

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

July 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 July, 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, Katie May, and Chris Townsend of Inframark Water & Infrastructure Operations ("Inframark"); Stephen Swindell 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 June 17, 2019, special meeting and the June 19, 2019, regular meeting. After review and discussion, Director Rodriguez moved to approve the minutes, as revised. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

FINANCIAL AND BOOKKEEPING MATTERS

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

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Adams reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.44% of the District's 2018 taxes have been collected as of June 30, 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.

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 95.59% and updated the Board regarding maintenance and repairs conducted during the prior month. Mr. Self stated there are four delinquent water and sewer service accounts totaling \$365.17 to forward to Collections Unlimited.

Mr. Self then reviewed the preventive maintenance schedule and the list of delinquent water and sewer service accounts with the Board and discussion ensued regarding the importance of conducting the preventative maintenance tasks thoroughly and regularly.

Director Hoffman entered the meeting.

Mr. Self reported an inspection of the water plant has been scheduled for July 18, 2019, by the Texas Commission on Environmental Quality ("TCEQ") and discussed new TCEQ requirements for inspections, including the submittal of the original TCEQ well approval letter. Messrs. Self and Swindell discussed the process for complying with the new requirements and responded to questions from the Board regarding the process and potential consequences of non-compliance. After discussion, Director Brandman requested that the engineer prepare a list of critical engineering documents and investigate the status of each original.

Mr. Self reported there were no samplings taken this month and, therefore, no surcharge calculations for review.

Mr. Self stated the fire hydrants have been repaired, as previously discussed, and are scheduled to be painted by the end of August, 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) authorize turning the four delinquent accounts over to Collections Unlimited for collection, 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.

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

Director Appelget updated the Board on WHCRWA matters and reviewed sample WHCRWA pamphlets for distribution to District residents in the monthly water bills. Discussion ensued regarding informing residents of the WHCRWA rates and the Board concurred to prepare a letter for printing on the reverse side of the monthly water bill to address increases to WHCRWA rates. Mr. Self stated he will distribute a previously circulated notice entitled "Rising Cost of Water" to the Board for use in preparation of the letter. The Board further concurred to authorize the operator to distribute one of the sample WHCRWA pamphlets in the next month's water bills.

JOINT WASTEWATER TREATMENT PLANT MATTERS ("JWWTP")

Director Brandman discussed JWWTP matters, including the cause of the generator failure and how the District can prevent a similar occurrence. Discussion ensued regarding preventative maintenance tasks versus regular load testing of the District's generator and Directors Nava and Brandman requested the operator send copies of the next preventative maintenance reports to them for review.

Director Brandman then discussed Harris County Municipal Utility District No. 144's ("MUD 144") dependency on the District during potential emergencies due to only having one interconnect agreement. Discussion ensued regarding the official plan of action during potential emergencies and ensuring the District is capable of providing emergency water to MUD 144 when necessary. Mr. Swindell stated J&C and Inframark prepare and annually file as appropriate an updated version of the District's emergency preparedness plan ("EPP") for use during such emergencies and the Board requested the EPP be distributed for review.

Directors Brandman and Appelget discussed Harris County Municipal Utility District No. 70's ("MUD 70") Amended Industrial Rate Order with the Board and

reported on their discussion with the MUD 70 Board regarding a proposed amendment to the Waste Disposal Agreement between the District, MUD 144 and MUD 70 (the "Agreement") that would allow for direct payment of permit violation fines in each participating district to the JWWTP, rather than each district paying its pro rata share of such fines. Director Appelget stated that neither MUD 144 nor MUD 70 is interested in amending the Agreement at this time. Discussion ensued regarding amending the District's Order Regulating the Introduction of Wastewater into the Sanitary Sewer System of the District (the "Order") to incorporate amended terms of MUD 70's Amended Industrial Rate Order. After review and discussion, Director Appelget moved to amend the District's Order to adopt MUD 70's new calculations and chemical factors only. Director Brandman seconded this motion, which passed unanimously. The Board directed ABHR to prepare the amended Order and to distribute it to Director Brandman for review before the next Board meeting.

ENGINEERING MATTERS

Mr. Swindell reviewed the engineer's report, a copy of which is attached. He updated the Board regarding the status of the Water Plant Improvements and discussed updates to future engineer reports to track ongoing engineering maintenance tasks. Mr. Swindell then stated that J&C has agreed to provide a credit to the District on its next invoice for a portion of the time previously billed for work related to the amended Professional Services Agreement. After review and discussion, Director Nava moved to approve the engineer's report. Director Hoffman seconded the motion, which passed by unanimous vote.

WATER CONSERVATION MATTERS

Director Brandman distributed and reviewed a draft smart water meter implementation schedule prepared by Director Nava and himself. A copy of the schedule is attached. The Board reviewed the schedule and discussed advantages and disadvantages of not installing the new smart water meters on certain large water connections in the District. After discussion, Director Nava moved to (i) appoint Director Brandman as the project coordinator for the implementation of smart water meters in order to coordinate with Inframark between monthly meetings, as needed; (ii) authorize Inframark to request a draft services agreement from Beacon/Badger for ABHR's review; and (iii) authorize Inframark to coordinate with Beacon/Badger to determine which large water meters in the District can be retrofitted with the smart meter technology in order to reduce costs. Director Rodriguez seconded the motion, which passed unanimously.

DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed holding a meeting with the Westcreek Village Community Association Board to discuss the funding and maintenance of common interest projects

and Director Hoffman stated she is coordinating the scheduling of same. The Board then discussed scheduling a town hall meeting in early November 2019, to inform residents of the new smart water meters and concurred to determine a specific date at the next meeting.

DISTRICT WEBSITE MATTERS

The Board discussed the District’s website.

DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on August 21, 2019, at 5:30 p.m. at ABHR.

ATTORNEY’S REPORT

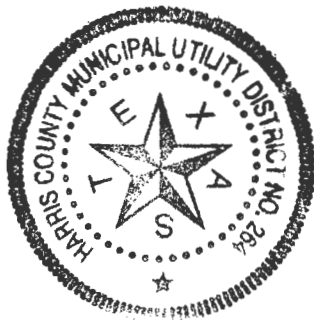
At the request of Directors Brandman and Nava, Ms. Staine discussed ABHR’s process for managing and preparing the District’s agenda and tracking upcoming and reoccurring agenda items. Ms. Staine answered questions from the Board, and the Board directed ABHR to add bimonthly consultant reviews to the District’s agendas and to provide an annual overview of District matters at the beginning of the District’s fiscal year.

Director Brandman discussed the status of the amendment to the J&C professional services agreement with the District.

Ms. Staine distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 86th Regular Session of the Texas Legislature. A copy of the report is attached.

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)



Patricia Rodriguez
Asst. Secretary, Board of Directors

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