

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

March 11, 2019

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on March 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.

Also present were Bill Russell, John Montgomery, Jason Hajduk, Sergeant Glen Arnold, Glenn Kourik, David Laney, Clayton Harry, and Jennifer B. Seipel.

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 Board discussed the appointment of a director to fill the vacancy created by last month’s resignation of James Nichols. Director Vallery proposed that Glenn Kourik be appointed. In response, Director Ridgway asked that Mr. Kourik introduce himself and explain why he wanted to serve on the Board. Mr. Kourik stated that he has always had an interest in serving his community, noting that he has attended the District’s meetings on a regular basis for years and used to serve on the board of the property owners’ association. Director Ridgway then asked Mr. Kourik a series of questions regarding his position on smart meters and the Board’s recordation of its meetings, among other matters. Mr. Kourik provided answers to these questions. After further discussion, upon unanimous vote, the Board adopted the attached order appointing Mr. Kourik to serve on the Board for the District for the remainder of former director James Nichols’ term. The Board approved the letter of qualifications, statement of appointed officer, and oath of office of Mr. Kourik. Mr. Kourik acknowledged receipt of a questionnaire regarding potential conflicts of interest and a memorandum regarding completion of Public Information Act/Open Meetings Act training.

3. Minutes of the meeting held February 11, 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. The Board reviewed a law enforcement report and the following statistics: there were no District calls; 278 contract calls; 385 traffic contacts; 81 reports taken; three felony arrests; nine misdemeanor arrests; and 20 charges filed. Sergeant Arnold discussed an uptick in burglaries in the Kendall Ridge area. The Board also discussed the number of officers available during particular shifts. Director Ridgway then inquired about traffic issues near Kaufman Elementary School. After some discussion as to whether the District could take action to address the situation, Sergeant Arnold noted that he would obtain additional information on the situation and report back to the Board.

5. Under citizens comments, a representative for the Imperial Oaks swim team paid the deposit to utilize certain District park facilities this summer. Mr. Laney also inquired about how the expansion of Rayford Road might affect drainage in the area.

6. Bill Russell presented the bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,300,643.83. The capital projects fund will stand at \$91,975.08. The general fund will stand at \$3,543,939.16. The bookkeeper reported that tax collections were well over 92.66%. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

7. John Montgomery presented an operator's report. The District billed \$234,906.53 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 99% of the water produced. The District served 3,820 customers, and 3,600 customers received all services including garbage. The sewage treatment plant operated at 58% of capacity with no permit violations.

The operator requested write-off of nine accounts in the total amount of \$983.57, and the Board concurred.

The operator then discussed the negative impact that flushable wipes are having on the District's facilities. The Board discussed the need to educate District constituents on the matter, and the operator confirmed that he would bring educational materials to the next meeting. Upon unanimous vote, the board approved the operator's report as presented.

8. John Montgomery presented a parks and recreational facilities report.

9. The Board considered the District's Water Conservation Plan and Drought Contingency Plan. Ms. Seipel reported that in order to remain compliant with state and local regulations, the Board must update and readopt the plans. Ms. Seipel recommended that the Board review the plans and provide any comments prior to their consideration and adoption next month.

10. Jason Hajduk presented an engineer's report. With regard to televising the sewer lines in Imperial Oaks, Section 5, the District received two bids, and the engineer recommended award of the contract to the low bidder, Camino Services, in the amount of \$21,545.20. After discussion, upon unanimous vote, the Board approved award of the contract as recommended by the engineer.

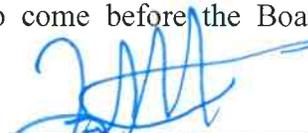
With respect to the discharge permit, the engineer noted that he received comments from the Texas Commission on Environmental Quality (“TCEQ”), which are being addressed.

Lastly, the engineer presented a letter from the engineer for the owner of property located at 591 Darby Loop, in which the engineer inquired as to whether the District would be willing to provide water and sewer service to the development. The engineer explained that the TCEQ requires developers of property to send these types of letters before it will allow private facilities to be constructed, and this request for service is likely a formality rather than genuine. The engineer also stated that, in his opinion, the property owner’s requests were not something that the District could accommodate, due to their remote location.

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

11. Under pending business, Director Ridgway requested that the consultant review of Smith, Murdaugh, Little & Bonham, LLP be placed on next month’s agenda. Director Ridgway also discussed the status of the litigation between the San Jacinto River Authority and the City of Conroe, among other parties. Director Ridgway proposed that the District meet with other affected municipal utility districts for the possible purpose of creating a coalition. After some discussion, the other members of the Board expressed no objection to Director Ridgway exploring whether there is any interest by other municipal utility districts.

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


Secretary Vice President