

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

February 20, 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 20th day of February, 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 Wendy Austin of District Data Services Inc.; Caryn Adams of Wheeler & Associates, Inc. ("Wheeler"); Don Self of Inframark Water & Infrastructure Operations ("Inframark"); Stephen Swindell and Victor Saenz of Jones & Carter, Inc. ("J&C"); and Sandra Staine and Hope Jeffers of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the January 16, 2019, regular 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

Director Brandman stated CyFair ISD is holding a school bond election on May 4th and discussed same with the Board.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD")

The Board discussed the AWBD winter conference. After review and discussion, Director Hoffman moved to approve reimbursement of eligible expenses and authorize all interested Directors to attend the AWBD summer conference. Director Brandman seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. The Board discussed the capital funds account and the rehabilitation of Ground Storage Tank No. 2. After review and discussion, Director Brandman moved to approve the bookkeeper's report and payment of the bills. Director Rodriguez seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END MARCH 31, 2020

Ms. Austin presented and reviewed a proposed budget for the fiscal year end March 31, 2020, a copy of which is attached. Director Brandman discussed the various inspection and sampling fees in the District's rate order and requested that the operator and bookkeeper coordinate to update the operating revenue line item on the budget. After review and discussion, Director Brandman moved to adopt the budget for the fiscal year end March 31, 2020, as discussed. Director Rodriguez seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Adams reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 96.99% of the District's 2018 taxes have been collected as of January 31, 2019.

The Board discussed Sales Revenue, Inc.'s ("SRI") relationship to Wheeler and reported to Ms. Adams that a new restaurant has opened in the District. Ms. Adams stated she will inform SRI of the new restaurant.

Following review and discussion, Director Rodriguez moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Brandman seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FOR TAXATION

The Board next considered adopting a Resolution Concerning Exemptions from Taxation. Ms. Staine reviewed the Resolution which provides for a \$10,000 exemption for persons who are over 65 or disabled. After review and discussion, Director Rodriguez moved to adopt the Resolution Concerning Exemptions from Taxation and direct that the Resolution be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed unanimously.

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

99.59% 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 in the amount of \$138.26 to forward to Collections Unlimited.

Mr. Self reviewed the preventative maintenance schedule with the Board and stated he has inspected the well and rescheduled the washing to August 2020. Upon a request from Director Nava, Mr. Self stated he will distribute copies of the maintenance schedule to the Board monthly.

Mr. Self updated the Board on the status of last month's request from the resident at 17207 Meadow Heights, noting that a joint in the line on the resident's side had separated. He stated he has already responded to the resident.

Mr. Self reported bricks were found in a manhole and discussion ensued.

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

Upon a motion made by Director Nava, and a second by Director Hoffman, the Board voted unanimously to approve the operator's report.

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 discussed 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. Saenz presented and recommended approval of a final invoice for the lift station rehabilitation project in the amount of \$12,323.95 for additional fencing. He stated there is not a change order for this item because this contract is through Inframark. Mr. Swindell then recommended the Board authorize Inframark to test the quick connect by simulating an emergency and estimated the cost to be \$1,200.

Mr. Saenz provided an update on the status of the Water Plant Improvements and reviewed the construction schedule, a copy of which is attached to his report. Director Nava requested J&C update the schedule to indicate when J&C is inspecting the project.

After review and discussion, Director Brandman moved to (i) approve the engineer's report; (ii) approve the final lift station rehabilitation project invoice in the amount of \$12,323.95; and (iii) authorize the operator to test the lift station quick connect, as recommended. Director Hoffman seconded the motion, which passed by unanimous vote.

ATTORNEY'S REPORT

Ms. Staine discussed with the Board the proposed Senate Bill 2.

WATER CONSERVATION MATTERS

Director Brandman discussed the user interface evaluation charts distributed at the last meeting and requested the directors complete and return it to him by March 17th so that he may compile the data for review at the next meeting. The Board then discussed additional questions for the smart water meters companies and requested that Mr. Self coordinate with the companies.

DISTRICT WEBSITE MATTERS

Director Brandman discussed website ADA compliance regulations and requested ABHR contact Off Cinco about same.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

Director Brandman stated the next Westcreek Village Community Association (the "HOA") meeting is tentatively scheduled for April 24th. Director Appelget stated he will contact the HOA regarding speaking at that meeting.

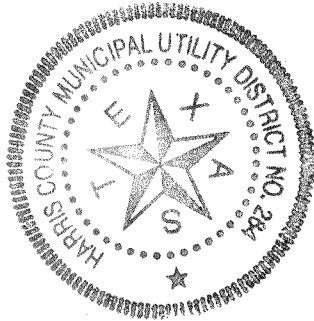
DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on March 20, 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 Brandman, which was seconded by Director Nava and passed by unanimous vote.

Donnicc Hoffman
Secretary, Board of Directors

(SEAL)



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