

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

June 19, 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 19th day of June, 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 Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC ("MGSB"); 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 May 15, 2019, regular meeting and the April 24, 2019, special meeting. After review and discussion, Director Nava moved to approve the minutes, as revised. Director Brandman seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board discussed best practices for communications via social media related to the District.

FISCAL YEAR END MARCH 31, 2019 AUDIT

Mr. Ellis presented and reviewed the District's audit for the fiscal year ending March 31, 2019. After review and discussion, Director Brandman moved to approve the audit, subject to incorporation of final comments by ABHR, authorize filing of the audit with the appropriate agencies, and direct that the audit be filed appropriately and

retained in the District's official records. Director Nava seconded the motion, which passed unanimously.

#### ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

Director Rodriguez discussed the AWBD summer conference. Ms. Austin stated she has reviewed the submitted expenses and verified they are eligible for reimbursement. After review and discussion, Director Nava moved to approve reimbursement of the expenses for the summer conference and authorize all interested directors to attend the AWBD winter conference. Director Brandman seconded the motion, which carried by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

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

After review and discussion, Director Rodriguez 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 99.25% of the District's 2018 taxes have been collected as of May 31, 2019. 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.

#### DELINQUENT TAX COLLECTION

The Board considered authorizing its delinquent tax collector, Perdue, Brandon, Fielder, Collins & Mott, LP, to begin collection of delinquent District taxes on July 1, 2019. After discussion, Director Rodriguez moved to authorize the delinquent tax collector to begin the collection of delinquent District taxes on July 1, 2019. Director Brandman seconded the motion, which passed unanimously.

Director Hoffman entered the meeting.

#### 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% 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 water and sewer services accounts with the Board. Discussion ensued regarding potential updates to the preventative maintenance schedule.

Messrs. Self and Swindell discussed the low water pressure incident at Water Plant No. 1 that occurred on June 14, 2019, due to a computer error and noted that the issue has since been resolved and the interconnect with Harris County Municipal Utility District No. 144 will be closed soon. Discussion ensued.

Mr. Self reviewed correspondence from the resident at 17315 Highland Canyon Drive requesting the Board review and consider lowering his water and sewer services invoices from March and April, 2019.

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) deny the resident request to lower their water and sewer services invoices and authorize Inframark to offer a six-month payment plan and a waiver of penalties and interest to the resident at 17315 Highland Canyon Drive.

#### 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 updated the Board on WHCRWA matters.

#### JOINT WASTEWATER TREATMENT PLANT MATTERS ("JWWTP")

Director Appelget discussed joint wastewater treatment plant matters, including discussion of the surcharge testing and penalty revenue. The Board discussed submitting a proposal to Harris County Municipal Utility District No. 70 ("MUD 70") at its next Board meeting proposing that all JWWTP participants adopt MUD 70's amended Industrial Rate Order terms and, in addition, that each participant test their respective users and submit any resulting penalties received directly to the JWWTP

rather than each participant retaining those fees. Discussion ensued regarding amending the Waste Disposal Agreement between the JWWTP participants to revise the payment structure, as described herein, and the Board requested that ABHR prepare a written summary of the proposal, as discussed, for discussion at the next MUD 70 meeting. After discussion, Director Brandman moved to (i) authorize ABHR to draft a written summary of the proposal, as discussed, for presentation at the next MUD 70 meeting; and (ii) authorize Director Brandman to coordinate with the JWWTP participants regarding amending the Waste Disposal Agreement, as discussed. Director Nava seconded the motion, which passed unanimously.

#### 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 Estimate No. 5 in the amount of \$42,502.50 to CFG Industries LLC ("CFG"). Mr. Swindell reported that during the sandblasting of the water plant facilities, certain construction materials landed in an adjacent resident's swimming pool. He stated CFG has cleaned and repaired the swimming pool and Director Brandman requested formal confirmation from the resident that the repair was satisfactory. Discussion ensued regarding the schedule for completion of the project.

Mr. Swindell provided an update on the review of the proposed amended Professional Services Contract with J&C.

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

#### ATTORNEY'S REPORT

Ms. Staine provided a legislative session update.

#### WATER CONSERVATION MATTERS

The Board discussed the special meeting held on June 17, 2019, to discuss the transition to smart water meters. After discussion, Director Hoffman moved to (i) authorize the District's consultants to obtain and review a contract with Accurate Meter and Supply for the purchase of Badger smart water meters; and (ii) appoint Directors Nava and Brandman to prepare a preliminary schedule for the implementation of the meters. Director Rodriguez seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

The Board discussed updates to the District’s website and communications with District residents via same. The Board concurred to authorize Inframark to include a link to the District’s website on the utility bills.

DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed holding a meeting with the Westcreek Village Community Association to discuss the funding and maintenance of common interest projects and concurred to appoint Director Hoffman to schedule same.

DISTRICT MEETING SCHEDULE

The Board concurred to its next regular meeting on July 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 Rodriguez, which was seconded by Director Nava and passed by unanimous vote.

(SEAL)



*Donnic 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
Engineer's report.....	4