review and discussion, Director Brandman moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Ms. Alyssa Ollwerther as the agent of the Secretary of the Board of Directors to perform the duties of the District's

Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which was approved by unanimous vote.

Mr. Seale reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2018 Directors Election. Following discussion, Director Brandman moved to authorize the Secretary's agent to post the notice as required. Director Nava seconded the motion, which was approved by unanimous vote.

Mr. Seale discussed exemptions from using electronic voting systems during the 2018 Directors Election. He added that the District is exempted from the use of electronic voting systems because the District's last Directors Election had fewer than 250 voters. Following discussion, Director Brandman moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Nava seconded the motion, which was approved by unanimous vote.

Mr. Seale said that since Harris County will not administer the District's 2018 Directors Election, the Board will need to set the pay for the District's election officials. Following discussion, Director Brandman made a motion to set the pay for the election officials for the 2018 Directors Election at \$15.00 per hour. Director Nava seconded the motion, which carried unanimously.

The Board considered adopting an Order Calling Directors Election for May 5, 2018 ("Order"). Upon a motion made by Director Brandman and a second by Director Nava, the Board voted unanimously to adopt the Order as presented.

Mr. Seale reported on requirements to post a Notice of Election if the District holds the 2018 Directors Election. Following discussion, Director Brandman moved to authorize the Secretary's agent to post the notice as required, if the District holds the 2018 Directors Election. Director Nava seconded the motion, which was approved by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached.

Discussion ensued regarding the major maintenance reserve and holding a budget workshop for the fiscal year end 2019 budget. The Board concurred to hold a budget workshop on February 12, 2018, at 6:00 p.m. in the District.

After review and discussion, Director Brandman moved to approve the bookkeeper's report and payment of the bills. Director Nava seconded the motion, which carried by unanimous vote.

ANNUAL DISCLOSURE STATEMENTS

Mr. Seale stated that in accordance with the District's Investment Policy, the District's bookkeeper and the District's Investment Officer is required to execute a disclosure statement that discloses any relationships with banks and brokers who seek to sell investments to the District. He added that the Disclosure Statement will be filed with the Texas Ethics Commission. After review and discussion, Director Nava moved to accept the Disclosure Statement pursuant to the District's Investment Policy and the Public Funds Investment Act and direct that the statement be filed appropriately and retained in the District's official records. Director Hoffman seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Fortner reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 70.27% of the District's 2017 taxes have been collected as of December 31, 2017. Following review and discussion, Director Brandman 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.

OPERATOR'S REPORT

Mr. Self presented and reviewed the operations and maintenance report, a copy of which is attached. He reported that the water accountability for the past month was 96.37% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated that there was 1 account totaling \$129.62 to send to Collections Unlimited.

Director Brandman reminded Mr. Self of the need for Inframark to monitor the growth of vegetation between the water plant wall and resident fences and to apply treatments as necessary.

Following review and discussion, Director Nava moved to (1) approve the operator's report; and (2) authorize Inframark to submit the recommended account to Collections Unlimited. 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. Self 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 updated the Board on joint wastewater treatment plant matters.

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

Director Appelget reported on WHCRWA matters. The Board discussed a WHCRWA water loss workshop to be held on February 15, 2018 from 8:30 a.m. to 12:30 p.m. After discussion, Director Hoffman moved to authorize any interested directors to attend the WHCRWA water loss workshop. Director Nava seconded the motion, which passed unanimously.

Mr. Seale reviewed correspondence from the West Harris County Regional Water Authority ("WHCRWA") regarding the 2018 Appointment Process for Authority Directors and the Water Usage Reporting Form for 2017 usage, a copy of which is attached. He stated that the District needs to submit the Water Usage Reporting Form to the WHCRWA by March 1, 2018. Mr. Self stated that Inframark will complete and submit the Water Usage Reporting Form to the WHCRWA. Following review and discussion, Director Hoffman moved to approve completion and submittal by Inframark of the Water Usage Reporting Form to the WHCRWA. Director Nava seconded the motion, which passed by unanimous vote.

Mr. Seale stated that the District may nominate a candidate for the Board of Directors of the WHCRWA for Precinct No. 5. After discussion, the Board concurred to take no action regarding nominating a candidate for the Board of Directors of the WHCRWA for Precinct No. 5.

ENGINEERING MATTERS

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

Mr. Saenz updated the Board on the progress of the sanitary sewer force main replacement project. He reviewed and recommended approval of Change Order No. 1, decreasing the original contract amount by \$81,823.92 payable to MMG Contractors, for the change in the unit cost of the remaining construction, decreasing the amount per linear foot from \$239 to \$203.

Mr. Saenz updated the Board on the hydro-pneumatic tank no. 1 rehabilitation. He stated that the welding is complete. He added that Preventative Services is on site performing the recoating work.

Mr. Saenz reported that CenterPoint Energy has reinstalled the downed lines.

Mr. Saenz requested authorization for J&C to perform the annual water plant inspection, in the estimated amount of \$1,400.

Director Hoffman reported on water pooling by the apartments on the east side of Barker-Cypress. Mr. Self stated he will investigate the matter.

After review and discussion, Director Brandman moved to (1) approve the engineer's report; (2) approve Change Order No. 1, decreasing the original contract amount by \$81,823.92, payable to MMG Contractors, for sanitary sewer force main replacement project; and (3) authorize J&C to perform the annual water plant inspection. Director Nava seconded the motion, which carried unanimously.

ATTORNEY'S REPORT, INCLUDING ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Seale reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

The Board discussed document retention on the website and Director Nava stated he will further review the matter.

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 February 21, 2018, at 5:30 p.m. at ABHR.

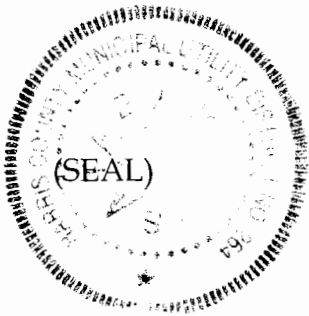
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

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 7:04 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:14 p.m., the Board reconvened in open session. No action was taken by the Board.

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 Hoffman and carried by unanimous vote.



Donnice Hoffman
Secretary, Board of Directors

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