

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

March 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 March, 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 except Director Brandman, 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 Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 20, 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

There were no public comments received by the Board.

PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Staine stated that when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Staine explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. She added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has

previously adopted such procedures in writing. Ms. Staine stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board and she reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Hoffman moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Rodriguez seconded the motion, which passed by unanimous vote.

AUDIT

The Board discussed authorizing McCall Gibson Swedlund Barfoot PLLC to conduct the audit for the District's fiscal year ending March 31, 2019. After discussion, Director Nava moved to authorize the auditor to conduct the audit for fiscal year ending March 31, 2019. Director Rodriguez 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.

Ms. Austin stated she has handwritten checks nos. 7339 and 7340 for two pay estimates to be presented under the engineer's report and noted they will be included on next month's report, if approved today.

After review and discussion, Director Nava 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 97.57% of the District's 2018 taxes have been collected as of February 28, 2019. She then reviewed the delinquent tax accounts list with the Board. Following review and discussion, Director Rodriguez moved to approve the tax assessor/collector's report, including payment of the tax bills. Director Nava 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 that the water accountability for the prior month was 98.56% and updated the Board on maintenance and repairs conducted during the

previous month. Mr. Self stated there are three delinquent water and sewer service accounts totaling \$245.74 to forward to Collections Unlimited.

Mr. Self then reviewed the preventive maintenance schedule with Board. He stated the results from the well performance test completed in February are being prepared.

Mr. Self reviewed the list of delinquent accounts with the Board.

Mr. Self discussed the schedule for the fire hydrants maintenance, noting the annual preventative maintenance items are scheduled for April and repainting the hydrants will be completed afterwards.

The Board considered an amendment to the Rate Order to clarify the point at which a User's responsibility to maintain and repair the water, sanitary sewer and storm sewer lines begins.

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) adopt the amended Rate Order, as recommended by the District's engineer and operator, and (iii) forward the three delinquent water and sewer services to Collections Unlimited, as recommended.

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.

DROUGHT CONTINGENCY PLAN

Ms. Staine stated that Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. She reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Rodriguez moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and

direct that the Order be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed by unanimous vote.

WATER CONSERVATION PLAN

The District's operator reviewed the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan with the Board. He stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2019. Ms. Staine reviewed an Amended and Restated Water Conservation Plan with the Board.

After review and discussion, Director Rodriguez moved to: (i) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the reports to the appropriate government agencies; and (ii) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the Order be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the Amended and Restated Water Conservation Plan to the appropriate government agencies. Director Nava seconded the motion, which passed by unanimous vote.

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

Director Appelget discussed WHCRWA matters.

JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Nava discussed joint wastewater treatment plant matters.

ENGINEERING MATTERS

Mr. Saenz reviewed the engineer's report, a copy of which is attached. Mr. Swindell presented and recommended approval of Pay Estimates Nos. 1 and 2 in the amounts of \$49,590 and \$32,017.50, respectively, to CFG Industries, for the 2018 Water Plant No. 1 improvements. He provided an update on the status of the Water Plant Improvements and the Board discussed scheduling a tour of the water plant upon completion of the improvements. After review and discussion, Director Nava moved to approve the engineer's report, including the two pay estimates presented. Director Hoffman seconded the motion, which passed by unanimous vote.

ATTORNEY'S REPORT

There was no discussion on this item.

WATER CONSERVATION MATTERS

Director Nava reviewed the completed smart water meter company website user interface evaluation charts and discussion ensued.

DISTRICT WEBSITE MATTERS

Ms. Staine reported that Off Cinco stated the District website meets ADA requirements and offered to perform a compliance review and proposal of additional accessibility features the website could incorporate for an additional cost. After discussion, the Board concurred not to perform a review at this time.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

Director Hoffman stated the annual Westcreek Village Community Association (the "HOA") meeting is scheduled for April 24th. Director Appelget stated he will contact the HOA Board regarding presenting at the meeting.

DISTRICT MEETING SCHEDULE

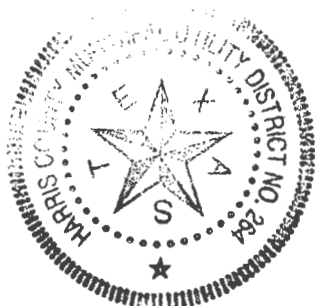
The Board discussed the AWBD quarterly meeting scheduled for April 12th. After discussion, Director Nava moved to authorize interested directors to attend the meeting. Director Appelget seconded the motion, which passed unanimously.

The Board concurred to hold its next regular meeting on April 17, 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.


Secretary, Board of Directors

(SEAL)



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