

MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

November 13, 2018

The Board of Directors (the "Board") of Interstate Municipal Utility District (the "District") met in regular session, open to the public, on the 13th of November, 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:

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

and all of the above were present, except Directors Townsend and Smith, thus constituting a quorum.

Also present at the meeting were Tracey Timpanaro; Tara Klein of Four and One; Kerry Crellin; James Terry and Rebecca James of Terry's Landscape LLC; David Patterson of Assessments of the Southwest; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Fran Matuska 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.

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 2018 taxes are 0% collected. Following review and discussion, Director Ellis moved to approve the tax report and payment of the tax bills. Director Kaplan seconded the motion, which was approved by unanimous vote.

BOOKKEEPER'S REPORT AND APPROVE PAYMENT OF BILLS

Ms. Matuska distributed the bookkeeper's report, including a list of checks presented for payment, and the investment report, copies of which are attached. Director Kaplan then moved to approve the bookkeeper's report, including payment of

the bills. Director Glickman seconded the motion. All Directors voted in favor of the motion, thus the motion carried.

ANNUAL CONTINUING DISCLOSURE REPORT

Mr. Seale reviewed the Annual Continuing Disclosure Report. He stated the report must be filed by the end of the month. After review and discussion, Director Ellis moved to approve the report. Director Kaplan seconded the motion, which carried unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Seale stated that no changes are required at this time.

SECURITY REPORT

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

PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Mr. Terry introduced Ms. James and 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 Kaplan seconded the motion, which carried unanimously.

REPORT FROM FOUR AND ONE

Ms. Klein reviewed the bid tabulation for the security building. She stated four bids were received, and initially Johnson Fence appeared to be the low bidder; however, upon review of the bid, it was discovered that several items in the bid package were missing. She stated after this revelation, Johnson Fence rescinded its bid. Ms. Klein then recommended award of the contract to the lowest responsible bidder, Millis Development and Construction, in the initial contract amount of \$209,613.00. The Board concurred that, in its judgment, Millis Development and Construction was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, Director Glickman moved to award the contract for construction of security building to Millis Development and Construction, based upon Ms. Klein's recommendation. Director Ellis seconded the motion, which passed by unanimous vote.

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 and grading for the security building.

Mr. Reed reviewed the bid tabulation for the Water Plant Control Panel and Generator Replacement and recommended award of the project to the lowest responsible bidder, McDonald Municipal and Industrial, in the initial contract amount of \$329,469.00. The Board concurred that, in its judgment, McDonald Municipal and Industrial was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Reed stated the Water Plant and Remote Well Coating Project was advertised for bids, and while five potential bidders picked up plans and specifications, no bids were received. He stated the project will be rebid, and the bid opening is scheduled for December 4, 2018. The Board reviewed and approved the logo to be painted on the elevated storage tank with the gray palette. A sample of the logo is attached to the engineer's report.

Mr. Reed reviewed an estimate from Preventive Services, LP to perform periodic inspections during the Water Plant and Remote Well Coating Project for an estimated fee of \$30,600.00.

After discussion, Director Ellis moved to approve the engineer's report, the Preventive Services, LP estimate, and based upon Mr. Reed's recommendation, award the contract for the Water Plant Control Panel and Generator Replacement to McDonald Municipal and Industrial. Director Glickman 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 95.8% and stated there were no excursions at the wastewater treatment plant. Mr. Self reviewed and estimate to repair/replace the Booster Pump 3 motor for an estimated cost of \$5,722.00. The Board concurred to replace the motor rather than repair it. Director Ellis moved to approve the report, the estimate to replace the Booster Pump 3 motor, and the action items. Director Glickman seconded the motion, which passed by unanimous vote.

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

The Board discussed the arrears accounts. After discussion, the Board concurred to write off the El Tiempo account as uncollectible, since the building burned down. 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 Glickman seconded the motion, which carried unanimously.

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

The Board discussed the WHCRWA. After discussion, the Board concurred to add a link to the West Harris County Regional Water Authority video to the District's website.

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

Ms. Timpanaro introduced herself to the Board and reviewed her experience and a proposal for her services. After review and discussion, Director Kaplan moved to approve the proposal and authorize ABHR to prepare a Service Agreement. Director Ellis seconded the motion, which carried unanimously.

MEETING SCHEDULE

The Board concurred to hold the December 11, 2018, regular meeting in the District.

EXECUTIVE SESSION

At 1:15 p.m., the Board convened in Executive Session.

OPEN SESSION

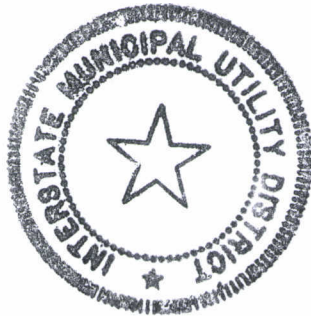
At 1:34 p.m., the Board reconvened in Open Session. Director Ellis moved to authorize Director Glickman to proceed with an offer to CrossPoint Church. Director Glickman seconded the motion, which carried unanimously.

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 December 11, 2018, regular meeting in the District.

LIST OF ATTACHMENTS TO MINUTES

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