

MINUTES OF MEETING
EAST PLANTATION UTILITY DISTRICT
FEBRUARY 20, 2019

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §
EAST PLANTATION UTILITY DISTRICT §

The Board of Directors (the “Board”) of East Plantation Utility District (the “District”) noticed a regular session, open to the public, to be held on Wednesday, February 20, 2019, at 3:30 p.m., at 447 Cumberland Trail, Conroe Texas, a designated meeting place of the District. Whereupon, at 3:30 p.m. the meeting was called to order and the roll was called of the members of the Board of Directors, to-wit:

William B. Knapp	-	President
C. Marshall Loosier, Jr.	-	Vice President
Eugene C. Arnold, Jr.	-	Secretary
W. Preston Humphreys	-	Assistant Secretary
Roger Bartel	-	Treasurer

At the time the meeting was called to order, all members of the Board of Directors were present, thus constituting a quorum. Copies of the meeting notices are attached hereto.

Also present at the meeting were Julie Williams of Rathmann & Associates (“Rathmann”), Financial Advisors for the District; and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SK Law”), Attorneys for the District.

HEAR FROM PUBLIC

The Board noted that no public was present.

MINUTES OF MEETING OF JANUARY 16, 2019

The Board reviewed the minutes from the meeting of January 16, 2019, previously distributed to the Board.

Upon motion duly made and seconded, and after full discussion, the Board unanimously approved the minutes of the meeting of January 16, 2019, as presented.

FINANCIAL ADVISOR'S REPORT

The Board recognized Ms. Williams, who reviewed with the Board an analysis for the redemption of the District's 2032 maturity of its Series 2005 Bonds, noting that if the District paid the 2032 maturity on April 1, 2019, the District would save approximately \$119,000.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to (1) redeem the \$185,000 2032 maturity of its Series 2005 Bonds on April 1, 2019, at a total cost of \$185,740; and (2) approve the Resolution Authorizing Redemption of Bonds.

RIVER PLANTATION MUD REPORT

The Board recognized Director Loosier, who presented to and reviewed with the Board the River Plantation Municipal Utility District Report for the month of January 2019. A copy of the Report is on file in the official records of the District.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the River Plantation MUD Report.

OPERATOR'S REPORT

District Facilities and Operations

The Board recognized Director Humphreys, who noted that Mr. Gallegos was not able to prepare a report for this meeting, as he was currently working on repairing a major water leak on Angelina Court. Director Humphreys advised that 11 homes were affected by the leak and were under a "boil water" notice until the repairs are complete and the water has been tested. Director Humphreys also advised that cases of water had been delivered to the affected residents.

Director Humphreys next reported that there had been a sewer issue on Oakland Lane. Jetman Services was engaged to determine the cause of the sewer issue, with the costs being shared 50/50 between the District and the resident.

BOOKKEEPER'S REPORT

The Board recognized Director Humphreys, who presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report for the January 2019, and the request for payment of checks.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Bookkeeper's Report, Investment Report, payment of checks presented, and the proposed budget for fiscal year ending December 31, 2019.

TAX ASSESSOR'S REPORT

The Board recognized Director Humphreys, who presented to and reviewed with the Board the Tax Report.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Tax Report.

DELINQUENT TAX ATTORNEY'S REPORT

No report was offered.

ATTORNEY'S REPORT

Resolution Regarding Tax Exemptions for 2018

Consideration was then given to a proposed Resolution Concerning Tax Exemptions for 2019.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously not to grant any tax exemptions for 2019, and to approve the Resolution evidencing such decision. A copy of said Resolution is on file in the official records of the District.

Resolution Implementing 20% Penalty on 2018 Delinquent Taxes

Consideration was then given to a proposed Resolution Implementing 20% Penalty on 2018 Delinquent Taxes.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to authorize a 20% penalty on 2018 real property taxes which are delinquent on July 1, 2019, and thereafter, and a 20% penalty on 2018 personal property taxes which are delinquent on April 1, 2019, and thereafter, and

to approve the Resolution evidencing the same. A copy of said Resolution is on file in the official records of the District.

GENERAL MANAGER REPORT

The Board recognized Director Humphreys, who updated the Board as follows:

1. An agreement between EPUD and RPMUD has been drafted, which, when finalized, will replace the current Tri-Party Agreement. The Agreement will be reviewed by the attorney for RPMUD and will be presented to the Board for approval.
2. Regarding the litigation with Mr. Blackburn and his entities, an informal settlement offer was made by Mr. Blackburn, whereby, the groundwater credits would be conveyed to EPUD and RPMUD, with all parties paying their own attorneys' fees and costs.
3. Lonestar Groundwater Conservation District and the City of Conroe approved a Compromise and Settlement Agreement in the lawsuit filed by the City of Conroe, which had been filed to contest the validity of the Conservation District's groundwater reduction provisions. As a part of the Settlement, the Conservation District will adopt a new Management Plan. A public hearing on the proposed Management Plan will be held on March 12, 2019. Director Humphreys proposed that Ms. Daniels attend the public hearing and report back to the Board at its next meeting. Director Humphreys also proposed that,

each month, Ms. Daniels review the Minutes of the Conservation District meetings and provide a recap to the Board.

Upon motion duly made and seconded, and after full discussion the Board voted unanimously to (1) approve the proposed settlement of the Blackburn lawsuit; (2) authorize Ms. Daniels to attend the Lonestar Groundwater Conservation District public hearing on March 12, 2019, and report to the Board; and (3) authorize Ms. Daniels to review the Minutes and prepare a summary of the Lonestar Groundwater Conservation District meetings for the Board.

DIRECTOR COMMENTS

No comments were offered.

ADJOURNMENT

There being no further business to come before the Board, upon motion made, seconded, and approved unanimously, the meeting was adjourned.

PASSED, APPROVED, AND ADOPTED, this 20th day of March, 2019.


Secretary, Board of Directors

(DISTRICT SEAL)