

**CORNERSTONES MUNICIPAL UTILITY DISTRICT**  
**Minutes of Meeting of Board of Directors**  
**May 16, 2016**

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on May 16, 2016 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:**

Tony Garza  
Caleb Burson  
John Irwin

**Others Present:**

Also present were Patty Rodriguez of Bob Leared Interests; Ross Madia of Si Environmental, LLC; Dennis Hughes of Landev Engineers, Inc.; Terry Holland of Myrtle Cruz, Inc.; and Mark W. Brooks of Young & Brooks.

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 April 18, 2016 and April 27, 2016 meetings were approved.

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

There were no questions or comments from the public.

**3. Canvass election returns, issue Certificate of Election, and execute Statements of Elected/Appointed Officer and Oaths of Office:**

By Order for Cancellation of Election adopted prior to May 7, 2016 pursuant to Texas Election Code Section 2.053, the unopposed candidates for the May 7, 2016 directors election were declared elected. Accordingly, upon motion duly made, seconded and unanimously carried, the board president was authorized to issue Certificates of

Election for the candidates declared elected, Stephen A. Talecki, Lionel (Tony) Garza, Jr., and Caleb T. Burson. Each candidate declared elected to office executed his Statement of Elected Officer and Oath of Office, which the board approved upon motion duly made, seconded and unanimously carried.

The board thanked retiring board members Jennifer Goodwin and Brad Holmes for their years of service to the District, and they excused themselves from the meeting. New board members Tony Garza and Caleb Burson assumed their duties as directors and participated in the remainder of the meeting as voting members of the board.

**4. Elect Officers:**

After discussion, upon separate motions duly made, seconded and carried by four votes with the director elected in each case abstaining from voting on the motion electing him or her, the following individuals were elected to the offices indicated:

President	Morgan Stagg
Vice President	Michael Chittwood
Secretary	Caleb Burson
Asst. Vice President	Stephen Talecki
Asst. Secretary	Tony Garza

**5. 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 98.186% collected for 2015 and responded to questions from the Board.

After discussion, upon motion duly made, seconded and unanimously carried, the Board authorized termination of service to the delinquent tax accounts that are eligible for termination, as identified on the Delinquent Tax Report presented by Ms. Rodriguez.

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.]

Ross Madia of Si Environmental, LLC, the District's Operators, reported to the Board regarding District operations and facilities. Mr. Madia reviewed their written report with the Board and responded to questions.

Mr. Madia reported that they had to replace the starter on the generator at the water plant.

Mr. Madia reported that they have completed the fence repairs at the water plant site, except for the installation of barbed wire.

Mr. Madia presented a copy of the 2015 Drinking Water Quality Report that will go out to District customers in the near future.

Mr. Madia reported that they replaced 25 water meters during the month under the District's water meter replacement program.

Director Talecki reported that recently it looked like one or more of the overhead lights were out at the water plant. The board asked that the operator check on them.

The Board conducted a hearing on the possible termination of utility services for delinquent accounts. Mr. Madia presented a list of utility accounts that are delinquent by more than 60 days. He 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:

Mr. Hughes reported that the survey work for the well discharge line easement is proceeding. The board asked that if possible, the work be completed by September so that the board is able to consider the related costs in connection with the budget for the coming fiscal year.

Mr. Hughes is working with the operator to investigate the cost to rehab the interconnect meter discovered at an interconnect with MUD 81 located on Hidden Canyon at the boundary between the two districts.

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.

6. **Discuss and authorize any necessary actions in connection with proposed NFBWA Conservation**

**Toolbox:**

No action is necessary at present. The North Fort Bend Water Authority is hosting a workshop at the end of the month on developing a water rate schedule that is intended to encourage water conservation.

7. **Authorize any necessary actions in connection with District website:**

New board member Caleb Burson is working with the District's website consultant to update the website.

8. **Authorize any necessary actions in connection with greenbelt tracts:**

Board member Mike Chittwood obtained a proposal to remove three dead trees plus two additional stumps at the Greenbelt for \$675. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized Mr. Chittwood to have the work completed at a total cost not to exceed the \$675 proposal plus \$325 for additional work if necessary.

The board asked that Junction Landscape secure the Greenbelt irrigation system controls, which are not presently locked.

9. **Cinco Regional Operating Committee report:**

The C.R.O. Report for April 2016 was reviewed.

Mr. Chittwood reported that the Reclaimed Water Agreement has been submitted to Cinco MUD 1 for approval and signature.

Mr. Chittwood also reported that the generator at the wastewater treatment plant is no longer eligible to participate in the demand response program, which had been generating a small amount of revenue for the plant.

10. **Pending Business:**

After discussion, the board unanimously authorized the purchase of appreciation plaques for retiring directors Goodwin and Holmes.

There being no further business to come before the Board, the meeting was adjourned at 8:20 p.m.

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Secretary

Attachment: Bookkeeper's Report