

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

January 16, 2019

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 January, 2019, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, 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.; Caryn Adams of Wheeler & Associates, Inc. ("Wheeler"); Ryan Fortner of Sales Revenue Inc. ("SRI"); 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 December 19, 2018, regular meeting. After review and discussion, Director Brandman 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.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Staine reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

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 Brandman 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 71.21% of the District's 2018 taxes have been collected as of December 31, 2018. Following review and discussion, Director Hoffman 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.

Mr. Fortner then presented and reviewed an updated sales tax report from SRI, a copy of which is attached. He reported that he reviewed and revised the list of businesses in the District holding a Sales Tax and Use Permit and the report has been submitted to the City of Houston.

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 97.99% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated there are five delinquent water and sewer service accounts totaling \$809.34 to forward to Collections Unlimited.

The Board discussed the advantages and disadvantages of converting the water treatment plant from chlorine gas treatment to liquid bleach treatment with Mr. Swindell.

Mr. Self reviewed the preventative maintenance schedule with the Board and discussion ensued regarding rescheduling the lift station wet well washing. He stated he will inspect the well and reschedule the washing, if it is not needed.

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

Mr. Self then presented a letter from the resident at 17207 Meadow Heights, a copy of which is attached to the operations and maintenance report. He stated the customer has requested that the District televise the District's portion of the sanitary sewer line, due to a sewer line back up in his house. Discussion ensued and Mssrs. Self and Swindell reported the District last televised that location in 2015 and it is scheduled to be televised again in a few years. The Board reviewed a map of the location of the

potential blockage and photographs from the 2015 television, copies of which are attached. Mr. Self reported there was no indication of blockages or roots protruding into the line in 2015. After discussion, the Board directed Mr. Self to inform the resident of the results of the 2015 television and the next scheduled television.

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 five delinquent accounts over to Collections Unlimited for collection, as recommended; and (iii) authorize the operator to respond to the resident, as discussed.

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

Directors Appelget and Brandman discussed WHCRWA matters, noting a water conservation seminar is scheduled for February 28th.

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. Saenz discussed the water plant improvements project schedule with the Board. Discussion ensued regarding informing the residents in close proximity of the plant of the construction and noise.

Mr. Saenz provided an update regarding the lift station rehabilitation project, noting it is complete except for site cleanup, and the lift station was brought back online on January 11th. He stated J&C will review the final invoice.

Mr. Swindell discussed the reduction in contract price for the force main project and requested the Board reconsider requiring J&C to return the payment of \$10,572.31, as decided upon at the last meeting. He stated the contractor was able to save the District money on material costs due to internal reasons and J&C performed the same amount of work regardless. The Board discussed the language in the service agreement with J&C regarding lump sum jobs. After discussion, the Board concurred to allow J&C to keep the \$10,572.31 payment. The Board further concurred to defer action on amending the service agreement with J&C until next month.

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

ATTORNEY'S REPORT

There was no discussion on this matter.

WATER CONSERVATION MATTERS

The Board discussed the various smart water meters companies and the features offered for the customer portals by each company. Directors Brandman and Nava distributed and reviewed a user interface evaluation chart, a copy of which is attached, and requested that the directors complete it before the next meeting.

DISTRICT WEBSITE MATTERS

There was no discussion on this matter.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed speaking at the Westcreek Village Community Association's (the "HOA") May meeting and directed Director Appelget to contact the HOA regarding same.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on February 20, 2019, at 5:30 p.m. at ABHR and to hold a special meeting in the District on February 18, 2019, to discuss District matters including the budget for the fiscal year ending March 31, 2020.

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.

Donnicc Hoffman
Secretary, Board of Directors

(SEAL)



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