

CORNERSTONES MUNICIPAL UTILITY DISTRICT

Meeting Minutes of the Board of Directors

October 21, 2019

The board of directors (Board) of Cornerstones Municipal Utility District (District) met at 805 Hidden Canyon Road, Katy, Texas on Monday, October 21, 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

None

Others present

- Patty Rodriguez of Bob Leared Interests
- Whitney Aelmore of Si Environmental, LLC
- Matt Carpenter and Brice Stanford of IDS Engineering Group
- Terry Holland of Myrtle Cruz, Inc.
- Mark W. Brooks of Young & Brooks

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 September 16, 2019 meeting were approved.

2. Questions/comments from the public

None

3. Authorize any necessary actions in connection with director email accounts

Mark W. Brooks of Young & Brooks discussed Senate Bill 944 recently enacted by the Legislature of the State of Texas. This bill pertains to electronic communications of officers or employees of a governmental body. Governmental officers and employees are now required to retain an estimated four years of such communications or provide copies to the governmental entity they serve. Mr. Brooks had previously distributed a proposal by Shannon Waugh of Off Cinco, the District's website consultant, to set up and maintain individual director email accounts for

exclusive use in connection with District business. After discussion, upon motion duly made, seconded and unanimously carried, the board approved the Off Cinco proposal.

4. 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 99.081% collected for 2018, 99.698 % 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 Attorney has issued water termination notices to a number of delinquent tax accounts.

Ms. Rodriguez was unable to print the SPA Revenue chart for the meeting today, but will distribute copies to the board by email.

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 termination of water service to delinquent accounts that are eligible for that remedy.

b) Operator

Whitney Aelmore of Si Environmental LLC, the District's operator, presented a written summary report regarding District operations and facilities. Ms. Aelmore reviewed the report with the board and responded to questions.

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

Brice Stanford and Matt Carpenter of IDS Engineering Group (IDS), the District's engineers, presented the engineer's report, advised the Board on the status of pending district projects, and responded to questions. Projects reviewed include the following:

- **Proposed Water Well No. 2** (Principal Plant Services, LLC): The Contractor provided an updated schedule, which extends the projected completion date to December 22, 2019. Mr. Stanford presented a proposal by the contractor to paint the control building doors for a price of \$3,000. After discussion, the board decided against painting the building doors. IDS recommended payment of Pay Application No. 9 in the amount of \$99,045.00.
- **Proposed Water Transmission Line** (G&A Boring Directional) The Contractor has completed approximately 95% of the project, but has caused significant property

damage in the work area. A letter from the Cornerstone Ranch Apartments detailing their damages was reviewed by the Board. IDS is issuing notice to the contractor's bonding company and insurer. The estimated cost of repairs will be held back from the Contractor.

Upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report and Pay Application No. 9 in the amount of \$99,045.00 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.

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. Discuss possible SPA fund projects

The following possible SPA projects were proposed in the July meeting of the Board:

- Fund the painting of house numbers on the curb for all
- ESD smoke detector checks for residents and ESD testing of private fire hydrants

There are no updates.

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

Board member Steve Talecki reviewed Conservation Toolbox initiatives that the District may wish to implement for 2019. After discussion, the board asked that IDS and Si Environmental provide a cost estimate for a District rate study that could be used for one of the required Toolbox initiatives.

7. Authorize any necessary actions in connection with greenbelt tracts

No updates.

8. Cinco Regional Operating Committee Report:

Morgan Stagg presented the bookkeeper's report, the operator's report, and the engineer's report from the last Cinco Regional Operating Committee meeting and responded to questions.

9. 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 7:15 p.m.

Secretary

Attachments:

Bookkeeper's Report