

CORNERSTONES MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
April 17, 2017

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on April 17, 2017 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; Angela Howes of IDS Engineering Group; Terry Holland of Myrtle Cruz, Inc.; Mark W. Brooks of Young & Brooks; and Virginia Lester, Recording Secretary.

The meeting was called to order at 5:30 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 March 20, 2017 meeting were approved as presented.

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

N/A

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 99.52% collected for 2015 and 97.573% for 2016. She 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 and respond to delinquent accounts by terminating service.

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 reported that the project of painting the District's fire hydrants has been completed.

A draft of the 2016 Drinking Water Quality Report was presented to the Board for review. All indices were met. After review, the report will be forwarded to the residents of the District.

Ms. Aelmore presented the CRST District Rate Order Pricing Schedule Report. The Board will review the report and all current charges to the District's residents for services. Ms. Aelmore will provide the Board with recommended pricing for the services that the District provides. The Board will consider the recommendations at the May 15, 2017 meeting.

Ms. Aelmore presented the 2016 Si Environmental I. D. Theft Prevention Report to the Board. This report identifies any "Red Flag" Violations. The report indicated that there were no I D Theft Violations during 2016.

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:

Angela Howes of IDS Engineering Group (IDS), the District's Engineer attended the meeting and presented the Engineer's Report.

1. Future water well and transmission line:

- a. The well will require a sanitary control easement. IDS is currently preparing an exhibit that will show the adjacent landowners that will have to approve the easement.
- b. The land that the well is located on has been platted as an unrestricted reserve. IDS is working to determine if any additional platting requirements will be required.
- c. IDS is looking into the need for stormwater detention and have requested construction plans and drainage area maps for Highland Knolls.
- d. There is a request to adjust the easement on Parcel 14 to locate the easement completely within the 25' building line. IDS believes the water line easement was placed directly adjacent to a 16' utility easement and therefore do not want to adjust the proposed easement.
- e. IDS held an on-site meeting at the water plant with their Electrical Engineering Sub-Consultant to review the water plant controls modifications necessary for Water Well No 2. IDS noted that the existing controls at the water plant may require upgrades. IDS spoke with the Operator who also agrees that the control upgrades would be beneficial. IDS will coordinate with the electrical engineer within the next month to determine the scope of work and preliminary construction cost estimates for the proposed modifications.

Ms. Howes stated IDS can provide items required to update the existing Motor Control Center per the Board's request.

- f. IDS engaged LBG-Guyton for the hydro-geology analysis for the new well. IDS has received a preliminary design report from them and their estimate for the well production is 1,500 gpm with a 300 hp motor. IDS believes this well will be consistent with the construction cost estimates that were prepared for the project. IDS included the design report as an attachment to the report.

2. Water Plant Tank Inspections:

After the last meeting, IDS determined that the two GSTs were completed in 2014 and 2015, and a detailed inspection is not required until 2020. The Operator does need to have a certificate of substantial completion for this project so that the information can be presented to the TCEQ if they have an inspection. IDS is working with LandDev to obtain a copy of this certificate.

3. Water Well No. 1 Testing:

The Operator provided IDS with a copy of the latest test results on Water Well No. 1. The results indicated that WW1 is in good condition and no action is necessary for the well at this time.

4. Wastewater System Projects: Sanitary Sewer Rehabilitation:

IDS received bids on April 12, 2017. IDS recommends the contract be awarded to CSI Consolidated dba CleanService, LLC, the lowest responsible bidder who has responded, with a price of \$46,970.80.

After discussion, the board requested that IDS also solicit a bid from Si Environmental and a motion was duly made to award the contract to the lowest bidder after all bids are received. The motion was seconded and motion was unanimously carried.

5. Residential and Commercial Development Plans: Development Construction Plans:

IDS received a utility commitment letter request. The commitment request included capacity for the retail building and restaurant. IDS evaluated the District's existing water and sewer capacity and presented their recommendation to the Board.

After discussion, and upon motion duly made to approve the utility commitment for Catalyst Tech Group once the Engineer has received all plans and documents for record. The motion was seconded, and unanimously carried.

Mr. Talecki asked that sidewalks be required on Royal Montreal and Mason Road.

6. General District Matters. Asset Management Plan:

IDS reviewed the asset management plan and it appears comprehensive. The plan will be updated upon completion of the scheduled projects.

7. Sidewalks:

Ms. Stagg and Angie Howe met with Harris County Engineering staff on site and did a walkthrough of the proposed Highland Knoll sidewalk project on March 2nd. At that time, it was noted which properties would require right of entry agreements to modify existing driveways.

New Business:

The Board discussed the Sanitary Control Easement around the existing water well.

After discussion, and upon motion duly made the Board requested that the Engineer provide an exhibit showing the location of the sanitary easement around the existing well and to investigate for compliance. The motion was seconded and unanimously carried.

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. A copy of the report is attached.

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

4. **Discuss and authorize any necessary actions in connection with Highland Knolls sidewalk project:**

N/A

5. **Discuss and authorize any necessary actions in connection with proposed NFBWA Conservation Toolbox initiatives:**

It was agreed that board member Steve Talecki will continue as the District's representative to the NFBWA Conservation Committee.

6. **Property Acquisition Services update and authorization of any necessary actions in connection with acquisition of easements for Well No. 2 discharge line:**

N/A

7. **Closed executive session in accordance with the Open Meetings Act, Texas Government Code Section 551.071, 551.072 and/or 551.074, if necessary:**

N/A

8. **Discussion & action on any items discussed in executive session:**

N/A

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

The Web Site is in operation and running very well.

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

A request for proposal has been submitted for purchasing shrubs along the Greenbelt.

IDS will verify the number of trees existing at the Water Well No. 2 Site and will report to the District.

The Board discussed obtaining a report from Water Logic that will define the method of establishing cost savings. The Board also discussed upgrading sprinkler controllers from one-way control to two-way control, and

upon motion duly made, seconded, and unanimously carried, the board approved a proposal by Water Logic to upgrade the two controllers at the greenbelt.

11. **Cinco Regional Operating Committee Report:**

The C.R.O. Report for April 2017 was reviewed.

12. **Pending Business:**

N/A

There being no further business to come before the Board, a motion was made, seconded and unanimously carried to adjourn the meeting at 7:15 p.m

Secretary

Attachments:

Bookkeeper's Report