

## **CORNERSTONES MUNICIPAL UTILITY DISTRICT**

### **Meeting Minutes of the Board of Directors**

**July 16, 2018**

The Board of Directors of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon, Katy, Texas on July 16, 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. Virginia Lester, Secretary
5. Tony Garza, Asst. Secretary

#### **Board Members Absent:**

Mike Chittwood arrived at 5:33, after the minutes from the June 18<sup>th</sup> meeting had been approved.

#### **District Residents Present:**

None

#### **Others Present**

- 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
- Sandra Rimmer, Recording Secretary.
- Ron Hudson of Nottingham Country MUD

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 June 18, 2018 meeting were approved.

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

Ron Hudson, the president of Nottingham Country MUD, thanked Cornerstones MUD for opening the interconnect to Nottingham Country MUD during Harvey to prevent their system from losing pressure when their water plant went down.

### **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 98.26% collected for 2017, and 99.86% collected for 2016. She responded to questions from the Board.

Pertinent details are as follows:

- After issuance of the report on delinquent taxpayers, a request was made for taxpayers designated as Suite Pending to be moved to the delinquent list.
- Patty Rodriguez reported that Purdue, Brandon, Fielder, Collins & Mott L.L.P. has taken over the 2017 accounts and may provide a water termination list and send out notices.

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's Report**

Whitney Aelmore of Si Environmental LLC, the District's Operator, reported to the Board regarding District operations and facilities. Ms. Aelmore reviewed her written report with the Board and responded to questions.

Pertinent details are as follows:

- Missing fence boards at the entry of the water plant are being replaced as required.
- Seven meters with over a million registered gallons were changed out.
- The new generator has arrived and should be installed at the water plant this week.
- HTP tank inspections will need to be done this year; GST tank inspections will be done next year.
- A Creekstone resident has continued complaints about the early start time of garbage pickup, which he claims is before the 7:00 a.m. time specified in the contract. Whitney Aelmore will request GPS reports to confirm start times.
- 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 on the status of pending District projects and responded to questions.

Pertinent details are as follows:

- There were nine bids for the Sanitary Sewer Rehabilitation project. IDS Engineering Group recommended Vortex Turnkey Services, LLC.
- The missing portion of the sidewalk at Service First Automotive has not yet been installed. Mark W. Brooks of Young & Brooks, the District's attorney, will follow up.
- The negative appearance of the metal bench with surrounding fence on the Service First Automotive property was discussed, but it was generally acknowledged that the District cannot control the amenities of businesses. Stephen Talecki will send a photograph of the property to Mark W. Brooks of Young & Brooks, the District's attorney.
- Angie L. Howes will coordinate with Whitney Aelmore on the two required hydro-tank inspections.

Upon motion duly made, seconded, and unanimously carried, the Board approved the Engineer's Report and the selection of Vortex Turnkey Services, LLC, for the Sanitary Sewer Rehabilitation project.

**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.

Pertinent details are as follows:

- Texas Pride miscalculated the Creekstone invoice again. The current check will be voided. A new check will not be issued until the correct invoice has been received.
- The Bookkeeper's Report included a proposed budget for fiscal year 10/1/2018 through 9/30/2019. Major projects will be finalized in the next couple of months.
- The Sanitary Sewer Rehabilitation project will most likely be put into next year's budget.

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.

**4. Consider and possibly approve Interlocal Agreement(s) with Harris County for driveway removals from street rights-of-way**

Mark W. Brooks of Young & Brooks, the District's attorney, confirmed that we have agreements with Harris County for both locations.

After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the Interlocal Agreements with Harris County for driveway removals from street rights-of-way.

**5. Consider and possibly amend water and sewer rate order**

After discussion, a meeting with the Memorial MUD board was proposed to discuss their approach to water and sewer rates for apartment complexes. A conversation with the Cinco Plant Committee was also suggested as another venue for information gathering.

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

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 and action on any items discussed in Executive Session:**

N/A

**9. Discuss and authorize any necessary actions in connection with NFBWA Conservation Toolbox Initiatives**

The NFBWA notified the District by email that the Conversation Initiatives Project credit for HOA irrigation evaluations, repairs and managing a HOA water budget can only be attained once per year regardless of how many HOA evaluations are done in a three year period. Since the District received project credit for Creekstone HOA last year, the next HOA evaluation will be scheduled for 2020.

It was suggested that the District respond to HOA's requests for improvements, but not actively seek projects.

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

Junction resolved all issues with the sprinkler system located on the property of West Side Grill and Fireplace. The system was operating fine, however the owner and manager did not understand how to operate the system. The check for services was sent.

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

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

Pertinent details are as follows:

- Funds will be reimbursed to the plant from the federal government for 406 flood mitigation repairs. These funds will be allocated to the C.R.O. The state 404 mitigation applications were denied on first application and are being appealed by the engineer.
- Cinco MUD 1 is still short of funding due to other projects and currently does not have the money available to start construction on the reuse project. They will probably have to issue additional bonds. In the mean time they continue to pay increasing fees as per the contract.
- It was noted that credits received were primarily from a settled insurance claim, interest on investments and a Cinco MUD 1 payment.

**12. Pending Business**

Hennessey construction provided an estimate for the construction of a Cornerstones MUD building to Tony Garcia. The preliminary estimate was \$400,000 - \$450,000. It was suggested that Tony request conceptual drawings and then seek additional bids.

There being no further business to come before the Board, a motion was duly made, seconded, and unanimously carried to adjourn the meeting at 6:46 p.m.

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Secretary

Attachments:

Bookkeeper's Report