

MINUTES  
INTERSTATE MUNICIPAL UTILITY DISTRICT

July 10, 2018

The Board of Directors (the "Board") of Interstate Municipal Utility District (the "District") met in regular session, open to the public, on the 10th day of July, 2018, at the offices of Allen Boone Humphries Robinson, LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Barry Kaplan	President
Clark Glickman	Vice President
James P. ("Rick") Ellis	Secretary/Treasurer
Larry Smith	Assistant Vice President
Thomas Clark	Assistant Secretary/Treasurer

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Kerry Crellin; James Terry of Terry's Landscape LLC; Tara Klein of Four and One; David Patterson and Brittini Silva of Assessments of the Southwest; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Rose Montalbano of F. Matuska, Inc.; Donnie Reed of LJA Engineering, Inc. ("LJA"); Don Self of Inframark Water & Infrastructure Services ("Inframark"); and Robert A. Seale and Patti Hopper of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the previous meeting. Director Glickman moved to approve the minutes. Director Ellis seconded the motion, which carried unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Silva reviewed the tax assessor/collector's report, a copy of which is attached. She reported that the District's 2017 taxes are 99.0% collected. Mr. Patterson stated he would keep the Board updated on the status of the accounts being litigated. Following review and discussion, Director Smith moved to approve the tax report and payment of the tax bills. Director Glickman seconded the motion, which was approved by unanimous vote.

OPERATOR'S REPORT

Mr. Self reviewed with the Board the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 91.9% and

stated there were no excursions at the wastewater treatment plant. Mr. Self stated the meter repairs are ongoing. Director Ellis moved to approve the report and the action items. Director Smith seconded the motion, which passed by unanimous vote.

#### HEARING ON TERMINATION OF SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Mr. Self stated J&I has completed the agreed-upon payment plan.

There were no accounts to consider for termination.

#### BOOKKEEPER'S REPORT AND APPROVE PAYMENT OF BILLS

Ms. Montalbano distributed the bookkeeper's report, including a list of checks presented for payment, and the investment report, copies of which are attached. She stated she has prepared an additional check for AT&T for relocating lines. Director Smith then moved to approve the bookkeeper's report, including payment of the bills. Director Kaplan seconded the motion. All Directors voted in favor of the motion, thus the motion carried.

Ms. Montalbano stated several banks are offering interest rates up to \$2.3% for certificates of deposit. The Board concurred to consider purchasing a certificate of deposit at the next meeting and requested Ms. Montalbano to bring additional information for the Board to consider at that time.

#### SECURITY REPORT

Mr. Crellin discussed security matters. A copy of the security report is attached. After review and discussion, Director Ellis moved to approve the report. Director Kaplan seconded the motion, which carried unanimously.

#### PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Mr. Terry reviewed the monthly park maintenance report and irrigation report, copies of which are attached. He stated the water fountains were repaired twice. Ms. Klein stated she would follow up to determine a permanent solution. After review and discussion, Director Smith moved to approve the report and the action items. Director Glickman seconded the motion, which carried unanimously.

#### REPORT FROM FOUR AND ONE

Ms. Klein updated the Board regarding District park matters. She stated she observed people using the chairs and tables at Francesca's Garden. Ms. Klein updated the Board regarding relocating and burying utility lines, and recommended payment to AT&T and a letter agreement. After review and discussion, Director Smith moved to

approve the report, the AT&T payment and agreement, and the invoices. Director Ellis seconded the motion, which carried unanimously.

Director Kaplan and Ms. Klein discussed the possibility of constructing an underground water storage system. Director Glickman stated he is concerned with parking space and requested the Board to keep accessibility to the park in mind.

#### ENGINEER'S REPORT

Mr. Reed reviewed the engineer's report, a copy of which is attached. He also updated the Board regarding the electrical assessment for Rick Rice Park and reviewed a budget for Phase 1 of approximately \$700,000.

Mr. Reed updated the Board regarding the Mason Creek Drive repairs and stated the County has accepted the road for maintenance.

Mr. Reed stated the cost to replace the water plant control panel and generator is approximately \$400,000. He also presented an engineering proposal for the project.

Mr. Reed stated if the plant needs to be recoated, the cost will be approximately \$450,000. He also presented the engineering proposal for the project.

Discussion ensued regarding the priority of projects. The Board concurred to prioritize as follows: (1) generator and control panel replacement and water plant recoating first; and (2) Phase 1 electrical, when adequate funds are available, second.

After discussion, Director Smith moved to approve the engineer's report, the engineering proposals, and to authorize LJA to proceed with design of the generator and water plant control panel replacement and the water plant recoating. Director Kaplan seconded the motion, which carried unanimously.

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

The Board discussed the WHCRWA and concurred no action was necessary.

#### UPDATE ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT WASTEWATER TREATMENT PLANT ADVISORY COMMITTEE

Director Ellis updated the Board regarding committee matters.

#### KATY AREA ECONOMIC DEVELOPMENT COUNCIL MATTERS

Director Glickman updated the Board regarding Council matters.

WEBSITE

Director Clark updated the Board regarding the website and stated no action was necessary.

PROGRAMMING PARK FACILITIES

Director Clark stated he is still reviewing options to program the park for small events at Francesca's Garden.

MEETING SCHEDULE

The Board concurred to hold the August 14, 2018, regular meeting at the offices of ABHR.

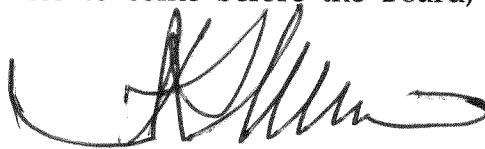
EXECUTIVE SESSION

The Board did not convene in Executive Session.

OPEN SESSION

This item was not necessary.

There being no further business to come before the Board, the meeting was adjourned.



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. The Board will hold the August 14, 2018, regular meeting at the offices of Allen Boone Humphries Robinson LLP.
2. Ms. Montalbano will bring information regarding certificates of deposit to the August meeting.

LIST OF ATTACHMENTS TO MINUTES

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