

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

April 8, 2013

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 312 Spring Hill Drive, Suite 100, West Entrance, Spring, Texas, on Monday, April 8, 2013, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Jon Vallery, President
Frank Moore, Vice President
Michael Smith, Assistant Secretary
Paul Alli, Director

and the following absent:

None.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Lance Malmgren, Lieutenant Mike Atkins, Jim Nichols, Kathryn Nichols, Paul Cote, and J. Davis Bonham, Jr.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. Minutes of the meeting of March 11, 2013 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. There was presented the attached Order Appointing Director, which order reflected the appointment of Mr. Brendon Keith to fill the unexpired term created by the resignation of Charles Saxe. Mr. Keith completed a qualification letter and a Statement of Appointed Officer and Oath of Office as required by the Texas Constitution. The qualification letter and oath were in proper form, and the attorney recommended that the Board accept Mr. Keith's qualifications and oath of office. Mr. Keith also completed the questionnaire regarding potential conflicts of interest and the questionnaire regarding public access to personal information about them and received a DVD for required Public Information Act/Open Meetings Act training. Upon unanimous vote, the Board approved and adopted the Order Appointing Director as presented, accepted his oath of office and included him under the District's faithful performance bond. Mr. Keith participated in the remainder of the meeting.

3. The Board then considered election of officers, and upon unanimous vote, the Board elected the following officers:

Secretary – Brendon Keith.

4. Lieutenant Mike Atkins presented a law enforcement report and reported the following statistics: there were 499 contract calls; 44 reports taken; 3 felony arrests; 8 misdemeanor arrests; 295 citations and tickets; no instances of recovered property; and 8 charges filed. The constables drove a total of 6,242 miles in the District during the month. The

constables reported that there have been no additional instances of cars being put up on blocks or wheel or tire theft.

Lieutenant Atkins then addressed the Board regarding the purchase of an additional patrol vehicle. Lieutenant Atkins reviewed the District's current vehicles with the Board. The District currently has one new model Chevrolet Tahoe and two Dodge Chargers with low mileage. The District also has one 2008 Crown Victoria with approximately 85,000 miles. Lieutenant Atkins presented pricing for the purchase of an additional Chevrolet Tahoe. Lieutenant Atkins reviewed the available vehicles with the Board. The Board requested that Lieutenant Atkins provide additional pricing options for the Board's review at the regularly scheduled May meeting.

Lieutenant Atkins then presented the Board with a proposal for an increase in the salary stipend paid to the District's constables and related officer deployment matters. The Board agreed to consider the matters in executive session.

5. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$2,254,043.40. The capital projects fund will stand at \$948,103.51. The operating fund will stand at \$2,265,104.02. Year-to-date revenues exceed expenditures for the first nine months of the fiscal year by \$1,121,029.01. Upon unanimous vote, the Board approved payment of director fees and expenses. Upon unanimous vote by separate motion, the Board approved the bookkeeper's report as presented and authorized payment of the remainder of the District's bills.

6. The Board then reviewed the draft budget for the fiscal year ending May 31, 2014. The Board requested that the District's bookkeeper amend the draft budget to include the purchase of an additional patrol vehicle. The Board agreed to review the budget and present comments at the May meeting.

7. Mike Williams presented an operator's report. The District billed \$209,375.19. The operator took 10 bacteriological samples, all of which were within acceptable limits. The District served 3,808 customers, and 3,584 customers received all services including garbage. The District accounted for 92% of the water produced. The sewage treatment plant operated at 71% of capacity with no permit violations. The operator requested write-off of one account in the amount of \$123.65.

The Board then addressed the illegal dumping of yard clippings and trash into the District's wetlands. The District's attorney and operator have spoken with the adjacent homeowner who informed them that the illegal dumping has been an ongoing problem and that he is not responsible. The homeowner has been instructed to contact the deputy constables patrolling the District regarding any further illegal dumping. The Board will investigate the matter further and look into options for addressing the situation throughout the District.

Upon unanimous vote, the Board approved the operator's report and the write-offs as presented.

8. The Board then considered the Resolution for Adoption of Order Amending Drought Contingency Plan and Establishing Penalties for violation thereof. The

Board reviewed the proposed changes to the District's Drought Contingency Plan. Due to increase water capacity, the Board agreed that Stage 1 of the plan should now be voluntary. The Board further agreed to increase the maximum penalty for violation of the plan to \$10,000. Upon motion duly made, seconded, and unanimously carried, the Board approved the Resolution as presented and authorized the District's attorney to publish notice of the amendment.

9. The Board then considered the Resolution Affirming Review of Identity Theft Prevention Plan. The District's operator informed the Board that his office reviews the policy regularly. The Operator informed the Board that the current policy is effective and no changes are necessary at this time. Upon motion duly made, seconded, and unanimously carried, the Board approved the Resolution as presented.

10. Jason Hajduk presented an engineer's report. Phase I Sanitary Sewer Rehabilitation plans and contract are complete. Well No. 3 construction is complete. The Water Plant No. 1 Ground Storage Tank has been completed and a final walkthrough was held on April 3rd. The engineer noted remaining punchlist items on the contract including ongoing seepage from the tank. The engineer presented Pay Application No. 6 to W.W. Payton Corporation in the amount of \$86,890.50 for the Board's review and approval. The engineer then presented a request from Montgomery County ESD #8 for the discharge of storm water into the District's drainage swale located along the western boundary of Imperial Oaks Park Section 11. The engineer has reviewed the existing capacity and the proposed discharge and recommended approval of the request.

The engineer then presented a request from Spring Farms, LLC to discharge treated effluent into the same swale. The engineer informed the Board that the requested capacity is available. Lance Malmgren addressed the Board regarding the proposed development and his plans for the site. The Board agreed to investigate the matter further.

The wastewater treatment plant permit has been renewed. The renewed permit will expire March 1, 2018.

After discussion, upon unanimous vote, the Board approved the engineer's report as presented, authorized payment of Pay Application No. 6 to W.W. Payton as presented, and approved the discharge of storm water from the ESD #8 detention pond into the District's drainage swale.

11. Mike Williams presented a parks and recreational facilities report. There were 63 calls regarding issues in the parks. 36 calls were for the pavilion and 27 calls were for the ball fields. The operator completed repairs to the basketball courts. The operator presented concerns from residents regarding parking along Imperial Oaks. The Board discussed safety concerns regarding cars lining the street. The Board noted the lack of visible signage. The operator has communicated the concerns to the constables and will investigate the installation of additional signs and the restriping of the crosswalk further. The operator informed the Board that during the prior month a large amount of debris was piled in preparation for a bonfire in the park. The pile was discovered before it was lit, and the debris was scattered by the District's operator.

12. At 8:06 p.m. the Board convened in executive (closed) session pursuant to Texas Government Code §551.074 to deliberate the duties of a public officer or employee and §551.076 to deliberate on deployment or specific occasions for implementation of security personnel or devices. At 8:23 p.m. the Board reconvened in regular session and no motions were made.

13. Paul Cote addressed the Board regarding the proposed Rayford Road Civic Association. Mr. Cote reviewed plans for the creation of the Association and the purposes for doing so.

There being no further business to come before the Board, the meeting was adjourned.


Secretary