

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

November 28, 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 28<sup>th</sup> day of November, 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 except Director Rodriguez, thus constituting a quorum.

Also present at the meeting were Stephen Swindell of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Caryn Adams 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 October 17, 2018, regular meeting. After review and discussion, Director Nava moved to approve the minutes, as presented. Director Brandman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

Director Brandman discussed the midterm elections and the upcoming Cy-Fair Independent School District bond election.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Swindell presented and recommended approval of Pay Estimate No. 5 and Final in the amount of \$168,290.61 to MMG Contractors, LLC ("MMG") for construction of the Sommerall West Section 1 Force Main Replacement. He stated he has requested MMG update the pay estimate to include additional information and recommended the District hold payment to MMG until the revised pay estimate is received. After review and discussion, Director Brandman moved to approve Pay Estimate No. 5 and Final in

the amount of \$168,290.61 to MMG for construction of the Sommerall West Section 1 Lift Force Main Replacement and direct the bookkeeper to hold the check until final approval by the engineer. Director Hoffman seconded the motion, which passed by unanimous vote.

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Brandman moved to (1) approve the bookkeeper's report; and (2) approve payment of the bills. Director Hoffman seconded the motion, which passed by unanimous vote.

Director Brandman inquired about the wastewater treatment plant reserve operating fund managed by Harris County Municipal Utility District No. 70 ("MUD 70") and requested that ABHR review the District's agreement with MUD 70 regarding the same.

#### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Adams introduced herself to the Board and reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 0.25% of the District's 2018 taxes have been collected as of October 31, 2018. Following review and discussion, Director Brandman 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 the water accountability for the prior month was 95.36% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated there is one account totaling \$147.17 to forward to Collections Unlimited.

Mr. Self reviewed the preventative maintenance schedule with the Board.

Mr. Self discussed an emergency repair of the sanitary sewer line at 7710 Hudson Oaks Drive. Mr. Swindell reported the eastern section of the sanitary sewer line along Landon Oaks Drive was televised in 2015 and there were no issues to report.

The Board discussed various repairs in the District and the special meeting scheduled for November 30, 2018, to receive presentations from smart water meter vendors.

Mr. Self reviewed the water corrosivity test results with the Board, noting there are no issues to report.

Following review and discussion, Director Nava moved to approve the operator's report. 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.

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

The Board reviewed a notice from the WHCRWA regarding the rate increase taking effect on January 1, 2019, and Mr. Self confirmed the next water bill will include language informing the District's customers of same. A copy of the WHCRWA notice is attached.

Director Appelget updated the Board regarding WHCRWA matters and discussed a video created by the WHCRWA. The Board concurred to post a link to the video on the District's website.

#### JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Brandman discussed joint wastewater treatment plant matters.

#### ENGINEERING MATTERS

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

Mr. Swindell recommended acceptance of the Sommerall West Section 1 Force Main Replacement project for maintenance.

Mr. Swindell reviewed the bids for the water plant improvements project, and recommended that the contract be awarded to CFG Industries ("CFG") in the amount of \$228,850.00. The Board concurred that, in its judgment, CFG was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Swindell discussed the schedule for the lift station piping rehabilitation projects.

After review and discussion, Director Nava moved to (1) approve the engineer's report; (2) accept the Sommerall West Section 1 Force Main Replacement project for maintenance; and (3) award the contract for construction of the water plant improvements to CFG in the amount of \$228,850.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Hoffman seconded the motion, which passed by unanimous vote.

#### ATTORNEY'S REPORT

Mr. Seale discussed Senate Bill 622 requirements related to legal notice publication costs incurred by the District.

#### WATER CONSERVATION MATTERS

There was no discussion on this matter.

#### DISTRICT WEBSITE MATTERS

The Board discussed updates to the District website.

#### DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

Director Hoffman discussed the recent Association of Water Board Directors meeting.

#### DISTRICT MEETING SCHEDULE

The Board concurred to hold a special meeting on November 30, 2018, at 9:00 a.m. at Inframark to receive presentations from smart water meter vendors and its next regular meeting on December 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 Hoffman, which was seconded by Director Nava and passed by unanimous vote.

(SEAL)



  
Secretary, Board of Directors

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