

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 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 18<sup>th</sup> day of July, 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.; David Walker 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 June 20, 2018, meeting. After review and discussion, Director Nava moved to approve the minutes, as revised. Director Hoffman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD")

The Board discussed the AWBD summer conference. Discussion ensued regarding state requirements and procedures for water corrosivity testing and the Board requested Inframark bring historical test results to the next Board meeting. The Board then discussed the possibility of installing smart water meters in the District. Director Brandman requested J&C research the process and costs of converting the water treatment plant from chlorine to bleach treatment. Mr. Swindell stated he will research this matter and report back to the Board. The Board discussed Inframark's customer service and billing departments and Mr. Walker offered a tour of the billing

department to the Board. After discussion, the Board concurred to (1) temporarily discontinue replacing residential water meters in the District (unless such meters are not functioning properly) while researching the possibility of converting to smart meters; (2) authorize Inframark to research cost estimates for the installation of smart meters; (3) coordinate with Inframark to schedule a tour of the billing department; and (4) authorize J&C to research the possibility of converting the water treatment plant from chlorine to bleach treatment.

Ms. Austin stated she has reviewed the Board's submitted expenses and verified they are eligible for reimbursement. After review and discussion, Director Rodriguez moved to approve reimbursement of the expenses for the summer conference and authorize all interested directors to attend the AWBD winter conference. Director Brandman seconded the motion, which carried by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. She then reviewed a rate comparison chart for various investments. Discussion ensued regarding transferring the District's funds to new accounts. After review and discussion, Director Brandman moved to (1) approve the bookkeeper's report and payment of the bills; (2) authorize the bookkeeper to close the District's debt service account with Compass Bank and transfer the funds to a TexPool pooled fund account; and (3) close the District's general fund money market account with Compass Bank and transfer funds to an account with the MBIA TexasClass pooled fund. Director Nava 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 99.29% of the District's 2017 taxes have been collected as of June 30, 2018. Following review and discussion, Director Rodriguez 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. Walker presented and reviewed the operations and maintenance report, a copy of which is attached. He reported the water accountability for the past month was 93.04% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Walker stated there are two accounts totaling \$159.20 to send to Collections Unlimited.

The Board discussed the recent decrease in water accountability. Mr. Walker stated he has researched the issue and recommends semi-annual commercial meter

testing. Mr. Swindell stated he also recommends annual testing of the water plant header valves.

Director Appelget requested that Inframark investigate a possible leak at Kinder Care.

Following review and discussion, Director Nava moved to (1) approve the operator's report; (2) authorize Inframark to submit the recommended accounts to Collections Unlimited; and (3) authorize Inframark to test the commercial meters. Director Hoffman seconded the motion, which passed unanimously.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Walker 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.

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

Director Appelget updated the Board regarding WHCRWA matters.

#### JOINT WASTEWATER TREATMENT PLANT MATTERS

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 stated the final connections are expected to be installed on July 19.

Mr. Saenz discussed J&C's previous request to design certain water plant improvements. He stated J&C recommends repairing and recoating Ground Storage

Tank No. 2 and recoating the piping, generator, and control building at the water plant. Discussion ensued.

Mr. Saenz reported J&C met with RAC to ensure the proposals submitted for the lift station piping rehabilitation projects are correct. He stated RAC understands the projects and confirmed the original proposals are correct. Mr. Saenz recommended the Board award the contracts to RAC in the amount of \$53,705.00 for Phase 1 and \$35,040.00 for Phase 2. The Board concurred that, in its judgment, RAC is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the projects. Mr. Seale noted Inframark will enter into the contracts with RAC and invoice the District accordingly.

Mr. Saenz stated J&C performed the one year warranty inspection of Ground Storage Tank No. 1 and provided a list of repairs to the contractor. He stated the repairs are covered under the warranty.

After review and discussion, Director Brandman moved to (1) approve the engineer's report; (2) authorize J&C to design the water plant improvements, including recoating the piping, generator, and control building; (3) authorize J&C to exceed the contracted amount for design of the water plant improvements in an amount not to exceed \$10,000.00, subject to substantiation of hours worked over the contracted amount by J&C; and (4) award the lift station piping rehabilitation contracts to RAC, as recommended. Director Hoffman seconded the motion, which passed by unanimous vote.

#### ATTORNEY'S REPORT

Mr. Seale stated the District's electricity contract with Hudson Energy Services expires at the end of the year and discussed options with the Board. After discussion, Director Nava moved to authorize Mike Harrington of American Enerpower, Inc. to price electricity rates and authorize Director Appelget to execute an authorization between meetings, if necessary. Director Rodriguez seconded the motion, which carried unanimously.

#### WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

#### DISTRICT WEBSITE MATTERS

The Board requested the notice regarding Severn Trent's name change to Inframark be removed from the District website homepage.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

Director Nava discussed installing solar lights with cage covers along the greenbelt path. The Board directed Mr. Seale to research the costs associated with same.

The Board further concurred that Director Brandman will reach out to the Westcreek Village Community Association regarding water slides at the Community Association's pools.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on August 15, 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 Brandman, which was seconded by Director Nava and passed by unanimous vote.

  
Secretary, Board of Directors

(SEAL)



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