

MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

June 11, 2019

The Board of Directors (the "Board") of Interstate Municipal Utility District (the "District") met in regular session, open to the public, on the 11th of June, 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 Carl Sandin of Perdue, Brandon, Fielder, Collins & Mott, LLP; Kerry Crellin; Mark McGrath of McGrath & Co., PLLC ("McGrath"); James Terry of Terry's Landscape LLC; Brittini Silva of Assessments of the Southwest; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Tara Klein of Four and One, LLC ("Four and One"); 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 Glickman seconded the motion, which carried unanimously.

RESULTS OF UNLIMITED TAX PARK REFUNDING BONDS, SERIES 2019

Mr. Seale reviewed the pricing results of the District's Unlimited Tax Park Refunding Bonds, Series 2019. Ms. Hopper presented the closing documents for execution.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Silva reviewed the tax assessor/collector's report, a copy of which is attached. Ms. Silva reported that the District's 2018 taxes are 98.82% collected.

Mr. Sandin reviewed the delinquent tax report, a copy of which is attached.

Mr. Bonnerjee reviewed the quarterly sales tax report, a copy of which will be kept in the District's permanent records.

Following review and discussion, Director Ellis moved to approve the tax report, payment of the tax bills, the delinquent tax report, writing off the personal accounts recommended by the delinquent tax attorney, and to approve the sales tax report. Director Kaplan seconded the motion, which was approved by unanimous vote.

AUDIT FOR FISCAL YEAR ENDED MAY 31, 2019

Mr. McGrath reviewed McGrath's proposal to conduct the audit for the fiscal year ended May 31, 2019, for an estimated fee of \$15,000. After review and discussion, Director Ellis moved to authorize McGrath to conduct the audit. Director Kaplan seconded the motion, which carried unanimously.

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. Director Glickman 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.

SECURITY REPORT

Mr. Crellin discussed security matters. A copy of the security report will be attached to the executed minutes. Director Townsend moved to approve the report. Director Kaplan seconded the motion, which passed unanimously.

PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Mr. Terry reviewed the monthly park maintenance report and irrigation report, a copy of which is attached. After review and discussion, Director Ellis moved to approve the report. Director Glickman seconded the motion, which carried unanimously.

REPORT FROM FOUR AND ONE

Ms. Klein reviewed the report from Four and One, a copy of which is attached. Discussion ensued regarding the maintenance building. Mr. Seale stated the District has surplus funds in its park construction account which could be used to pay for the construction of the building with the approval of the Texas Commission on Environmental Quality. He recommended authorizing a surplus funds application and to adopt a Resolution Expressing Intent to Reimburse for payments made from the operating account prior to Commission approval. After discussion, Director Ellis moved to authorize preparation of a surplus funds application and adopt a Resolution

Expressing Intent to Reimburse. Director Kaplan seconded the motion, which carried unanimously.

Ms. Klein recommended approval of Pay Estimate No. 1 in the amount of \$29,145.58, payable to Millis Development and Construction. After review and discussion, Director Ellis moved to approve the pay estimate as recommended. Director Kaplan seconded the motion, which carried unanimously. The Board concurred to hold a special meeting in the fall to dedicate the building.

ENGINEER'S REPORT

Mr. Reed reviewed the engineer's report, a copy of which is attached. Mr. Reed stated LJA is preparing the five-year maintenance plan for presentation at the July, 2019, meeting.

Mr. Reed updated the Board regarding the line relocations. He stated Alcott has completed work, and LJA will recommend accepting the project and releasing retainage soon.

Mr. Reed updated the Board regarding the Water Plant Control Panel and Generator Replacement and stated the generator has been installed, and the old generator has been removed. He stated the water plant should be back online in late June.

Mr. Reed updated the Board regarding the recoating projects. He stated painting of the ground storage and hydropneumatic tanks is underway.

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

AMENDMENT TO ENGINEERING CONTRACT

This item was tabled.

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 97% and stated there were no excursions at the wastewater treatment plant.

Mr. Self stated Inframark is working with the insurance company regarding the altitude valve on the elevated storage tank which caused a malfunction. He stated the District is still on interconnect.

Director Townsend moved to approve the report. Director Ellis 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 Ellis 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

Director Ellis 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 the beta version of the website will be available by the end of the week.

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 there was no update on this matter.

MEETING SCHEDULE

The Board concurred to hold the July 9, 2019, regular meeting at the offices of ABHR.

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE

At 12:42 p.m., the Board convened in Executive Session to deliberate the purchase, exchange, lease, or value of real property.

OPEN SESSION

At 12:52 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.



Secretary, Board of Directors

(SEAL)



ACTION LIST

1. The Board will hold the July 9, 2019, meeting at the offices of ABHR.

LIST OF ATTACHMENTS TO MINUTES

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