

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

February 21, 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 21st day of February, 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, 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 Christina Miller and Veronica Seguin of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 31, 2018, regular meeting, and the February 12, 2018, special meeting. After review and discussion, Director Brandman moved to approve both sets of meeting minutes, as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

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

The Board discussed the AWBD winter conference. Ms. Austin noted the expenses submitted to date were submitted in accordance with the District's travel guidelines. After review and discussion, Director Brandman moved to approve reimbursement of eligible expenses for the winter conference and authorize all

interested Directors to attend the AWBD summer conference. Director Rodriguez seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Austin presented and reviewed a TexasTERM Rates worksheet, a copy of which is attached. The Board concurred to discuss the matter further at the next meeting.

BUDGET FOR FISCAL YEAR END MARCH 31, 2019

Ms. Austin presented and reviewed a proposed budget for fiscal year end March 31, 2019, a copy of which is attached. Discussion ensued regarding including a \$3,000 expense line item for legal notice publications. Mr. Swindell stated that he will ensure additional backup and detail is included in the engineering invoices going forward.

After review and discussion, Director Brandman moved to adopt the budget for the fiscal year end March 31, 2019, as discussed. Director Nava seconded the motion, which passed unanimously.

AMENDED AGREEMENT FOR BOOKKEEPING SERVICES

Ms. Austin reviewed an Amended Agreement for Bookkeeper Services between the District and District Data Services, Inc. After review and discussion, Director Rodriguez moved to approve and authorize execution of the Amended Agreement for Bookkeeper Services. 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 96.41% of the District's 2017 taxes have been collected as of January 31, 2018. Following review and discussion, Director Hoffman 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. 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

98.68% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated that there were three accounts totaling \$211.95 to send to Collections Unlimited.

Director Brandman discussed the after-hours replacement of a water meter at a daycare in the District which incurred overtime operator hours. He then discussed the District's policy regarding the necessity of after-hours meter replacements for residential and commercial meters in the District. Discussion ensued regarding various approaches to meter replacements, including the possible necessity of replacing certain commercial or school water meters after-hours for convenience to the commercial business, school or daycare.

Mr. Swindell discussed the results of the annual water plant inspection and recommended additional focus on ongoing and preventative routine maintenance at the water plant by the operator. Mr. Swindell stated he will further coordinate with Mr. Self regarding the matter.

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.

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. Discussion ensued regarding the WHCRWA directors election and the Board requested ABHR contact

both director candidates for the District's precinct and request they attend the next meeting.

ENGINEERING MATTERS

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

Mr. Saenz updated the Board on the hydro-pneumatic tank no. 1 rehabilitation, noting the project is substantially complete.

Mr. Saenz and Mr. Swindell further discussed the results from the annual water plant inspection.

Mr. Saenz and Mr. Swindell updated the Board on the status of the lift station design and discussion ensued regarding implementing a phased maintenance program for the lift station.

After review and discussion, Director Brandman moved to approve the engineer's report. Director Nava seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Ms. Miller stated that McFarland PLLC ("McFarland") has reported that the District's settlement offer for the access easement and has been verbally accepted by the apartment complex ownership group, and that ABHR and McFarland will be coordinating execution of the relevant easement, consent to encroachment, and memorandum of understanding.

WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

Director Nava reported on District website matters.

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

The Board discussed holding a town hall meeting in the District. The Board concurred to attend the next homeowner's association meeting to gauge interest in holding an in-District town hall meeting.


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.

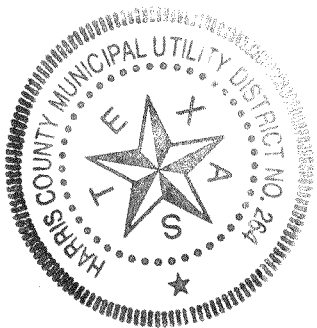
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board did not convene in executive session.

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.


Secretary, Board of Directors

(SEAL)



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