

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

December 19, 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 19th day of December, 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 and Victor Saenz of Jones & Carter, Inc. ("J&C"); Wendy Austin of District Data Services Inc.; Caryn Adams of Wheeler & Associates, Inc. ("Wheeler"); Don Self of Inframark Water & Infrastructure Operations ("Inframark"); and Sandra Staine and Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 28, 2018, regular meeting, and November 30, 2018, special 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

The Board did not receive any public comments.

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

The Board discussed the upcoming Association of Water Board Directors winter conference. After discussion, Director Nava moved to authorize up to three per diems, two nights' hotel accommodations, and reimbursement of any meals not sponsored by the conference for directors attending the conference. Director Hoffman seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Adams reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 7.29% of the District's 2018 taxes have been collected as of November 30, 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.

Ms. Staine reported ABHR and Wheeler have received from the City of Houston (the "City") the annually updated list of businesses in the District holding a Sales Use and Tax Permit. She inquired if the Board would prefer to review the list for accuracy or if the Board would prefer for Wheeler to review the list. After discussion, the Board directed Wheeler to review the list and return comments to the City.

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 96.48% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated there is one delinquent water and sewer service account totaling \$31.51 to forward to Collections Unlimited and one delinquent water and sewer service account totaling \$25.00 to write off.

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

Mr. Self discussed grease traps regulations and Director Brandman requested that Inframark investigate grease traps currently installed in the Langham Creek shopping center.

Mr. Self reviewed the list of delinquent accounts with the Board and discussion ensued.

Mr. Self reported that the lift station bypass pump's discharge hose was disconnected on December 14, 2018. He stated Inframark immediately cleaned and disinfected the area and notified the TCEQ, as required.

In response to a request from the Board, Mr. Swindell stated he will research the water corrosivity test results and report back at the next meeting.

The Board then discussed the smart water meter presentations at the special meeting on November 30, 2018, and directed Directors Nava and Brandman to prepare comparison charts for further discussion at the next meeting.

Upon a motion made by Director Nava, and a second by Director Hoffman, the Board voted unanimously to: (i) approve the operator's report; (ii) authorize turning one delinquent account over to Collections Unlimited for collection; and (iii) authorize writing off one delinquent account.

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

Director Appelget updated the Board regarding WHCRWA matters.

JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Brandman discussed joint wastewater treatment plant matters.

ENGINEERING MATTERS

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

Mr. Swindell stated the final pay estimate and record drawings for the force main project have been received and approved by J&C. He stated some of the items on J&C invoices are calculated based off of construction project values and that a deductive change order was submitted by the contractor after the project's completion, thereby reducing the total contract value, resulting in an overbilling by J&C of \$10,572.31. After discussion, the Board directed J&C to refund the overbilled amount to the District. Mr. Swindell presented an updated schedule of rates effective January 2019, a copy of which is attached to his report. After review and discussion, the Board further concurred to consider an amended contract with J&C with an updated fee structure.

Mr. Saenz discussed the lift station rehabilitation project schedule with the Board.

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

ATTORNEY'S REPORT, INCLUDING EMINENT DOMAIN REPORTING

Ms. Staine reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas, pursuant to Senate Bill 1812.

WATER CONSERVATION MATTERS

The Board discussed water conservation matters.

DISTRICT WEBSITE MATTERS

The Board discussed updates to the District website.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed possibly holding a town hall meeting in the District in 2019.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on January 16, 2019, 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)



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
Engineer's report.....	3