

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
February 11, 2019

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on February 11, 2019, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Jon Vallery, President
Brendon Keith, Secretary
James Ridgway, Director

and the following absent:

Frank Moore, Vice President
James Nichols, Director.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Glen Arnold, Glenn Kourik, Christie Leighton, Clayton Harry, 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. The President read the following announcement of recording and publication of recording on the District’s website: “The District records its meetings and at the conclusion of the meeting posts the recording on the District’s website. The audio recording can be found under the ‘Meetings’ tab of the website, www.rayfordroadmud.com. Members of the Board of Directors and attendees of the Board meeting may also be recording the meeting.”

2. The attorney presented and read a letter of resignation from James Nichols. He has moved out of the area and is no longer qualified to serve. He sent his best wishes for the Board’s continuing success. Upon unanimous vote, the Board accepted the resignation of Director Nichols.

Director Vallery proposed that Glenn Kourik be appointed to fill the vacancy created by the resignation. Director Keith then made a motion to appoint Glenn Kourik to the Board. The motion died for lack of second. Director Ridgway stated he would like more time to look for candidates to fill the position.

3. Minutes of the meeting held January 14, 2019 were presented for the Board’s review and approval. After discussion, upon unanimous vote, the Board voted to approve the minutes as presented.

4. Christie Leighton of Best Trash addressed the Board regarding her company’s services and asked if there were any issues. The Board noted there were no issues with garbage collection. The Board thanked Ms. Leighton for her attendance.

5. The Board reviewed a law enforcement report and the following statistics: there was three District calls; 434 contract calls; 304 traffic contacts; 66 reports taken; three

felony arrests; 12 misdemeanor arrests; 18 crashes; and 17 charges filed. Sergeant Glen Arnold discussed crimes within the District, including the theft at the T-Mobile store. Sergeant Arnold also noted there were several burglaries of motor vehicles, and in all instances the car doors were unlocked.

6. The Board next discussed the recently completed Eagle Scout project, which involved the installation of benches at the T-Ball fields. The Board commended Matthew Werleman for his work on the project.

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

8. Bill Russell presented the bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$3,523,853.87. The capital projects fund will stand at \$91,976.22. The general fund will stand at \$3,534,787.71. Revenues exceeded expenses for the first eight months of the fiscal year by \$465,923.41. The bookkeeper reported that tax collections were well over 90%. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

9. The District performed the annual review of the tax assessor/collector's contract. After discussion, the Board agreed to take no action and allow the current contract to stay in place.

10. Mike Williams presented an operator's report. The District billed \$242,989.91 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 3,820 customers, and 3,605 customers received all services including garbage. The sewage treatment plant operated at 62% of capacity with no permit violations.

The operator requested write-off of six accounts in the total amount of \$422.74, and the Board concurred.

The operator reported they performed several meter replacements due to high reads. Mike Williams stated that he would check with Lonnie Wright on the status of his attempts to negotiate for lowering or removing the ACH fees associated with electronic banking payments. Upon unanimous vote, the board approved the operator's report as presented.

11. Mike Williams presented a parks and recreational facilities report. There were 20 calls regarding issues in the parks. Three calls were for the pavilion, 15 calls were for the ball fields, and one call was received for information. As discussed at the last meeting, the operator had received calls regarding water standing on the sidewalks in the parks. The operator reported the water has since dried off of the sidewalks, and they do not recommend any action at this time.

12. Jason Hajduk presented an engineer's report. With regard to the commercial water line loop, the engineer reported the contractor has stopped working due to the wet weather. The Faith United Methodist Church has been very cooperative with the construction. The engineer reported they are working on getting proposals for televising the sewer lines in Imperial Oaks, Section 5.

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

13. The Board discussed the Phase II (small) MS4 Annual Report for members of the South Montgomery County Stormwater Coalition. The attorney recommended approval of the annual report and execution by the Board President. Upon unanimous vote, the Board approved the annual MS4 report and authorized its submission to the TCEQ as required by law.

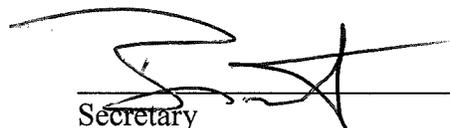
14. The Board performed a consultant review of Myrtle Cruz, Inc. ("MCI"). The Board noted that MCI charges a base rate of \$3,000 per month. Bill Russell noted that MCI has been the District's bookkeeper since 1980. MCI has 357 districts, and bookkeeping for special districts is all that their company does. Mr. Russell estimated that their firm spends about 40 hours per month preparing the District's books and records. The Board reviewed the contract and services in some detail and thanked Mr. Russell for his presentation.

15. The attorney for the District then discussed with the Board the requirements of Senate Bill 625. The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publically available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. Upon unanimous vote, the Board authorized the attorney to prepare and file the required report by the April 1, 2019 deadline.

16. Lori Aylett gave an attorney's report. She reported that the District recently received a notice from the Lone Star Groundwater Conservation District regarding modifications to the rule related to large volume groundwater users. Lone Star has settled its litigation, and that rule will no longer be the basis for permits. A new rule will be implemented, but no one at present knows what the rule will be. The Board discussed the strategy in some detail. Director Ridgway noted that it would be appropriate to hear from representatives of Lone Star Groundwater Conservation District. The Board authorized Director Ridgway to reach out to Jon Bouché to invite him to the next Board meeting to discuss Lone Star and the direction they are taking.

17. The Board agreed that they would do a consultant review of Smith, Murdaugh, Little & Bonham, LLP at the next meeting.

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


Secretary