

**CORNERSTONES MUNICIPAL UTILITY DISTRICT**  
**Minutes of Meeting of Board of Directors**  
**February 19, 2018**

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas, on February 19, 2018 in accordance with the duly posted meeting notice. A quorum of Directors was present as follows:

**Board Members Present:**

1. Morgan Stagg, President
2. Mike Chittwood, Vice President
3. Stephen A. Talecki, Asst. Vice President
4. Caleb Burson, Secretary
5. Tony Garza, Asst. Secretary

**Board Members Absent:**

N/A

**District Residents Present:**

Deanna Ferguson, Vice-President of Chesterfield Community Association's HOA  
Virginia Lester, Treasurer of Chesterfield Community Association's HOA

**Others Present:**

Also present were Patty Rodriguez of Bob Leared Interests; Whitney Aelmore of Si Environmental, LLC; Angie 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 January 15, 2018 meeting were approved.

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

Virginia Lester presented a request for Cornerstones MUD SPA funds in the amount of approximately \$800.00 to fund the purchase of an additional street light at the corner of Brookchester and Chesterwick. This intersection is jointly used by residents of Chesterfield Community Association and Cinco Ranch and is used as the local bus stop. Due to the two community's placement of street lights, this intersection is very dark at night. Deanna Ferguson provided additional comments as her home is located at this intersection

Upon motion duly made, seconded, and unanimously carried, the Board approved the purchase of the street light using SPA funds to reimburse the Chesterfield Community Association upon receipt of proof of payment to CenterPoint Energy.

**3. Establish tax exemptions and adopt tax collection penalty:**

Mark Brooks of Young & Brooks, the District's attorney, advised the Board of the current tax exemptions and tax collection penalties. The current general homestead exemption is 20%, the over 65/disabled exemption is \$50,000, and the tax collection penalty is 20%.

After discussion, a motion was duly made by Mr. Talecki to increase the homestead exemption for persons aged 65 or disabled to \$60,000, but the motion died for lack of a second. After further discussion, upon motion duly made, seconded and carried by four votes with Director Talecki abstaining, the Board voted to retain the current exemptions and penalties.

**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 93.02% collected for 2017 and 99.69% collected 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.

**b) Financial Advisor:**

N/A

**c) Operator Report: [i. Monthly Report, ii. Authorize Repairs, and 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 stated that the District Valve Survey has been completed and will be presented at the March 2018 meeting.

A Board member inquired about a charge for equipment rental for a one week period of time when the unit was used for only a few hours. Ms. Aelmore stated she would check into that situation.

Ms. Aelmore reported that there were nineteen (19) meters changed out during the month of January, 2018

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:**

Angie Howes of IDS Engineering Group (IDS), the District's Engineer, attended the meeting and presented the Engineer's Report. Ms. Howes advised the Board as to the status of pending District projects and responded to questions.

The Water Well No 2 plans have been approved by the City of Houston. IDS is waiting for Harris County and TCEQ approval. The bid package is going through the IDS QA/QC process. IDS will not advertise for bids until after comments are received on the water line.

The 90% water transmission line plans have been submitted for review to Harris County and the City of Houston. A PDF copy was forwarded to the Operator and Board members for review. Some comments have been received.

The Board discussed preparing a bid package for the sanitary sewer rehabilitation package. After discussion, a motion was made, seconded, and unanimously carried to move forward with preparation of the bid package.

Ms. Howes requested approval of a Pay Estimate in the amount of \$4,180.00 to GLM Contracting, Inc., for irrigation sleeves and electrical work associated with the sidewalk placement project. After discussion, a motion was made, seconded, and unanimously carried to approve the Pay Estimate in the amount of \$4,180 to be paid from the SPA funds.

IDS is meeting with Harris County personnel on-site on March 2, 2018 to discuss proposed construction plans for the driveway turn-outs on both Highland Knolls and Eagle Meadow.

Ms. Howes reported that preparation of the 45-day Expedited Bond Application is underway and will be reviewed by the Attorney after it is completed.

Director Talecki reported that he completed the sketch of the existing light poles on the Greenbelt. Ms. Howes informed the Board that IDS will prepare an exhibit for the Board and CenterPoint Energy.

Ms. Howes and the Board reviewed plats and construction plans of a property located at 1215 Shadow Mountain Dr. concerning two separate property accounts.

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, 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.

5. **Authorize any necessary actions in connection with acquisition of easements for well no. 2:**

Mark Brooks of Young & Brooks, the District's attorney, reported that Mr. Bonjonia of Property Acquisition Services informed him that the property appraisals have been submitted. The Board will be advised as soon as status of the appraisals is received.

6. **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

7. **Discussion & action on any items discussed in Executive Session:**

N/A

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

The Board has not received feedback from the District's initiative proposal.

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

Virginia Lester asked Mike Chittwood to request the Landscape Maintenance crew who maintains the Greenbelt to check the controller that may support the small lot in Chesterfield Community Association that has an entrance into the Greenbelt.

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

The C.R.O. Report for January, 2018 was presented to the Board.

11. **Pending Business:**

N/A

There being no further business to come before the Board, a motion was duly made, seconded and unanimously carried to adjourn the meeting at 6:58 p.m.

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Secretary

**Attachments:**

Bookkeeper's Report