

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

April 17, 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 17th day of April, 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 Anne-Marie Bradford of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the March 20, 2019, regular meeting. After review and discussion, Director Hoffman moved to approve the minutes, as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

Director Brandman reported that the Cy-Fair Independent School District bond authorization election is scheduled for May 4, 2019, and discussed the early voting schedule and election locations.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached.

The Board discussed the use of proceeds from the Lift Station Force Main project on the Lift Station Rehabilitation project at Water Plant No. 1.

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 98.25% of the District's 2018 taxes have been collected as of March 31, 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 Bradman 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 99.49% and updated the Board on maintenance and repairs conducted during the previous month.

Mr. Self reviewed the preventive maintenance schedule and the list of delinquent accounts with Board.

Ms. Staine stated the District's Identity Theft Prevention Program (the "Program") requires Inframark to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection, and any recommendations regarding changes to the Program. Mr. Self reviewed a report on the District's Program and stated that the report indicates no significant incidents of identity theft detection and that Inframark recommends no changes to the Program. The Board concurred that it was not necessary to adopt a Program amendment. A copy of the Program report is attached.

Mr. Self stated the annual fire hydrant preventative maintenance survey has been completed and the results are being prepared for the Board's review.

Mr. Self reviewed the surcharge fees charged for effluent testing for commercial accounts. He stated the District currently charges the commercial user a set fee of \$42.00, which he stated does not always cover the entire cost of the testing. Mr. Self recommended the District change its billing structure for effluent testing to charge the commercial user the cost billed by the testing company plus the cost of Inframark's fees.

Upon a motion made by Director Nava, and a second by Director Hoffman, the Board voted unanimously to (i) approve the operator's report and (ii) update the effluent testing surcharge fee, 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.

IDENTITY THEFT PREVENTION PROGRAM

There was no further discussion on this matter.

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

Ms. Staine informed the Board on the passing of WHCRWA Director Bruce Parker and discussion ensued.

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. Saenz provided an update on the status of the Water Plant Improvements.

Mr. Swindell stated that Harris County Municipal Utility District No. 70 ("MUD 70") has asked J&C to analyze the true costs of treating excess waste stream constituents in an effort to update its Industrial Waste Order. He stated J&C has performed the analysis and is coordinating with MUD 70 regarding the results. Mr. Swindell discussed J&C's recommended revisions to MUD 70's effluent sampling surcharge fees and recommended that the District mirror MUD 70's amended Industrial Waste Order, once finalized. After discussion, the Board concurred to defer action until MUD 70 adopts an amended Industrial Waste Order.

Mr. Swindell stated J&C is preparing a new contract form for all of their clients. After discussion, the Board concurred to authorize Directors Nava and Brandman to

coordinate with J&C before the next Board meeting to review and discuss the new contract before J&C presents the contract to the Board in May.

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

ATTORNEY'S REPORT

Ms. Staine provided a legislative session update and stated she will distribute updates to the Board of Directors, as available.

DISTRICT WEBSITE MATTERS

There was no discussion on this matter.

DISCUSSION OF DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the annual Westcreek Village Community Association (the "HOA") meeting scheduled for April 24th. Director Appelget stated he has contacted the HOA Board regarding presenting at the meeting and discussion ensued.

DISTRICT MEETING SCHEDULE

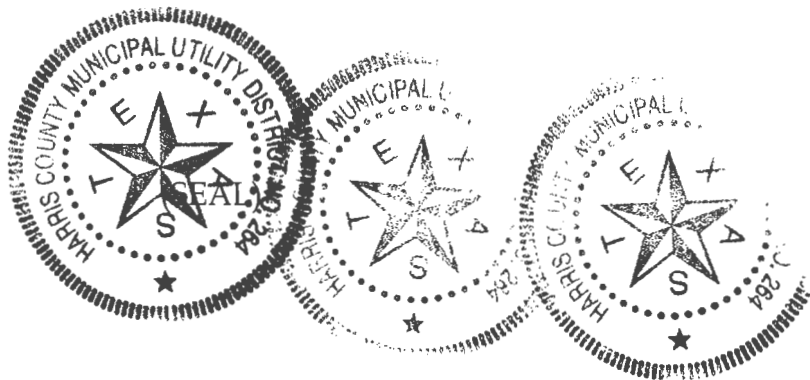
The Board concurred to hold a special meeting on April 24, 2019, to attend and possibly present at the annual HOA meeting and its next regular meeting on May 15, 2019, at 5:30 p.m. at ABHR.

WATER CONSERVATION MATTERS

The Board reviewed and discussed the completed smart water meter company website user interface evaluation charts.

There being no further business to come before the Board, the meeting was adjourned on the motion of Director Rodriguez, which was seconded by Director Brandman and passed by unanimous vote.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report	1
Tax assessor/ collector's report	2
Operations and maintenance report	2
Identity Theft Prevention Program annual report	2
Engineer's report.....	3