

CORNERSTONES MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
July 20, 2015

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on July 20, 2015 in accordance with the duly posted meeting notice. A quorum of Directors was present as follows:

Director Members Present:

1. Morgan Stagg, President
2. Michael D. Chittwood, Vice President
3. Stephen A. Talecki, Asst. Vice President
4. Bradley D. Holmes, Asst. Secretary

Board Members Absent:

Jennifer J. Goodwin, Secretary

District Residents:

Others Present:

Also present were Patty Rodriquez of Bob Leared Interests; Whitney Aelmore of Si Environmental, LLC; Dennis Hughes of Landev Engineers, Inc.; Terry Holland of Myrtle Cruz, Inc.; Mark W. Brooks of Young & Brooks; and Virginia Lester, Recording Secretary.

The meeting was called to order at 6:30 p.m. and declared open for such business as might come before the Board.

1. **Approval of Minutes:**

Upon motion duly made, seconded, and unanimously carried, the minutes of the June 15, 2015 meeting were approved.

2. **Questions/Comments from the Public:**

N/A

3. **Water Logic status report:**

The report was rescheduled for the August meeting.

4. **Consider Consultants Reports (as needed):**

a) **Tax Assessor-Collector**

Patty Rodriquez of Bob Leared Interests, the District's Assessor/Collector, reported on the status of the District's tax collections. Ms. Rodriquez reported that the District is 98.830% collected for 2014 and responded to questions from the Board.

After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the Tax Assessor's monthly report and the paying of bills.

b) Financial Advisor:

N/A

c) Operator Report:

[i. Monthly Report, ii. Authorize Repairs, iii. Conduct hearing on termination of water and sewer service.]

Whitney Aelmore of Si Environmental, LLC, the District's Operators, reported to the Board regarding District operations and facilities. Ms. Aelmore reviewed her written report with the Board and responded to questions.

Ms. Aelmore provided a list of the 25 meter locations where meters were replaced during the month.

Ms. Aelmore stated that the second booster pump has been installed. After discussion upon motion duly made, seconded and unanimously carried, the Board approved the removal and replacement of booster pump No. 5 due to possible failure. The last booster pump repair will be scheduled in the fall.

The Board conducted a hearing on the possible termination of utility services for delinquent accounts. Ms. Aelmore presented a list of utility accounts that are delinquent by more than 60 days. She reported that the listed customers were given written notice 10 days prior to this meeting, and that they had been provided an opportunity to appear before the Board to explain, contest or correct the utility service bill and to show why the utility service should not be terminated for nonpayment. None of the customers on the list were present and none have presented any statement on the matter.

After discussion, upon motion being duly made, seconded and unanimously carried, the Board approved the Operator's report, and authorized the processing of the delinquent accounts in the usual and customary manner.

d) Engineer's Report:

Dennis Hughes of Landev Engineers, Inc., the District's Engineers, presented the Engineer's Report. Mr. Hughes reported on the status of pending District projects and responded to questions:

Mr. Hughes reported that the replacement of ground storage tank no. 2 is complete, is now on line and has been tested. The final payment will be submitted next month.

Landev Engineering has received the final report on the TVing of the sanitary sewer lines. No major issues were identified. The Board requested that the engineer review the report, prioritize required maintenance items, submit estimated cost of repairs, prepare a recommended time line and present an updated report at the August meeting.

Mr. Hughes reported he had talked with North Ft. Bend Water Authority regarding surface water. The first possible availability of surface water to the District is between 2020 and 2024. The surface water will not provide for all of the District's needs. The issue is that there will not be enough water and many districts may use greater than the estimated 20%. The water will be supplied through supply lines. There is no planned installation of inter-connects for the distribution of the water.

Upon motion duly made, seconded, and unanimously carried, the Board approved the Engineer's Report.

e) Bookkeeper's Report:

Terry Holland of Myrtle Cruz, Inc., the District's bookkeeper, presented the District's monthly report. The report included a list of bills for the approval of payment and a copy is attached.

After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the Bookkeeper's Report, authorized payment of the bills, and ordered checks to be issued on the appropriate District accounts in payment thereof.

5. Authorize any necessary actions in connection with District website:

The aerial map is installed on the website. Mr. Holmes reported that new software is required to allow the website to format information to make it available to all users who are using different devices. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the purchase of software in the amount of \$500.00 to update the website.

6. Authorize any necessary actions in connection with greenbelt tracts:

After discussion, upon motion duly made, seconded and unanimously carried, the Board requested our engineers review of the proposed sidewalk contract to ensure all permits and required approvals have been met.

7. Cinco Regional Operating Committee report:

The C.R.O. Report for July, 2015 was reviewed. The Board also reviewed and discussed the proposed Reclaimed Water Agreement. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved moving forward with the proposed Reclaimed Water Agreement; however, the Board requested the opportunity to review the exhibits and review the contract language prior to the final Agreement.

8. Pending Business:

N/A

There being no further business to come before the Board, the meeting was adjourned at 8:15 p.m.

Secretary

Attachment: Bookkeeper's Report