

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
March 13, 2017

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on March 13, 2017, 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
Brendon Keith, Secretary
Michael Smith, Assistant Secretary
Paul Alli, Director

and the following absent:

None.

Also present were Bill Russell, Mitch Crawford, Jason Hajduk, Sergeant Baker, Deputy Lexa Martinez, Jim Nichols, Kathryn Nichols, James Ridgeway, Jr., Lucy Ridgeway, and Lori G. Aylett.

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 held February 13, 2017 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Sergeant Baker and Deputy Martinez presented a law enforcement report and reported the following statistics: there were 311 contract calls; 21 District calls; 88 reports taken; five felony arrests; four misdemeanor arrests; 302 traffic contacts; 10 crashes; and 10 charges filed. The officers reported that there had been an attempted kidnapping, but the suspect was caught. A car vehicle burglary suspect was also apprehended. It was reported that some calls from Imperial Oaks are not showing up in the computer system as coming from Imperial Oaks. The department is trying to correct the glitch. Upon unanimous vote, the Board approved the law enforcement report as presented.

3. There were no citizen comments for the Board's consideration.

4. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,546,143.25. The capital projects fund will stand at \$91,975.08. The operating fund will stand at \$3,409,859.37. Revenues exceeded expenses for nine months of the fiscal year by \$382,325.32. The bookkeeper reported that the District has nine months of reserves in the operating fund. 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.

5. Mitch Crawford presented an operator's report. The District billed \$265,691.51 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 93% of the water produced. The District served 3,822 customers, and 3,595 customers received all services including garbage. The sewage treatment plant operated at 66% of capacity with no permit violations.

The operator requested write-off of three accounts in the total amount of \$403.79, and the Board approved the request.

The operator reported that the District received 652,000 gallons of surface water from the San Jacinto River Authority. The District began receiving water again last week, when the Authority completed its water main repair in The Woodlands.

After discussion, upon unanimous vote, the Board approved the operator's report as presented.

6. Mitch Crawford presented a parks and recreational facilities report. There were 16 calls regarding issues in the parks. Eight calls were for the pavilion, seven calls were for the ball fields, and one call was received this month for information. The operator reported that he obtained a quote to replace the roof on the pavilion, but the quote was high. He is working to obtain additional quotes. Kiddie cushion was added around playground equipment at the parks, and red dirt was added at the ball fields for baselines. Upon unanimous vote, the Board approved the parks report as presented.

7. The Board discussed the proposed Smart Meter program. Pricing was previously presented for 50 meters per month on a lease basis, as well as a full purchase basis. The Board had tabled consideration until all five members could be present to discuss. After discussion, the Board unanimously opted to not participate in the Smart Meter program at this time.

8. The Board considered a Resolution for Adoption of Order Establishing Policy and Rates for Water and Waste Collection and Disposal Service and Imposition of Penalties. Likewise, the Board considered an Order for Adoption of Schedule of Water and Waste Collection and Disposal Service Fees and Rates. Upon unanimous vote, the Board approved the attached orders as presented.

9. Jason Hajduk presented an engineer's report. Neighboring MUD 99 has completed their SJRA surface water receiving facilities and is receiving water. The engineer reported that his office is providing additional information requested by the TCEQ on the elevated storage variance. On the Rayford Road expansion project, a preconstruction meeting was held on March 2, 2017. The Notice to Proceed is anticipated to be issued on April 3, 2017, or sooner, with the project estimated to take 26 months.

The engineer for Spring Creek Utility District approached the District's engineer to ask if the District would be willing to sell a portion of the water line interconnect between the two districts. The vault and the meter could be relocated closer to the District's boundary line, and then Spring Creek Utility District could make use of the water line and could be responsible for permanent maintenance thereafter. The attorney and Board inquired as to whether there was

any reason for the District to keep the water line. The engineer stated his opinion that the District did not have a use for the water line. It does not provide looped service and could not provide service to any in-District customers. The Board authorized the engineer to put together an estimate of sales cost of the line for consideration at the next Board meeting.

Mr. Hajduk reported on the status of the fence at the wastewater treatment plant. The contractor has still not completed the razor wire. The operator confirmed that they have installed the drainage improvements. The engineer is frustrated with the lack of progress of the contractor. The Board authorized the attorney to direct correspondence to the contractor if the project is not complete by the end of business tomorrow.

The water plant inspections are scheduled for March 15, 2017. The inspection should identify any routine maintenance items. The engineer presented bids for the sanitary sewer rehabilitation project. The low bidder appeared to be Texas Pride Utilities, with a bid price of \$431,890. This bid price uses an alternate for a longer warranty, which the engineer recommended. The contractor provided the TEC Form 1295. The engineer's original estimate was \$530,000, so the bid is under the estimate. The attorney noted that it would be appropriate to use surplus construction funds for this rehabilitation work, and she will place an item on the next agenda for the Board's consideration. Upon unanimous vote, the Board accepted the bid of Texas Pride Utilities and authorized award of the contract as recommended by the District engineer.

The engineer responded to a general inquiry from a builder about whether the District could provide sewer service. More details are needed about the project.

After discussion, upon unanimous vote, the Board approved the engineer's report as presented.

10. With regard to the SJRA – conveyance of facilities and easements, there was nothing to report at this time.

11. The attorney presented a report on behalf of the developer. Jim Holcomb indicated that there is one vacancy in the Kroger Center. The Rayford Road widening project is underway.

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


Secretary