

MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

April 9, 2019

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 April, 2019, at the regular meeting place 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
Chris Townsend	Assistant Secretary/Treasurer

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

Also present at the meeting were David Wood of Robert W. Baird; Tara Klein of Four and One; Kerry Crellin; James Terry and Katie Leatherwood 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 Townsend 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. Mr. Patterson reviewed two requests for waiver of penalty and interest. After review and discussion, the Board concurred to defer action pending receipt of additional information from Mr. Patterson. Mr. Patterson reported that the District's 2018 taxes are 98.0% collected. Following review and discussion, Director Kaplan moved to approve the tax report and payment of the tax bills. Director Townsend seconded the motion, which was approved 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 the Board authorize the purchase of a certificate of deposit from Pioneer Bank in the amount of \$230,000.00 to achieve a better interest rate and to diversify the District's portfolio. Director Townsend then moved to approve the bookkeeper's report, including payment of the bills and the purchase of a certificate of deposit from Pioneer Bank. Director Ellis seconded the motion. All Directors voted in favor of the motion, thus the motion carried.

REFUNDING BOND MATTERS

Mr. Wood stated there is an opportunity to issue refunding bonds which will result in savings to the District. Mr. Wood recommended the Board designate Raymond James as the underwriter. After discussion, Director Kaplan moved to designate Raymond James as the underwriter for the proposed issue, authorize preparation of the Preliminary Official Statement, engage Standard and Poor's to perform a credit rating analysis, authorize the purchase of bond insurance, and authorize the tax assessor/collector to request a certificate of assessed value as of January 1, 2018 from the Harris County Appraisal District. Director Glickman seconded the motion, which carried unanimously.

SECURITY REPORT

Mr. Crellin discussed security matters.

PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Mr. Terry and Ms. Leatherwood reviewed the monthly park maintenance report and irrigation report, a copy of which is attached. Mr. Terry recommended the Board authorize sodding of the flower beds on lower banks of the detention pond. The Board concurred with the recommendation and requested pictures for the District's website. Mr. Terry recommended deep root fertilization for trees. The Board concurred with the recommendation. After review and discussion, Director Townsend moved to approve the report and the action items, including the task orders. Director Kaplan seconded the motion, which carried unanimously.

REPORT FROM FOUR AND ONE

Ms. Klein reviewed the invoice for the parking lot repairs. Ms. Klein updated the Board regarding the status of the security building. Director Ellis moved to approve the report. Director Kaplan seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Reed reviewed the engineer's report, a copy of which is attached. Mr. Reed first updated the Board regarding capacity reservations and stated no action was necessary.

Mr. Reed stated LJA has reviewed the videos produced from the sanitary sewer televising and will present a report to the Board regarding recommended repairs and maintenance.

Mr. Reed updated the Board regarding the line relocations. He stated CenterPoint, AT&T, and Comcast are complete.

Mr. Reed updated the Board regarding the Water Plant Control Panel and Generator Replacement and stated the generator has been ordered and should be installed next week.

Mr. Reed stated his office is coordinating the plant shutdown for the recoating projects.

Mr. Reed updated the Board regarding the Water Plant and Remote Well Coating Project and stated work should begin April 22, 2019.

After discussion, Director Kaplan moved to approve the engineer's report. Director Ellis seconded the motion, which carried unanimously.

Mr. Seale stated Castlewood Municipal Utility District plans to clear and repair its channel north of Rick Rice Park so that it can be turned over to Harris County Flood Control District for maintenance. He stated he will keep the Board apprised of the status.

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 92.9% and stated there were no excursions at the wastewater treatment plant.

Mr. Self stated Kingston Villas requested a credit of \$6,318.00 due to the leak they previously reported and repaired. After discussion, the Board concurred to deny the request.

Mr. Self reviewed a list of accounts to be sent to collections.

Director Townsend moved to approve the report. Director Kaplan seconded the motion, which passed by unanimous vote.

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

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 Townsend 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 Kaplan seconded the motion, which carried unanimously.

DROUGHT CONTINGENCY PLAN

Mr. Seale stated the District must review its Drought Contingency Plan every five years and determine if any changes are necessary. The Board conducted its five-year review of the Drought Contingency Plan and concurred no changes were necessary. Mr. Seale reviewed an Order Adopting Restated Drought Contingency Plan making no revisions to the current Plan. After discussion, Director Townsend moved to adopt the Order Adopting Restated Drought Contingency Plan as presented. Director Kaplan seconded the motion, which carried unanimously.

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

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

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

Mr. Self updated the Board regarding committee matters.

KATY AREA ECONOMIC DEVELOPMENT COUNCIL MATTERS

Director Ellis updated the Board regarding Council matters.

WEBSITE

Director Kaplan updated the Board and stated pictures will be updated soon.

COMMUNITY OUTREACH MATTERS

Director Glickman updated the Board regarding community outreach matters. He stated no action was necessary.

AGREEMENT WITH HARRIS COUNTY

Mr. Seale stated Harris County has agreed to enter into an Interlocal Agreement with the District and Mason Creek Utility District. He stated the aggregate amount of the districts' share of the project is approximately \$50,000. After discussion, Director Ellis moved to authorize execution of the Interlocal Agreement, subject to attorney review. Director Glickman seconded the motion, which carried unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD")

Director Ellis stated he interested in running for a position on the Board of Trustees of AWBD and requested the Board to consider nominating him to run. After discussion, Director Townsend moved to adopt a Resolution Nominating Director Ellis to run for the AWBD Board of Trustees. Director Glickman seconded the motion, which carried unanimously.

DIRECTOR ATTENDANCE MATTERS

The Board discussed meeting requirements. Mr. Seale reminded the Board that Directors who miss six or more regular meetings in a twelve-month period can be removed by resolution of the remaining Directors.

MEETING SCHEDULE

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

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE

At 12:40 p.m., the Board convened in Executive Session to deliberate the purchase, exchange, lease, or value of real property.

OPEN SESSION

At 12:45 p.m., the Board reconvened in Open Session. No action was taken.

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

(SEAL)




Secretary, Board of Directors

ACTION LIST

1. The Board will hold the May 14, 2019 meeting at the offices of ABHR.

LIST OF ATTACHMENTS TO MINUTES

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