

CORNERSTONES MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
June 20, 2016

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on June 20, 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. Caleb Burson, Secretary
5. Tony Garza, Asst. Secretary

Board Members Absent:

None

District Residents Present:

None

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 Gregg Nady of the Fort Bend Emergency Services District.

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 May 16, 2016 meeting were approved as presented.

2. Questions/Comments from the public:

The board recognized Greg Nady who is working with neighboring districts to help develop the proposed hike and bike trail extension from Mason Road west to Peek Road. The group has acquired 40 of the 49 easements needed. Other landowners have agreed to sign, but two may require condemnation and the group has asked the County to help with that. After responding to questions from the board, Mr. Nady excused himself from the meeting.

3. 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 98.498% collected for 2015 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 their written report with the Board and responded to questions.

Ms. Aelmore reported that the overhead light poles at the water plant have been painted, and Si is planning to check the overhead lighting at the water plant for any needed repairs.

Ms. Aelmore presented and after discussion, upon motion duly made, seconded and unanimously carried, the board approved a proposal by Junction landscape to install irrigation, clean, weed, spray Round-Up, hydro-mulch, and fine grade the entrance area at the water plant between the driveway and the north fence, for a price of \$8250.

Ms. Aelmore also presented pricing for bi-directional meters at the interconnects with MUD 81. After discussion, the board asked for installation pricing as well, for consideration at the next board meeting.

Ms. Aelmore reported that the meter for service to 2214 Lytham Lane was reported by the customer to be inaccurate, which Si confirmed. They replaced the meter and adjusted the recent billings on the account based on the account history.

After discussion, the board asked that the operator arrange a well motor start-up test on the generator at the water plant.

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:

Mr. Hughes presented a tabulation of bids received for the Sanitary Sewer Rehab Phase I project (Creekstone Sections 1, 2, and 3). Mr. Hughes recommended and, upon motion duly made, seconded and unanimously carried, the board awarded the contract for the project to Texas Pride Utilities based on their low bid of \$138,702, subject to the contractor's compliance with the new HB 1295 disclosure requirements.

Mr. Hughes reported that the sidewalk on Highland Knolls is nearly complete.

Mr. Hughes reported that the field work for the well discharge line easement survey is complete, and the surveyors are working to confirm that they have sufficient data to establish an alignment for the line and to develop descriptions for the individual easements.

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:

The District is including a water conservation tips message with the next customer billing.

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. He recommended and the board authorized having a mobile version of the website developed at a cost of \$500.

After further discussion, the board also decided to discontinue the emergency alert sign-up service presently available on the website.

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

Ms. Stagg reported that she is waiting on the required HB1295 disclosure from Cody's Tree Service before proceeding with their work under the proposal approved at the May board meeting for removal of dead trees and stumps at the Greenbelt.

9. Cinco Regional Operating Committee report:

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

10. Pending Business:

After discussion, it was agreed that board members Stagg and Garza would meet with representatives of Landev Engineering to discuss timing for various District projects.

There being no further business to come before the Board, the meeting was adjourned at 8:40 p.m.

Secretary

Attachment: Bookkeeper's Report