

**CORNERSTONES MUNICIPAL UTILITY DISTRICT**

**Meeting Minutes of the Board of Directors**

**May 20, 2019**

The board of directors (Board) of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon Road, Katy, Texas on Monday, May 20, 2019 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**

None

**District residents present**

Dorsey Reese, resident of Cornerstone Place

**Others present**

- Patty Rodriguez of Bob Leared Interests
- Whitney Aelmore of Si Environmental, LLC
- Matthew Carpenter of IDS Engineering Group
- Terry Holland of Myrtle Cruz, Inc.
- Mark W. Brooks of Young & Brooks
- Sandra Rimmer, 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 April 15, 2019 meeting were approved.

**2. Consider Bookkeeper's consultant 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.

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.

**3. Questions/comments from the public**

Mr. Reese of Cornerstone Place posed questions to the Board to clarify the policies for residents posting political campaign signs on the greenbelt side of the Cornerstone Place fence. Mr. Reese had already brought the issue to the Cornerstone Place HOA, who confirmed that the resident owned the fence and could therefore legally post campaign signs on the fence if the signs were within the size limitation. The Board answered Mr. Reese's questions and confirmed that the HOA had provided accurate information regarding the posting of campaign signs. Mr. Reese expressed his thanks for the Board's time.

**4. Discuss and authorize any necessary actions in connection with ESD traffic signal controller project**

The ESD traffic signal controller project is currently on hold. There are no actions at this time.

**5. Water Conservation / Drought Contingency Plan**

Mark W. Brooks of Young & Brooks, the attorneys for the District, had previously distributed a draft of the proposed Sixth Amended and Restated Order Adopting Water Conservation, Drought and Emergency Contingency Plan, along with an updated Water Utility Profile prepared for the District by Si Environmental.

After discussion, upon motion duly made, seconded and unanimously carried, the board adopted the Sixth Amended and Restated Order Adopting Water Conservation, Drought and Emergency Contingency Plan as presented. A copy of the Amended and Restated Order is attached to these minutes.

**6. Consider consultants' reports as needed**

**a) Tax Assessor-collector**

Patty Rodriguez reported on the status of the District's tax collections. Ms. Rodriguez reported that the District is 96.982% collected for 2018, 99.645 % collected for 2017, and 99.890% collected for 2016.

Ms. Rodriguez reported nothing unusual about the Delinquent Tax Report, and that eligible uncollectible items have been moved off the delinquent list. She also presented the Cornerstones SPA Revenue chart for 2015 through 2018 and reported the Preliminary Value for the District.

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 authorized issuing water service termination notices to the delinquent accounts that are eligible for that remedy.

**b) Operator**

Whitney Aelmore of Si Environmental LLC, the District's operator, reported to the Board regarding District operations and facilities.

**i. Monthly report**

Ms. Aelmore reviewed her written report with the Board, responded to questions, and reported the following:

- Mr. Talecki requested that the funds for the fire hydrant relocation at the driveway turnout come out of the SPA account, rather than the general operating account. Ms. Aelmore will contact Terry Holland, the bookkeeper, to make the request.
- Ms. Aelmore also related that the driver's insurance company issued payment for the cost of the fire hydrant hit and damaged on Highland Knolls.
- The Consumer Confidence Report was also presented.

**ii. Conduct hearing on termination of water and sewer service**

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 the processing of the delinquent accounts in the usual and customary manner. The Board also approved sending out the Consumer Confidence Report.

**c) Engineer**

Matthew Carpenter of IDS Engineering Group (IDS), the District's engineer, presented the engineer's report. Mr. Carpenter advised the Board on the status of pending district projects and responded to questions.

- **Proposed Water Well No. 2** (Principal Plant Services, LLC): The well driller has performed the step test and 36-hour continuous test. WSP has reviewed the results, and IDS recommends that the permanent well pump be designed with a capacity of 1,500 gpm. The installation of the storm sewer has been completed, the building foundation has been poured, and the electrical duct banks have been installed. The building construction is about to begin. The Contractor expects to meet the construction contract completion date of July 17, 2019. IDS recommends payment be made for Pay Application No. 5 in the amount of \$71,100.00.
- **Water Plant No. 1 Hydrotanks** (D&M Tank): HPT No. 1 has been completed and the tank has been returned to service. The coating of HPT No. 2 has been completed, however final bacteriological testing must be completed prior to the tank being placed into service. IDS held the pre-construction meeting on March 28, 2019, and recommends payment be made for Pay Application No. 1 in the amount of \$9,562.50.
- **Proposed Water Transmission Line** (G&A Boring Directional): The notice to proceed was issued on May 14, 2019, which will result in a contract completion date of August 12, 2019.
- **Sanitary Sewer Rehabilitation** (Vortex Turnkey): The work has been completed. IDS will hold a final inspection, which will be performed prior to next month's meeting. IDS recommends payment be made for Pay Application No. 5 in the amount of \$40,995.90.

The final payment to Vortex Turnkey will be made after the final inspection. At the Board's request, Mr. Carpenter will also contact Vortex Turnkey about any additional work expected on Ash Forest in Cornerstone Place

- **Popeye's** (2020 S. Mason Road): The construction plans were reviewed and approved. There is a proposed 5-foot wide sidewalk on Mason Road.

Upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report, and the following pay applications: Pay Application No 1 in the amount of \$9,562.50 to D&M Tank LLC, Pay Application No. 5 in the amount of \$71,100.00 to Principal Plant Services, LLC, and Pay Application No. 5 in the amount of \$40,995.90 to Vortex Turnkey.

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

No updates at this time.

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

The trees have been planted. There is currently no additional business.

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

Morgan Stagg presented the bookkeeper's report, the operator's report, and the engineer's report from the April 11<sup>th</sup> meeting and responded to questions.

**10. Pending Business**

Mark W. Brooks of Young & Brooks, the attorneys for the District, confirmed with Ms. Stagg that the ESD traffic signal controller project can be removed from the meeting agenda until the project is active.

There being no further business to come before the Board, a motion was duly made, seconded, and unanimously carried to adjourn the meeting at 6:24 p.m.

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Secretary

Attachments:

Bookkeeper's Report

Sixth Amended & Restated Order Adopting Water Conservation, Drought and Emergency Contingency Plan