

MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

October 9, 2018

The Board of Directors (the "Board") of Interstate Municipal Utility District (the "District") met in regular session, open to the public, on the 9th of October, 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
Vacant	Assistant Secretary/Treasurer

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

Also present at the meeting were Mary DuBois of Acclaim Energy Advisors; Chris Townsend; Tara Klein of Four and One; Kerry Crellin; James Terry of Terry's Landscape LLC; David Patterson 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 Ellis moved to approve the minutes. Director Kaplan seconded the motion, which carried unanimously.

APPOINTMENT OF NEW DIRECTOR

The Board considered the appointment of a new Director. After discussion, Director Kaplan moved to appoint Chris Townsend to the Board of Directors. The motion was seconded by Director Glickman and carried unanimously.

SWORN STATEMENT, OATH OF OFFICE, AND OFFICIAL BOND

Mr. Seale reviewed Mr. Townsend's Sworn Statement, Oath of Office, and Official Bond. He stated the Oath of Office and Official Bond will be filed with the Secretary of State. Director Kaplan then moved that the Board accept Mr. Townsend's Sworn Statement, Oath of Office, and Official Bond and direct that the required copies

be filed with the Secretary of State and a copy of each be retained in the District's permanent records. Director Ellis seconded the motion, which carried unanimously.

REORGANIZE THE BOARD AND AUTHORIZE FILING OF DISTRICT REGISTRATION FORM

The Board next considered reorganizing. After discussion, and upon a motion made by Director Ellis and second by Director Glickman, the Board voted unanimously to approve the following slate of officers and to file the revised District Registration Form with the TCEQ:

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

TEXAS OPEN MEETINGS ACT TRAINING

Mr. Seale next reviewed a memorandum detailing Texas Open Meetings Act Training requirements and stated Director Townsend must receive the training within 90 days and provide a certificate of completion to ABHR for the District's permanent records.

CONFLICT OF INTEREST REQUIREMENTS

Mr. Seale next reviewed a memorandum regarding conflicts of interest disclosure requirements. He encouraged the Directors to contact him should they ever have a question regarding a potential conflict.

CONTRACT FOR ELECTRICITY

Ms. DuBois stated the District's contract with the Texas General Land Office expires in October 2020. She recommended the Board consider entering into a contract which would begin when the current contract expires. Ms. DuBois then reviewed rates. After review and discussion, Director Ellis moved to enter into a new contract with Hudson for a 60-month period to begin when the current contract expires so long as the price does not exceed \$0.05 per kilowatt hour. Director Smith seconded the motion, which carried unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Patterson reviewed the tax assessor/collector's report, a copy of which is attached. He reported that the District's 2017 taxes are 99.40% collected. Following review and discussion, Director Ellis moved to approve the tax report and payment of

the tax bills. Director Smith seconded the motion, which was approved by unanimous vote.

2018 TAX RATE

The Board next opened a public hearing regarding the proposed 2018 tax rate. Since no one from the public was present who wished to address the Board regarding this matter, the public hearing was closed. Mr. Seale reviewed the Order Levying Taxes and an Amendment to Information Form reflecting a tax of \$0.20 per \$100 assessed valuation for maintenance and operation expenses and \$0.19 per \$100 assessed valuation for debt service, for a total tax of \$0.39 per \$100 assessed valuation. After review and discussion, Director Ellis moved to adopt the Order Levying Taxes and approve the Amendment to Information Form. Director Smith seconded the motion, which passed by unanimous vote.

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. Ms. Montalbano recommended additional certificates of deposit and staggering the maturity dates. Director Smith then moved to approve the bookkeeper's report, including payment of the bills. Director Townsend seconded the motion. All Directors voted in favor of the motion, thus the motion carried.

SECURITY REPORT

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

PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Mr. Terry reviewed the monthly park maintenance report and irrigation report. After review and discussion, Director Glickman moved to approve the report and the action items. Director Ellis seconded the motion, which carried unanimously.

REPORT FROM FOUR AND ONE

Ms. Klein stated the security building is currently being advertised for bids. After discussion, Director Kaplan moved to approve the report and the action item. Director Smith seconded the motion, which carried unanimously. Director Glickman updated the Board regarding District park matters.

ENGINEER'S REPORT

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

Mr. Reed updated the Board regarding the line relocations for the security building.

Mr. Reed stated the water plant control panel and generator replacement and water plant recoating projects will be advertised for bids later in the month.

After discussion, Director Smith moved to approve the engineer's report and the action items. Director Townsend seconded the motion, which carried unanimously.

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 99% and stated there were no excursions at the wastewater treatment plant. Director Ellis moved to approve the report and the action items. Director Townsend seconded the motion, which passed by unanimous vote.

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

The Board next considered termination of utility service to delinquent accounts. Mr. Self reported that the customers on the termination list were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. Director Ellis moved that, since the customers on the list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the Rate Order. Director Townsend 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. The Board considered approving a Right of Entry Agreement for the West Harris County Regional Water Authority. After discussion, Director Ellis moved to authorize execution. Director Townsend seconded the motion, which carried unanimously.

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 Kaplan stated several issues have been corrected.

COMMUNITY OUTREACH FOR DISTRICT PARK FACILITIES

Director Glickman stated a Nottingham Country resident is willing to help with community outreach and the development of a public relations plan for programming the park. He stated a proposal will be presented for the Board's consideration next month.

MEETING SCHEDULE

The Board concurred to hold the November 13, 2018, regular meeting at the offices of ABHR.

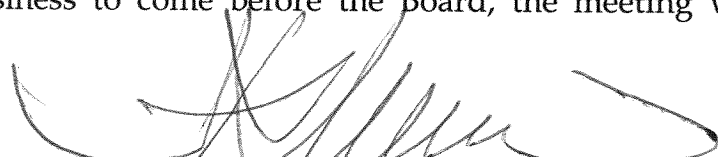
EXECUTIVE SESSION

This item was not necessary.

CODE OF ETHICS AND TRAVEL REIMBURSEMENT GUIDELINES

Mr. Seale and Ms. Hopper reviewed the District's Code of Ethics and Travel Reimbursement Guidelines and responded to Board members' questions regarding the same.

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 November 13, 2018, regular meeting at the offices of Allen Boone Humphries Robinson LLP.

LIST OF ATTACHMENTS TO MINUTES

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