

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

### Minutes of Meeting of Board of Directors

July 10, 2017

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on July 10, 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  
James Nichols, Director

and the following absent:

None.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Paul Green, Deputy Perry Midyett, Sergeant Baker, Kathryn Nichols, 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 June 12, 2017 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Sergeant Baker presented a law enforcement report and reported the following statistics: there were 347 contract calls; 24 District calls; 80 reports taken; two felony arrests; three misdemeanor arrests; 10 crashes; and five charges filed. Sergeant Baker introduced Deputy Perry Midyett who will be working under the District's contract and reported that the District has full law enforcement coverage again. Sergeant Baker reported there was one burglary of a habitation, but it was probably a person known to the homeowner, and a lot of unlocked cars were burglarized during the month. Upon unanimous vote, the Board approved the law enforcement report as presented.

3. The Board reviewed the Interlocal Agreement with Montgomery County Municipal Utility District No. 99 for Law Enforcement. The attorney reminded the Board that the contract renews automatically unless a termination notice is given before the end of the term. The next term expires in October, 2017. The Board elected to allow the contract to renew automatically for another year.

4. There were no comments from the public for the Board's consideration.

5. Bill Russell presented the bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,622,172.81. The capital projects fund will stand at \$91,975.84. The operating fund will stand at \$3,193,488.52. Revenues exceeded expenses for the first month of the fiscal year by \$133,058. In response to a

*amp*

question from the Board, Mr. Russell reported that the District's revenues and expenditures for the SJRA were about the same. 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 reviewed the tax assessor/collector's report. The report reflected that the District's 2016 taxes are 97% collected.

7. Mike Williams presented an operator's report. The District billed \$320,304.05 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 98% of the water produced. The District served 3,819 customers, and 3,596 customers received all services including garbage. The sewage treatment plant operated at 68% of capacity with no permit violations.

The operator requested write-off of four accounts in the total amount of \$373.68, and the Board approved the request.

The operator reported that the ground storage tank overflowed and it is his opinion that the issue is with SJRA's equipment and meter. The operator informed the SJRA of the issue. It is also the operator's belief that the meter is underreporting the District's usage.

The operator noted that it was time to paint all of the fire hydrants in the District. He estimated a cost of \$35 per hydrant, but will present a firm proposal at the next meeting.

The operator then discussed the main line water repair on Rayford Road. A depression began on Rayford Road on Wednesday night, but no water was visible. The operator thought that it was a storm sewer failure on a line not owned by the District. However, once Montgomery County excavated the road, the problem was determined to have been caused by the District's water line that runs to the interconnect with Spring Creek Utility District. The line was leaking, causing dirt to be washed out. The operator repaired the water line leak, and the County is going to repair the road. The County stated that they would be sending the District a bill for the road repairs.

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

8. Mike Williams presented a parks and recreational facilities report. There were 17 calls regarding issues in the parks. Five calls were for the pavilion, 10 calls were for the ball fields, and two calls were received this month for information.

The operator reported that three dead trees were removed in wetlands, and regular maintenance was performed at the facilities. The operator reported that the water fountain at the soccer field was not working or repairable and a new one was ordered. The fountain in the park is back in operation. Someone is stopping up the drainage, which causes the water to pool. Paul Green addressed the Board and stated that the barbeque pits in the parks look unsightly. He stated that he had never seen anyone use them, and the operator confirmed that he had not seen them in use either. After discussion, the Board authorized the operator to remove the barbeque pits, as they have reached the end of their useful life.

Upon unanimous vote, the Board approved the parks report as presented.

9. Jason Hajduk presented an engineer's report. The engineer reported that the Rayford Road expansion preconstruction meeting was held March 2, 2017. With regard to the District's interconnect with Spring Creek Utility District, the engineer presented a cost analysis to disconnect and relocate the existing waterline versus abandonment of the line. It will cost approximately \$173,550 to relocate the water line in Rayford Road's right-of-way, assuming the District can use the existing bridge crossing. If that bridge crossing cannot be used, another \$50,000 will be required. Part of the new line will have to be located in easements with private properties, so the District would have to approach Faith United Methodist Church and others for easements. The District has three water wells, a water line connection with the San Jacinto River Authority, and an emergency interconnect with MUD 99, which now has two wells. The District appears to be well prepared in the case of an emergency, and the interconnect with Spring Creek Utility District may not be necessary. The Board asked the operator if having the interconnect with Spring Creek Utility District was worth \$173,550. The operator confirmed that he has opened the interconnect only once when he needed to isolate a water line along Rayford Road for repair, and the interconnect water provided water supply during that time to the commercial properties, including the Kroger Shopping Center. The Board authorized the engineer to review options for looping the system to the commercial entities so that water service can be maintained. Upon unanimous vote, the Board authorized the attorney to send a notice to Spring Creek Utility District notifying them of the District's intent to terminate the emergency interconnect agreement.

The engineer reported that at the wastewater treatment plant, he is awaiting the final pay application for the fence.

The engineer then reviewed with the Board in some detail an annexation feasibility study for Sam's Car Wash. The customer initially had one tract, but purchased a second tract. The engineer reviewed the usage requested by the landowner and calculated connections based upon the City of Houston's service unit equivalency table. For Tract 1, the engineer is estimating 43 equivalent single family connections ("ESFCs"). However, according to TCEQ rules regarding elevated storage, the number of connections that are allocated to the tract will be four, because that allocation is determined on the number of meter connections. For Tract 2, the engineer assumed 24 equivalent single family connections, and a meter connection count will be four. In the update to the District's elevated storage tank variance, the Texas Commission on Environmental Quality approved up to 3,987 connections, but the District's capacity limitation stands at 3,750 ESFCs. In either event, the District can serve the tracts and still be within the District's capacity limitation and the TCEQ elevated storage limitation. However, the engineer would need to add the property to their water model to be certain that all minimum pressure ratings can be maintained. The property owner will need to construct a public water line to serve the project, and the engineer is suggesting a private force main and lift station. The cost of the water line is anticipated to be \$263,445. The engineer anticipates that the use would increase the District's sanitary sewer plant capacity by 2%, which is within acceptable ranges and would not require any plant expansion. The developer may have to deal with third parties regarding site drainage. According to the landowner, the anticipated added assessed value will be \$3,250,000. The Board discussed the pros and cons of annexing the property versus providing out-of-District service. The attorney noted that the District could place limitations on

an annexation agreement and record those in the real property records. In the alternative, the District could have an agreement to serve the tract on an out-of-District basis and limit the connections of capacity to be available. After discussion, upon unanimous vote, the Board authorized the engineer to revise the feasibility study indicating that the District would be willing to agree to provide out-of-District service at three times the in-District rates. The engineer is to revise the feasibility study to anticipate the amount of water which is likely to be used by the customer, so that the District can predict the water revenues.

The sanitary sewer rehabilitation is underway.

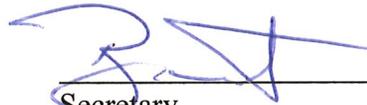
After discussion, upon unanimous vote, the Board approved the engineer's report as presented.

10. The attorney briefly discussed conveyance of facilities to the San Jacinto River Authority. She did have discussion with counsel for the Authority, and they are still drafting the documents.

11. Under pending business, the attorney noted that the District Board President was required to respond to a Public Information Act request, and there would be charges on her bill next month associated with preparation of the necessary documents.

The Board also noted receipt of correspondence from a resident and will review the District's website at a future meeting.

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



---

Secretary