

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

April 18, 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 18th day of April, 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 Anthea Moran of Masterson Advisors LLC; 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 Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the March 21, 2018, meeting. After review and discussion, Director Nava moved to approve the minutes, as presented. Director Hoffman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

FINANCIAL ADVISOR SERVICES AGREEMENT MATTERS

Ms. Moran stated she is no longer employed with Hilltop Securities, Inc. ("Hilltop") and requested the District engage Masterson Advisors LLC ("Masterson") as the District's financial advisor. She then reviewed a Financial Advisory Contract with the Board, noting the contract terms and fees match the District's current contract with Hilltop. Discussion ensued regarding the process for terminating the current contract with Hilltop. Following review and discussion, Director Rodriguez made a motion to terminate the District's current contract with Hilltop, engage Masterson as the District's financial advisor, and authorize execution of the Financial Advisory

Contract with Masterson, subject to final AHBR review. Director Hoffman 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 Nava moved to approve the bookkeeper's report and payment of the bills. Director Rodriguez seconded the motion, which passed 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 98.67% of the District's 2017 taxes have been collected as of March 31, 2018. Following review and discussion, Director Nava moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Hoffman seconded the motion, which passed 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 94.62% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated that there are two accounts totaling \$437.41 to send to Collections Unlimited. He further recommended writing off one account totaling \$7.16 deemed uncollectible.

Mr. Self stated he is revising the maintenance schedule and will present it at the May meeting.

Following review and discussion, Director Nava moved to approve the operator's report, authorize Inframark to submit the recommended accounts to Collections Unlimited and write off the recommended uncollectible account. Director Hoffman seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Self presented a list of delinquent customers and reported the customers on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Nava moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in

the District's official records. The motion was seconded by Director Hoffman and passed by unanimous vote.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

The Board concurred to table this agenda item until the May meeting.

IDENTITY THEFT PREVENTION PROGRAM

Mr. Seale stated the District's Identity Theft Prevention Program (the "Program") requires Inframark to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. Mr. Self reviewed a report on the District's Program and stated that the report indicates no significant incidents of identity theft detection and that Inframark recommends no changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment. A copy of the Program report is attached.

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

Director Appelget updated the Board on WHCRWA matters. He noted the WHCRWA annual hurricane preparedness workshop is scheduled for May 17, 2018.

The Board considered adopting a Resolution Casting Ballot for the Election of a Person to the Board of Directors of the WHCRWA. After discussion, Director Hoffman moved to adopt a Resolution Casting Ballot for the Election of a Person to the Board of Directors of the WHCRWA, reflecting the District's vote in favor of Michael Owens for director of Precinct 5 of the Board of Directors of the WHCRWA, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed unanimously.

JOINT WASTEWATER TREATMENT PLANT MATTERS

Mr. Swindell and Director Brandman reported on joint wastewater treatment plant matters.

ENGINEERING MATTERS

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

Mr. Saenz updated the Board regarding the sanitary sewer force main project. He stated J&C authorized the contractors, MMG Contractors LLC ("MMG"), to re-mobilize on May 1, 2018, noting MMG intends to re-mobilize on May 7, 2018. Mr. Swindell stated he will discuss jobsite security requirements with MMG, per the Board's

request. He recommended installing a plug valve at the head of the new force main to assist with the lift station rehabilitation and stated MMG estimated the cost to be approximately \$7,000.00. He stated he will present a change order at the May meeting. Mr. Swindell further noted MMG was instructed to remove construction material left behind the Kroger loading station. Discussion ensued and Mr. Swindell answered questions from the Board regarding the timeline and maintenance of the project.

Mr. Saenz and Mr. Swindell discussed the results from the annual water plant inspection, noting there were no major issues. Mr. Saenz stated J&C and Inframark are preparing a revised maintenance schedule for presentation at the May meeting.

Director Nava stated that he, Director Brandman, the District's engineers and operator met on March 27, 2018, to discuss the lift station piping rehabilitation project. Mr. Saenz reported they also met on April 12, 2018, with CenterPoint energy and the project's contractor, Rage Industrial ("Rage"). Mr. Saenz stated Rage will provide a cost estimate to perform the necessary rehabilitation on the lift station in two phases within the next week. Discussion ensued regarding financing the project.

After review and discussion, Director Hoffman moved to (1) approve the engineer's report; and (2) authorize MMG to install a plug valve, as recommended, for a cost not to exceed \$7,000.00. Director Brandman seconded the motion, which passed unanimously.

ADOPT RESOLUTION ESTABLISHING OFFICES AND OUT-OF-DISTRICT MEETING PLACES

The Board considered adopting a Resolution Establishing Offices and Out-of-District Meeting Places. After review and discussion, Director Hoffman moved to adopt the Resolution Establishing Offices and Out-of-District Meeting Places and direct it be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

Mr. Seale updated the Board on the status of the settlement reached with the apartment complex ownership group regarding the sanitary sewer force main project.

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 attending the Westcreek Village Community Association (“WVCA”) meeting on April 25, 2018, to update the community on District matters. The Board directed ABHR to post a special meeting agenda so that all interested Board members may attend.

The Board discussed the upcoming Emergency Services District No. 9 Director elections.

The Board discussed the AWBD summer conference and noted that all Directors plan to attend the conference.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on May 16, 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 Hoffman and passed by unanimous vote.

(SEAL)



Donnicc Hoffman
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report	2
Tax assessor/ collector's report	2
Operations and maintenance report	2
Identity Theft Prevention Program annual report	3
Engineer's report.....	3