

MINUTES
INTERSTATE MUNICIPAL UTILITY DISTRICT

September 10, 2019

The Board of Directors (the "Board") of Interstate Municipal Utility District (the "District") met in regular session, open to the public, on the 10th of September, 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
Michelle Shen	Assistant Vice President
Vacant	Assistant Secretary

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

Also present at the meeting were James Kennedy; Mark McGrath of McGrath & Co. PLLC; Jan Bartholomew of Robert W. Baird; Kerry Crellin; James Terry and Tracy Mitchell 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 and Chris Townsend 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 Shen moved to approve the minutes. Director Ellis seconded the motion, which carried unanimously.

APPOINTMENT OF NEW DIRECTOR

This item was tabled.

AUDIT FOR FISCAL YEAR ENDED MAY 31, 2019

Mr. McGrath reviewed the audit for the fiscal year ended May 31, 2019. After review and discussion, and upon a motion by Director Kaplan and a second by Director Glickman, the Board voted to approve the audit and filing of same with all required entities.

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 98.66% collected.

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

Following review and discussion, Director Kaplan moved to approve the tax report, payment of the tax bills, and the quarterly sales tax report. Director Glickman seconded the motion, which was approved by unanimous vote.

2019 TAX RATE

Ms. Bartholomew reviewed Baird's 2019 tax rate recommendation of \$0.39 per \$100 assessed valuation comprised of \$0.24 for maintenance and operations and \$0.15 for debt service requirements. After review and discussion, Director Glickman moved to approve the tax recommendation, schedule a public hearing for October 8, 2019, at 11:30 a.m., at the offices of ABHR, and authorize publication of a notice regarding the public hearing in the Katy Times. Director Shen 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. She also recommended amending the budget to reflect the proposed 2019 maintenance and operations tax rate. Director Kaplan then moved to approve the bookkeeper's report, including payment of the bills and amendment of the budget as discussed. Director Shen 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 Glickman moved to approve the report. Director Shen 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. Mr. Terry reviewed a proposal from Bartlett Tress to remove and trim trees for a cost of \$1,600.67.

Mr. Terry reviewed a task order for landscaping at the security building.

After review and discussion, Director Ellis moved to approve the report, the proposal, and the task order. 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.

Ms. Klein recommended approval of Pay Estimate No. 4 in the amount of \$47,444.51, payable to Millis Development and Construction. She stated retainage in the amount of \$23,711.55 is being held until punch list items are completed.

Ms. Klein reviewed a proposal from Environmental Design, Inc. for tree plantings at Rick Rice Park for a cost of \$16,850.00.

After review and discussion, Director Glickman moved to approve the report, pay estimate, and proposal. The motion was seconded by Director Ellis and 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.

Mr. Reed updated the Board regarding the Water Plant Control Panel and Generator Replacement and stated that the electrical work is complete and final testing is scheduled for September 20.

Mr. Reed updated the Board regarding the recoating projects. He stated that the project is 98% complete and final testing is scheduled for September 20.

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

UPDATE ON PARK SURPLUS FUNDS APPLICATION

Mr. Reed updated the Board on the status of the park surplus funds application.

AMENDMENT TO ENGINEERING CONTRACT

This item was tabled.

OPERATOR'S REPORT

Mr. Townsend reviewed with the Board the operator's report, a copy of which is attached. He reported that water accountability for the previous month was 380.8%. He stated the abnormality in accountability is due to a meter problem for water received through the interconnect. He stated Inframark is working with West Memorial Municipal Utility District to determine if the meter should be repaired or replaced. The Board concurred to move forward with a new meter if West Memorial Municipal Utility District concurs, contingent upon Director Ellis' consent.

Mr. Townsend stated there was one excursion at the wastewater treatment plant which has been reported and corrected.

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

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

Mr. Townsend 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 Shen 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 website is up and running.

COMMUNITY OUTREACH MATTERS

Director Kaplan updated the Board regarding community outreach matters.

AGREEMENT WITH HARRIS COUNTY

Mr. Seale stated there was no update on this matter.

MEETING SCHEDULE

The Board concurred to hold the October 8, 2019, regular meeting at the offices of ABHR.

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE

This item was tabled.

OPEN SESSION

This item was not necessary.

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



Secretary, Board of Directors

(SEAL)

