

CORNERSTONES MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 16, 2015

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on November 16, 2015 in accordance with the duly posted meeting notice. A quorum of Directors was present as follows:

Board Members Present:

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

Board Members Absent:

None

District Residents Present:

N/A

Others Present:

Also present were Patty Rodriguez 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 October 19, 2015 meeting were approved.

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

N/A

3. **Amend district water and sewer rate order:**

After discussion, upon motion duly made, seconded, and unanimously carried, the district water and sewer rate order was approved consistent with the revised rates from the new Texas Pride contract for trash collection.

4. Consider Consultants Reports (as needed):

a) Tax Assessor-Collector:

Patty Rodriguez of Bob Leared Interests, the District's Assessor/Collector, reported on the status of the District's tax collections. Ms. Rodriguez reported that the District is 99.29% 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 past month.

Ms. Aelmore also stated that work is in progress on the last booster pump.

She informed the Board that winterization of the plant is in progress.

The Board discussed prioritization of the meter replacement program. First step is to replace the 22 ¾" meters with readings of over one (1) million gallons, then switch to the 1" meters.

Ms. Aelmore informed the Board that a main line repair was completed in the Estates of Chesterfield at Chesterwick and Brookchester.

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 advised the Board on the status of pending District projects and responded to questions:

He also informed the Board that the work on Phase One of the sanitary sewer rehab line is in design.

Mr. Hughes reported that the sidewalk permit costs are approved and that he is waiting to be contacted by the County before proceeding.

A plan review request was received from Edible Arrangements on Mason Rd.

The Board discussed the recommended placement of the transmission line for the new water well to be located along the easement on the West side of Mason Rd.

Upon motion being duly made, seconded and unanimously carried, the Board requested that Landev Engineers, Inc. draft a letter to the 13 property owners along the West side of Mason Rd. to inform them of the recommended water line placement and of the District's intent to obtain an easement required to insure future water supply for the District's customers. The engineer should send the letter to the District's attorneys, Young & Brooks, for their review before issuing the letters.

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.

The 2016 Budget was amended to 98% of the maintenance tax levy (from \$650,000 to \$766,000).

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. Discuss and authorize any necessary actions in connection with proposed NFBWA Conservation Toolbox;

The Board reviewed the recommended plan to obtain the 8 points (only 7 required) to ensure Cornerstones MUD receives a 10 cent reduction in fees per 1,000 gallons pumpage from North Ft. Bend Water Authority.

Upon motion duly made, seconded and unanimously carried, the Board authorized the program for Cornerstones MUD to use Wise Guys conservation information, to provide notification to high water users, to

provide conservation tips on customer bills, and to utilize effective tiered water rates to meet the necessary actions for the NFBWA Conservation Toolbox.

6. Authorize any necessary actions in connection with District website;

The website will be updated to reflect the new trash collection vendor, Texas Pride, and the new collection schedule.

7. Authorize any necessary actions in connection with greenbelt tracts;

Broken sprinklers were repaired and the water has been turned off for the season.

8. Authorize any necessary actions in connection with proposed Cinco Reclaimed Water Agreement, including possible approval of the agreement;

After discussion, upon motion duly made, seconded and unanimously carried, the Board recommended that the Cinco Reclaimed Water Agreement be presented to MUD 1 for analysis and comments. The document has been reviewed by our attorney, who is providing a few minor comments to the attorneys for the Cinco Plant Operating Committee.

9. Cinco Regional Operating Committee report;

The C.R.O. Report for November 2015 was reviewed.

10. Pending Business;

N/A

There being no further business to come before the Board, the meeting was adjourned at 7:35 p.m.

Secretary

Attachment: Bookkeeper's Report