MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

July 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 July, 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 Kerry Crellin; Katie Leatherwood of Terry's Landscape LLC; Brittni 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"); David Walker of Inframark Water & Infrastructure Services ("Inframark"); Jan Bartholomew of Robert W. Baird; 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. Ms. Silva reported that the District's 2018 taxes are 99.02% 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. Montalbano distributed the bookkeeper's report, including a list of checks presented for payment, and the investment report, copies of which are attached. Director Townsend 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. Bartholomew reviewed with the Board the refunding results of the District's $3,255,000 Unlimited Tax Park Refunding Bonds, Series 2019.

SECURITY REPORT

Mr. Crellin discussed security matters. Discussion ensued regarding garbage and debris under a bridge over Mason Creek. The Board requested Mr. Crellin to contact Harris County when the debris becomes unsightly. Director Townsend moved to approve the report. Director Kaplan seconded the motion, which passed unanimously.

PARK, LAKE, AND TRAIL MAINTENANCE REPORT

Ms. Leatherwood 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. Ms. Klein updated the Board regarding the maintenance building and recommended approval of Change Order No. 1 in the amount of $17,221.25. The Board determined that the change order is beneficial to the District. Ms. Klein next recommended approval of Pay Estimate No. 2 in the amount of $66,265.55, payable to Millis Development and Construction. After review and discussion, Director Glickman moved to approve the report, the change order, and the pay estimate. 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 stated LJA is preparing the five-year maintenance plan for presentation at a future meeting.

Mr. Reed updated the Board regarding the overhead line relocations. He recommended approval of Pay Estimate No. 3 and Final in the amount of $1,535.40, payable to Alcott, and acceptance of the project.

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 soon.

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

After discussion, Director Glickman moved to approve the engineer's report, approve Pay Estimate No. 3 and Final to Alcott, and authorize final acceptance of the overhead line relocation project. Director Kaplan seconded the motion, which carried unanimously.

AMENDMENT TO ENGINEERING CONTRACT

This item was tabled.

OPERATOR'S REPORT

Mr. Walker reviewed with the Board the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 96.5% and stated there were no excursions at the wastewater treatment plant.

Mr. Walker stated a request for a credit was received by Provincial Apartments due to the malfunction of the high altitude value and recommended providing a credit equal to the difference between the last six months of average usage and the amount used after the valve malfunction. The Board concurred with Mr. Walker's recommendation.

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

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

Mr. Walker 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 Glickman 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. Discussion ensued regarding big rig trucks continuing to park along Provincial. Director Ellis stated he would reach out to the Emergency Services District and recommend they contact Harris County.

MEETING SCHEDULE

The Board concurred to hold the August 13, 2019, regular meeting at the offices of ABHR.

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE

At 12:58 p.m., the Board convened in Executive Session to deliberate the purchase, exchange, lease, or value of real property.

OPEN SESSION

At 1:19 p.m., the Board reconvened in Open Session. No action was taken.

REMOVAL OF DIRECTOR FROM OFFICE PURSUANT TO SECTION 49.052(g), TEXAS WATER CODE

Ms. Hopper stated that Director Smith has missed nine of the twelve regularly-scheduled meetings during the past year. Mr. Seale stated the Texas Water Code

provides that the remaining Directors, by unanimous vote, may remove a director if they miss more than one-half of the regularly scheduled meetings in a one-year period. After discussion, Director Kaplan moved to adopt a Resolution removing Director Smith from office due to missing more than one-half of the regularly-scheduled meetings in a one year period and to provide a copy of the Resolution to him. Director Ellis seconded the motion, which carried unanimously.

RESIGNATION OF DIRECTOR TOWNSEND

Director Townsend requested that the Board accept his resignation. After discussion, Director Kaplan moved to accept his resignation. Director Glickman seconded the motion, which carried unanimously. The Board expressed its gratitude for Mr. Townsend's service to the District.

LEGISLATIVE UPATE

Mr. Seale reviewed a summary of the 86th Regular Session of the Texas Legislature. He encouraged to the Board to contact him if they had any questions.

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

Secretary, Board of Directors

(SEAL)

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ACTION LIST

1. The Board will hold the August 13, 2019, meeting at the offices of ABHR.

LIST OF ATTACHMENTS TO MINUTES

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