

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

September 18, 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 18th day of September, 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"); Chris Townsend and Katie May 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 August 21, 2019, regular meeting, and September 4, 2019, special meeting. After review and discussion, Director Brandman moved to approve the minutes, as presented. Director Nava seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

The Board did not receive any public comments.

DISTRICT'S INSURANCE POLICIES

Ms. Staine stated the District's current insurance policies with HARCO Insurance Services ("HARCO") expire on November 21, 2019, and requested the Board's direction on whether to solicit new proposals in addition to obtaining a renewal proposal from HARCO. Following discussion, the Board directed ABHR to only obtain a renewal proposal from HARCO.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin presented and reviewed the bookkeeper's report, a copy of which is attached. She stated two new accounts have been opened due to fraudulent activity.

The Board discussed paying Harris County Municipal Utility District No. 144 ("MUD 144") for the interconnect usage during the month of June and directed the operator to request an invoice from MUD 144.

After review and discussion, Director Rodriguez moved to approve the bookkeeper's report and payment of the bills. Director Nava seconded the motion, which passed by unanimous vote.

## EVO METRICS REPORT

The Board took no action on this agenda item.

## DISTRICT'S CONTINUING DISCLOSURE ANNUAL REPORT

Ms. Staine stated that as part of the District's continuing disclosure obligations, the District is required to file a report containing the District's audited financial statements on an annual basis with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"), pursuant to the requirements of SEC Rule 15c2-12. Following review and discussion, Director Rodriguez moved to approve the annual report and authorize ABHR to file the annual report through EMMA, and direct that the report be filed appropriately and retained in the District's official records. Director Hoffman seconded the motion, which passed by unanimous vote.

## ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Ms. Staine stated no changes are recommended at this time.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Adams reviewed the tax assessor/collector's report, a copy of which is attached, which reflects that 99.59% of the District's 2018 taxes have been collected as of August 31, 2019. She stated that the District's delinquent tax attorney recommended the District write off certain delinquent tax accounts totaling \$79.59 as uncollectible. The Board requested the delinquent accounts list be distributed to the Board for review and consideration at the next meeting. 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.

### 2019 TAX RATE

Ms. Adams confirmed that Wheeler published a Notice of Public Hearing stating that the District anticipates levying a total tax rate of \$0.405 per \$100 of assessed valuation at this meeting.

Director Appelget then opened the public hearing. No members of the public came forward to make comments. Director Appelget then closed the public hearing.

Ms. Staine presented to the Board an Order Levying Taxes for 2019 reflecting a total tax rate of \$0.405 per \$100 of assessed valuation, comprised of \$0.109 for debt service and \$0.296 for operations and maintenance, as discussed at the last meeting. Ms. Staine next presented an Amendment to Information Form reflecting same. After review and discussion, Director Rodriguez moved to adopt the Order Levying Taxes, approve and authorize execution of the Amendment to Information Form, and direct that the Order and the Amendment be filed appropriately and retained in the District's official records. Director Nava seconded the motion, which passed unanimously. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending March 31, 2020.

### ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTORS ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

The Board took no action on this agenda item.

### OPERATOR'S REPORT

Mr. Townsend 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 98.29% and updated the Board regarding maintenance and repairs conducted during the prior month. Mr. Townsend stated there are two delinquent water and sewer service account totaling \$156.39 to send to Collections Unlimited.

Mr. Townsend reported on the status of repairs to the water plant. Discussion ensued regarding power surges and, upon request by the Board, he and Mr. Swindell stated they will investigate further to ensure there will be no additional issues.

Messrs. Townsend and Swindell provided an update on the status of water plant improvements.

Mr. Townsend then reviewed the preventive maintenance schedule and the list of delinquent water and sewer service accounts with the Board.

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 two delinquent accounts over to Collections Unlimited, as recommended.

#### HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Mr. Townsend 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, noting the WHCRWA town hall fall forum is scheduled for October 23, 2019, at 6:00 p.m.

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

Director Brandman discussed JWWTP matters with the Board.

The Board then reviewed a revised Amended Order Regulating the Introduction of Wastewater into the Sanitary Sewer System of the District (the "Order"), which incorporates the comments discussed at the last meeting. After review and discussion, Director Brandman moved to adopt the Order, as revised. Director Hoffman seconded the motion, which passed unanimously.

#### 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 stated the project is now substantially complete. He reported CFG Industries has requested additional impact days be added to the original Substantial Completion date of May 14, 2019 to accommodate weather delays and additional patching that was required. He stated that after review and confirmation by J&C that the requested impact days occurred prior to the original substantial completion date, J&C recommends adding 21

impact days, changing the substantial complete date to June 4, 2019. He then reviewed and recommended approval of Change Order No. 1 to the contract with CFG Industries to (i) increase the contract in the amount of \$2,750 for the additional required patching and (ii) revise the substantial completion date to June 4, 2019, as discussed. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Swindell stated he will distribute the Emergency Preparedness Plan to the Board for review.

After review and discussion, Director Brandman moved (i) to approve the engineer's report and (ii) to approve Change Order No. 1, as recommended by the District's engineer. Director Hoffman seconded the motion, which passed by unanimous vote.

#### WATER CONSERVATION MATTERS

Ms. May updated the Board on the status of the implementation of the smart water meters in the District. The Board discussed various options for communicating with District residents to inform them of the process. Director Brandman distributed draft correspondence for the Board's review.

#### ATTORNEY'S REPORT

Ms. Staine discussed new legislation effective September 1, 2019.

#### DISTRICT WEBSITE MATTERS

Ms. Staine stated the District's website has been updated to comply with new legal requirements.

#### DISTRICT OUTREACH AND COMMUNITY RELATIONS

The Board discussed the meeting with the Westcreek Village Community Association Board held on September 4, 2019.

#### DISTRICT MEETING SCHEDULE

The Board concurred to hold its next regular meeting on October 16, 2019, at 5:00 p.m. at ABHR.

#### ANNUAL PERFORMANCE REVIEW OF ABHR

The Board discussed ABHR's performance with Ms. Staine and Ms. Bradford. No action was taken on this matter.

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.

Donnicc Hoffman  
Secretary, Board of Directors

(SEAL)



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