

CORNERSTONES MUNICIPAL UTILITY DISTRICT

Meeting Minutes of the Board of Directors

July 15, 2019

The board of directors (Board) of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon Road, Katy, Texas on Monday, July 15, 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

Glen Davidson of Chesterfield subdivision, 1718 Field Briar Drive. Mr. Davidson arrived at 6:18 pm.

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 June 17, 2019 meeting were approved.

2. Questions/comments from the public

No district residents were yet in attendance.

3. 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 97.890% collected for 2018, 99.694 % collected for 2017, and 99.892% collected for 2016.

Ms. Rodriguez reviewed her written report with the Board and responded to questions. Ms. Rodriguez reported nothing unusual about the Delinquent Tax Report. The Delinquent Tax Attorney took over the accounts and will advise as to any accounts for which the water service needs to be terminated.

The Cornerstones SPA Revenue chart for 2015 through 2018 was attached to the report.

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 and responded to questions.

Items discussed include the following:

- Si Environmental replaced grass at a home on Chesterwick and Field Briar due to a mainline repair. The condition of the grass has deteriorated, but the cause appears to be a lack of watering by the homeowner.
- A resident of Chesterfield subdivision voiced concern to the Chesterfield HOA regarding an apparent water leak at 1722 Field Briar Lane. The Board agreed that Si Environmental will send a high-usage letter to the resident. If the leak is not repaired, the Board will take further action to address the issue.
- Standard preparation for hurricane season is scheduled.
- A WISE Guys flier has been posted on the Cornerstones MUD website.
- Ms. Aelmore presented the meter change outs for the month. In the past the change outs were accrued until 30 change outs were included. The Board agreed that going forward, the meter change out program would be billed monthly.

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.

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. Projects presented include the following:

- **Proposed Water Well No. 2** (Principal Plant Services, LLC): The well driller is ordering the permanent pump and expects delivery in 12 weeks. IDS expressed concern on the project progress and asked the Contractor to provide an updated schedule for completion. IDS expects the project to be several months behind schedule. The Board discussed possible recourse due to the delayed completion.

IDS received a customer complaint regarding cracks in the perimeter wall several hundred feet from the water well site. IDS inspected the wall and concluded that there is no evidence that the construction has worsened the cracks which, according to residents, have been there for a long time.

IDS recommends payment be made for Pay Application No. 7 to Principal Plant Services LLC in the amount of \$80,865.00.

- **Water Plant No. 1 Hydrotanks** (D&M Tank): The contractor has completed the project; IDS will schedule a final inspection to close out the project.
- **Proposed Water Transmission Line** (G&A Boring Directional): The Contractor has completed approximately 20% of the project and is working from Highland Knolls and Mason towards Water Plant No. 1.
- **Sanitary Sewer Rehabilitation** (Vortex Turnkey): The contractor is complete. IDS has reviewed all of the post rehabilitation videos which were found to be complete. IDS will close out the project once they have received a final pay application.

Upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report, and the following pay applications: Pay Application No. 7 in the amount of \$80,865.00 to Principal Plant Services, LLC.

d) 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. The report also included the first draft of the proposed budget for the next fiscal year. Mr. Holland invited comments and feedback from the Board and consultants.

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. Discuss possible SPA projects

The following possible SPA projects were proposed:

- Fund the painting of house numbers on the curb for all houses to assist law enforcement and emergency vehicles in locating homes. Board members will investigate the cost.
- ESD smoke detector checks for residents. Mike Chittwood will consult with ESD District 48.
- Testing of private fire hydrants in the apartments and some business was suggested. It was pointed out that if given access, ESD could perform routine testing and inform the District of any maintenance requirements. It was pointed out that these hydrants were private property and really the responsibility of the property owner to maintain. Mike Chittwood will discuss this matter with ESD District 48.
- It was also discussed that there are still several areas in the district that are in need of sidewalks.

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

NFBWA designed a sign for districts which successfully participated in the 2018 program. The NFBWA had intended to provide one sign per district. Ms. Aelmore will follow up to see if they can provide four.

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

No new business.

7. Cinco Regional Operating Committee Report:

Morgan Stagg presented the bookkeeper's report, the operator's report, and the engineer's report from the June 13th meeting and responded to questions.

8. Questions/comments from the public

Mr. Davidson, a district resident who joined the meeting late, voiced concern about an apparent water leak at 1722 Field Briar Lane in Chesterfield. He described the water running down the street and affecting the health of his lawn. As discussed, previously in the Operations report, the Board relayed that a high-usage letter will be sent to the resident at 1722 Field Briar lane. If the leak is not repaired, the Board will take further action to address the issue. Mr. Davidson also discussed drainage issues in general in Chesterfield. The Board suggested that he contact Harris County engineering department as general drainage is under their purview.

9. Pending Business

The Board requested a copy of the geotechnical report by Tolunay-Wong Engineers from Mr. Carpenter.

There being no further business to come before the Board, a motion was duly made, seconded, and unanimously carried to adjourn the meeting at 6:42 p.m.

Secretary

Attachments:

Bookkeeper's Report