

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

May 16, 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 16th day of May, 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 Robert A. Seale, Sandra Staine, and Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 18, 2018, regular meeting and the April 25, 2018, special meeting. After review and discussion, Director Brandman moved to approve the minutes, as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

2018 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Patty Rodriguez, Jose Nava, and Donnice Hoffman to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Brandman moved to approve the Certificate of Election and the distribution of same to Directors Rodriguez, Nava, and Hoffman, and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Appelget seconded the motion, which passed by unanimous vote.

Mr. Seale reviewed the Sworn Statements and Oaths of Office for Directors Rodriguez, Nava, and Hoffman. After review and discussion, Director Brandman moved that the Board approve the Sworn Statements and Oaths of Office and direct that the documents be filed appropriately and retained in the District's official records, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Appelget seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD

The Board considered reorganizing the Board of Directors and concurred to make no changes.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Brandman moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed by unanimous vote.

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

The Board discussed fees of office and expenses in connection with the Association of Water Board Directors summer conference. After discussion and consideration of the District's Travel Reimbursement Guidelines. Director Nava moved to authorize up to three fees of office for attendance at the conference, up to three nights of lodging expense at the conference rate, and up to six meals, with reimbursement to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Brandman seconded the motion, which carried 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 Brandman 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 99.01% of the District's 2017 taxes have been collected as of April 30, 2018. Following review and discussion, Director Brandman moved to approve

the tax assessor/collector's report, including payment of the tax bills. Director Rodriguez 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 96.39% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated there is one account in the amount of \$154.49 to send to Collections Unlimited.

Mr. Self then presented and reviewed a revised preventative maintenance schedule for the District's facilities, a copy of which is included in the operator's report.

Mr. Self presented and reviewed a master list of repairs (the "master list") for the District's water plant, a copy of which is included in the operator's report. He stated five of the repairs, highlighted in red on the master list, are priorities and recommended the District perform these repairs first. He stated he is still waiting on a quote for one of the priority items, the repair of the site glass assembly enclosure on hydropneumatic tank no. 2. Discussion ensued.

Following review and discussion, Director Nava moved to (1) approve the operator's report; (2) authorize Inframark to submit the recommended account to Collections Unlimited; (3) authorize Inframark to proceed with all of the items on the master list, beginning with the five priority repairs, including repair of the site glass assembly enclosure on hydropneumatic tank no. 2 for a cost not to exceed \$2,000. 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 June meeting.

APPROVE CONSUMER CONFIDENCE REPORT ("CCR") AND AUTHORIZE OPERATOR TO MAIL CCR AND FILE CERTIFICATE OF MAILING WITH THE TCEQ

Mr. Self reviewed the CCR with the Board, a copy of which is attached to the operator's report. He reported that the District's drinking water is regulated by the TCEQ to ensure the water is meeting the requirements stated in the Federal Drinking Water Standards, which also requires the District to provide a CCR to residents in the District regarding the status of the drinking water. He stated the Environment Protection Agency allows for electronic delivery of the CCR with a customer option to request a paper copy. He requested Board authorization to include a website link to the CCR on the June water bill in lieu of mailing out hard copies of the CCR to all District customers and to provide hard copies of the CCR only to those customers who request one. After review and discussion, Director Hoffman moved to approve the CCR, authorize the operator to distribute the CCR to the District's customers, as discussed, file the certificate of mailing with the TCEQ, subject to ABHR final review, and direct that the CCR be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which carried by unanimous vote.

CRITICAL LOAD SPREADSHEET

The Board reviewed the Critical Load Spreadsheet listing the District's facilities so that any updated information can be provided to the proper governmental authorities to include in the critical load registry. The engineer, operator, and bookkeeper confirmed that the information on the Critical Load Spreadsheet is correct. After review and discussion, Director Rodriguez moved to authorize annual filing of the Critical Load Spreadsheet and direct that the Spreadsheet be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which carried by unanimous vote.

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

Director Appelget updated the Board on WHCRWA matters and reviewed the results of WHCRWA's Board of Directors election. A copy of a memo from the WHCRWA regarding the election results is attached.

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 on the status of the sanitary sewer force main project. He reviewed and recommended approval of Change Order No. 2 to the contract with MMG Contractors LLC ("MMG") to increase the contract in the amount of \$6,995.00 and add 3 days to the contract length. The Board determined that Change Order No. 2 is beneficial to the District.

Mr. Saenz stated J&C recommends recoating the following items at the District's water plant: Ground Storage Tank No. 2, the generator enclosure, booster pumps, above-ground piping, and the chlorine/motor control center building. Mr. Swindell stated the interior of Ground Storage Tank No. 2 will need to be drained and inspected to provide a detailed cost estimate for the recoating. Discussion ensued regarding a timeline for the inspection.

Mr. Saenz reported he has received a cost estimate to perform the necessary rehabilitation on the lift station in two phases from Rage Industrial ("Rage"). He requested authorization to solicit proposals for the lift station piping rehabilitation projects.

After review and discussion, Director Brandman moved to (1) approve the engineer's report; (2) approve Change Order No. 2 in the amount of \$6,995.00 as an increase to the contract with MMG, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (3) direct the engineer to drain and inspect Ground Storage Tank No. 2 as soon as possible for a cost not to exceed \$3,000.00; and (4) authorize the engineer to solicit proposals for the lift station piping rehabilitation projects. Director Nava seconded the motion, which passed by unanimous vote.

ATTORNEY'S REPORT

There was no discussion on this agenda item.

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

Directors Appelget and Brandman discussed the Westcreek Village Community Association meeting held on April 25, 2018.

Director Brandman discussed options for installing lighting along the greenbelt and discussion ensued. Mr. Seale stated he will investigate possibilities.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on June 20, 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)



Dennice Hoffman
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Bookkeeper's report2
Tax assessor/collector's report2
Operations and maintenance report3
Memo from the WHCRWA4
Engineer's report.....4