

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

August 15, 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 15<sup>th</sup> day of August, 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.; Ray Arce 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 July 18, 2018, meeting. After review and discussion, Director Hoffman moved to approve the minutes, as revised. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Hoffman moved to approve the bookkeeper's report and payment of the bills. Director Rodriguez seconded the motion, which passed by unanimous vote.

## INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy. Mr. Seale reviewed a Resolution Regarding Annual Review of Investment Policy. After review and discussion, Director Rodriguez moved to approve and authorize execution of the Resolution Regarding Annual Review of Investment Policy and direct that it be filed appropriately and retained in the District's official records. Director Brandman seconded the motion, which passed unanimously.

## RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Seale presented and reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions (the "Resolution"). He stated the District's bookkeeper provided the updated list of broker/dealers, which is attached as Exhibit A to the Resolution. After review and discussion, Director Hoffman moved to adopt the Resolution and direct that it be filed appropriately and retained in the District's official records. Director Rodriguez seconded the motion, which carried unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Arce reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.39% of the District's 2017 taxes have been collected as of July 31, 2018. He recommended writing off one account totaling \$11.15 deemed uncollectible.

Mr. Arce then presented and reviewed a 2018 Preliminary Tax Base Analysis Report with the Board. A copy of the report is attached. Discussion ensued and Mr. Arce answered questions from the Board. The Board discussed the cost of preparing the report and directed the tax assessor-collector to only prepare this report when requested and not on a regular basis.

Following review and discussion, Director Hoffman moved to approve the tax assessor/collector's report, including payment of the tax bills, including the tax assessor-collector's invoice for preparation of the 2018 Preliminary Tax Base Analysis Report. 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 the water accountability for the past month was 96% and updated the Board on maintenance and repairs conducted during the previous

month. Mr. Self stated there is one account in the amount of \$168.40 to send to Collections Unlimited.

Mr. Self reported the District was interconnected to Harris County Municipal Utility District No. 144 for two hours on July 15, 2018, due to a break in a main line. He stated the main line has since been repaired.

Mr. Self then reviewed with the Board results from prior water chemical tests, copies of which are attached to his report. Discussion ensued regarding the results and testing the corrosivity of the District's water. Mr. Self stated he will research the water corrosivity test procedures and costs and report back to the Board with his findings.

Mr. Self presented a proposal from Alvin Contracting in the amount of \$2,100.00 for the repair of the site glass assembly enclosure on hydropneumatic tank no. 2. He noted the Board previously authorized an amount not to exceed \$2,000.00 for the repair and requested approval to proceed with Alvin Contracting.

The Board then discussed converting to smart water meters and Mr. Self stated he received a cost estimate from Badger Meter in the amount of \$548,000.00. He further stated there is a monthly cellular fee in the amount of \$1,116.95. Discussion ensued regarding the various smart meter options and the Board directed Mr. Self to gather and distribute information regarding the three major smart meter companies, Badger Meter, Mueller Systems, and Neptune Technology Group, to the Board for review.

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; and (3) authorize Inframark to enter into a contract with Alvin Contracting on behalf of the District to repair the site glass assembly enclosure on hydropneumatic tank no. 2 in an amount not to exceed \$2,100.00. 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

Mr. Self reviewed the annual report on implementation of the District's Water Conservation Plan with the Board. After review and discussion, Director Hoffman moved to approve the annual report on implementation of the Water Conservation Plan and direct that the report be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed by unanimous vote.

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

Director Appelget updated the Board regarding WHCRWA matters. He stated a town hall meeting is scheduled for October 25, 2018.

## JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Brandman reported on joint wastewater treatment plant matters. He inquired about the possibility of installing a platform under the generator for safety and rerouting the generator's exhaust pipe to prevent flooding. After discussion, the Board directed the operator to obtain a quote for the installation of a platform. Mr. Swindell stated he would look into the possibility of rerouting the exhaust pipe.

Director Brandman then reported on Harris County Municipal Utility District No. 70's Federal Emergency Management Agency application for the joint wastewater treatment plant repairs. He stated Schwartz, Page & Harding, LLP will be forwarding a resolution in support of the application for the District's adoption.

## 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, noting it is currently operational.

Mr. Saenz updated the Board on the water plant improvements and reported he will have a project schedule for review at the next meeting.

Mr. Saenz reported RAC is currently contracted with Inframark for the lift station piping rehabilitation projects.

Mr. Saenz stated the contractor for the Ground Storage Tank No. 1 repairs is scheduled to conduct the warranty repairs in October.

In response to Director Brandman's inquiry, Mr. Swindell stated he will research the process and costs of converting the water treatment plant from chlorine gas to bleach treatment.

After review and discussion, Director Hoffman moved to approve the engineer's report. Director Nava seconded the motion, which passed by unanimous vote.

ATTORNEY'S REPORT

Mr. Seale updated the Board on his research regarding the installation of solar lights along the greenbelt path. Discussion ensued. No action was taken by the Board.

WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

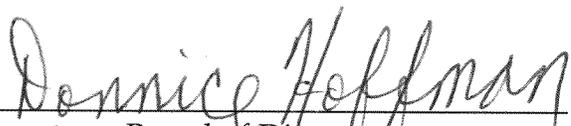
DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the possibility of certain improvements at the two community pool facilities. Discussion ensued. No action was taken by the Board.

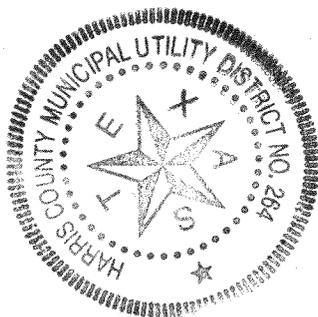
DISTRICT MEETING SCHEDULE

The Board concurred to hold a special meeting on August 24, 2018, at 9:00 a.m. at the offices of Inframark for a tour, and its next regular meeting on September 19, 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.

  
Secretary, Board of Directors

(SEAL)



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