

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

May 15, 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 15<sup>th</sup> day of May, 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 April 17, 2019, regular 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

Director Brandman discussed the results of the Cy-Fair Independent School District bond authorization election.

ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed fees of office and expenses in connection with the Association of Water Board Directors summer conference. After discussion and consideration of the District's Travel Reimbursement Guidelines, Director Nava moved to authorize up to three fees of office for attendance at the conference, up to three nights of lodging expense at the conference rate, and up to six meals, with reimbursement to be submitted in accordance with the District's Travel Reimbursement Guidelines. Director Brandman seconded the motion, which carried unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. The Board discussed the allocation of funds used for the Lift Station Rehabilitation project at Water Plant No. 1 and Ms. Staine confirmed that surplus funds from the Lift Station Force Main project were allocated to the Lift Station Rehabilitation project in compliance with the Texas Commission on Environmental Quality rules. After review and discussion, Director Brandman moved to approve the bookkeeper's report and payment of the bills. Director Nava 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 98.77% of the District's 2018 taxes have been collected as of April 30, 2019. She reported that the 2019 preliminary taxable value is \$253,490,954. 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.

## 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 99.2% and updated the Board on maintenance and repairs conducted during the previous month. Mr. Self stated there are two delinquent water and sewer service account totaling \$201.72 to write off.

Mr. Self reviewed the preventive maintenance schedule and the list of delinquent accounts with Board and discussion ensued regarding revisions updates to the preventative maintenance schedule.

Mr. Self then presented and reviewed the annual fire hydrant preventative maintenance survey results with the Board. Discussion ensued and the Board considered authorizing Inframark to repair 12 fire hydrants found to have either bad oil plugs and caps or more than one issue, for a cost not to exceed \$5,110.00. After discussion, the Board concurred not to repair the fire hydrants reported as needing to be raised or not having room for a wrench to spin on the lower bolts. The Board noted that during a 2016 meeting with Mr. Brent Scalise, the then Chief of Operations for Harris County Emergency Services District No. 9, which serves the District, Mr. Scalise informed the Board that the principal concerns regarding hydrants from a firefighting perspective are (i) access; (ii) lateral clearance for opening the top bonnet valve; and (iii) flow; and that the only vertical clearance needed is that which is adequate for the caps on the sides of the hydrants to be removed by hand after being broken with a wrench, and that he did not see an issue with the vertical clearance of the District's hydrants.

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 the operator to repair the 12 fire hydrants, as discussed; and (iii) authorize the operator to write off the two delinquent water and sewer service accounts totaling \$201.72, 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.

#### CRITICAL LOAD SPREADSHEET

The Board reviewed the Critical Load Spreadsheet listing the District's facilities so that any updated information can be provided to the proper governmental authorities to include in the critical load registry. The engineer, operator, and bookkeeper confirmed that the information on the Critical Load Spreadsheet is correct. After review and discussion, Director Nava moved to authorize annual filing of the Critical Load Spreadsheet and direct that the Spreadsheet be filed appropriately and retained in the District's official records. Director Hoffman seconded the motion, which carried by unanimous vote.

#### CONSUMER CONFIDENCE REPORT ("CCR")

Mr. Self reviewed the CCR with the Board, a copy of which is attached to the operator's report. He reported that the District's drinking water is regulated by the Texas Commission of Environmental Quality (the "TCEQ") to ensure the water is meeting the requirements stated in the Federal Drinking Water Standards, which also requires the District to provide a CCR to residents in the District regarding the status of the drinking water. After review and discussion, Director Nava moved to approve the CCR, authorize the operator to distribute the CCR to the District's customers electronically, file the certificate of mailing with the TCEQ, and direct that the CCR be filed appropriately and retained in the District's official records. Director Hoffman seconded the motion, which carried by unanimous vote.

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

Director Appelget updated the Board on WHCRWA matters.

## JOINT WASTEWATER TREATMENT PLANT MATTERS

Director Nava discussed joint wastewater treatment plant matters. Discussion ensued regarding the surcharge testing revenue.

## ENGINEERING MATTERS

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

Mr. Saenz discussed the status of the Water Plant Improvements and presented and recommended approval of Pay Estimates Nos. 3 and 4 in the amount of \$50,760.00 and \$12,375.00, respectively, to CFG Industries LLC. The Board discussed the status of the improvements and the projected schedule for completion, noting that the contractor has not met the original schedule.

Mr. Swindell provided an update regarding Harris County Municipal Utility District No. 70's potential amendments to its Industrial Waste Order.

Mr. Swindell reported on his meeting with Directors Nava and Brandman after the last Board meeting to review and discuss J&C's proposed amended Professional Services Contract. He reported that the comments from that meeting are currently under review by J&C. Discussion ensued regarding J&C's proposed amended Professional Services Contract and the Board concurred to review all of the District's consultant contracts on regular intervals.

After review and discussion, Director Brandman moved to (i) approve the engineer's report and (ii) approve the pay estimates, as presented. Director Hoffman seconded the motion, which passed by unanimous vote.

## ATTORNEY'S REPORT

Ms. Staine provided a legislative session update.

## WATER CONSERVATION MATTERS

Director Rodriguez distributed and reviewed a chart comparing the costs of Mueller and Badger smart water meters. A copy of the chart is attached. The Board discussed the two companies and considered holding a special meeting to discuss this matter further.

## DISTRICT WEBSITE MATTERS

The Board discussed updates to the District's website.

DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the annual Westcreek Village Community Association meeting on April 24, 2019.

The Board then discussed holding a town hall meeting and concurred to wait until further decisions have been made regarding the installation of smart water meters.

DISTRICT MEETING SCHEDULE

The Board concurred to hold a special meeting on June 17, 2019, at 6:00 P.M. at Inframark's offices to further discuss the smart water meter companies and its next regular meeting on June 19, 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 Rodriguez, which was seconded by Director Brandman 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
Consumer Confidence Report .....	3
Engineer's report .....	4
Smart water meter costs comparison chart.....	4