

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
April 8, 2019

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on April 8, 2019, 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
James Ridgway, Director
Glenn Kourik, Director

and the following absent:

Brendon Keith, Secretary.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Lieutenant S. Furches, Sergeant Glen Arnold, Brian Jarrard, Nizar Ali, 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. Minutes of the meeting held March 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.

3. The Board reviewed a law enforcement report and the following statistics: there were no District calls; 349 contract calls; 389 traffic contacts; 78 reports taken; one felony arrest; seven misdemeanor arrests; 18 crashes; and eight charges filed. Sergeant Arnold reported he is still trying to get signage from the Commissioner’s Court related to the school zone area. The Constable reported that one of the District’s patrol cars was involved in an accident, and the car was totaled. The car was an older model with high mileage, and the County will get the residual value of \$10,000. Lieutenant Furches recommended that the District purchase two new cars at a total cost \$91,269.80. The County will, of course, credit the District back for cost of the totaled car at its residual value. The Board discussed the mileage on the cars versus the idle hours. The Constable reported that police cars have a lot of idle hours because there is a lot of computer equipment inside the car, and therefore the car has to be left in operation most of the time to keep the equipment from powering down. Director Ridgway asked if Precinct 3 would be willing to contribute money for a new car, and Constable Furches stated that was not likely. After discussion, upon unanimous vote, the Board approved the purchase of two vehicles

contingent upon receipt of wiring instructions from the County, and contingent upon receipt of the \$10,000 credit for residual value of the totaled car.

4. The Board discussed whether to grant an easement for utilities on a reserve owned by the District known as Reserve B, Imperial Oaks Park, Section 10. Brian Jarrard introduced himself and stated that he was a representative of Holcomb Properties, the developer of Imperial Oaks and The Falls. He stated that that developer had built the final section of lots in the neighboring Falls subdivision. CenterPoint requires an easement so that the utilities can be constructed underground via a directional bore. The developer requested that the District approve the easement. CenterPoint has the right-of-way in any event and they can install overhead lines. The developer negotiated for the construction of the underground utilities to improve the aesthetics in the area. Director Ridgway asked if Holcomb Properties would consider taking down the marketing signs located in the neighborhood. Mr. Jarrard stated that he would reach out to VanMor, the POA management company, to see if they can coordinate for requested sign removal. Upon unanimous vote, the Board approved grant of the easement as requested by the developer.

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

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 \$1,336,897.07. The capital projects fund will stand at \$91,976.22. The general fund will stand at \$3,395,334.56. Revenues exceeded expenses for the first ten months of the fiscal year by \$317,956.68. The bookkeeper then presented the proposed budget for the fiscal year ending May 31, 2020 and discussed it with the Board in some detail. He asked the Board and consultants to provide him with proposed revisions prior to the next meeting, when the budget must be adopted. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

7. Mike Williams presented an operator's report. The District billed \$241,710 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 3,606 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 two accounts in the total amount of \$351.32, and the Board concurred.

The operator then presented three fliers to be used for educating the public about the deleterious effects of rags and grease on District facilities. The District spent \$17,600 to clean lift stations and \$45,000 to pull pumps, and most of these costs were due to rags and grease. It will cost \$0.15 per copy to include the flyer in the customer's bills. The Board can also post it on the District website. The Board selected a flyer and authorized it to be sent and posted. Upon unanimous vote, the board approved the operator's report as presented.

8. Mike Williams presented a parks and recreational facilities report. There were 27 calls regarding issues in the parks. Six calls were for the pavilion, 20 calls were for the

ball fields, and one call was received for information. The operator reported there were some trees down in the parks due to wind.

9. The attorney noted that the District was required to review the FTC identity theft red flag program on an annual basis. The District operator presented the annual report and noted no issues. The attorney recommended that no changes be made to the program. Accordingly, upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt the attached Resolution Affirming Identity Theft Prevention Program.

10. The Board discussed the Drought Contingency Plan. The attorney reviewed the plan with the Board in some detail. Upon unanimous vote, the Board adopted the attached Drought Contingency Plan as presented.

11. The Board then considered the attached Order Adopting Water Conservation Plan. The attorney noted that the District's goals are in line with the SJRA's plan. Upon unanimous vote, the Board adopted the Water Conservation Plan as presented.

12. Jason Hajduk presented an engineer's report. With regard to the commercial water line loop, the project is complete and the final walk-throughs are being scheduled. The engineer will contact the Drainage District No. 6 engineer to participate in the walk-through, since their district owns the ditch. The contract for televising the sewer lines in Imperial Oaks, Section 5 has been signed by all parties.

With respect to the waste discharge permit, the engineer noted that he received and reviewed a draft permit. The engineer reported that he negotiated a correction to the permit with the Texas Commission on Environmental Quality. The Commission had intended to have a copper limit in the final phase, but they erroneously put in a phosphorous limit. The District engineer has also requested on the District's behalf a variance from the 75% planning and 90% expansion rule because the District is at full development. The District engineer received correspondence from George Kast, who is considering development of property in the District. They are now proposing a lower usage than originally stated and are working with a different architect.

Mr. Ali, a representative of Kadiwal Investments, approached the Board and stated that he is having difficulty obtaining easements across private property. The adjacent property owners were requesting District sewer services as a condition of granting the easement. The attorney noted that Kadiwal did not have the capability of agreeing to provide service to any third party as a condition of receiving service from the District. Further, Kadiwal is responsible for obtaining the easements for its own property. The attorney requested that the Kadiwal representative discuss the matter in more detail with the District's engineer. The District engineer confirmed that he had not received any information from Kadiwal regarding the location of the requested easements, so it was premature for the Board to discuss matters relating to those easements.

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

13. The Board discussed the attorney contract in detail. The attorney discussed the experience of her firm and the years of service provided to the District. The Board asked detailed questions about the attorney's services. The attorney noted that she would consider a flat fee arrangement with the Board, but she was likely to use a higher flat fee as a base line due to uncertainty about length of time of the meetings and other items that could not be forecast.

14. The attorney reported briefly on the status of the Lone Star Groundwater Conservation District matters and the SJRA/City of Conroe litigation. The Groundwater Conservation District will be conducting a series of Town Hall meetings to discuss their groundwater management plan. The San Jacinto River Authority has requested to attend the next Board meeting, and the Board will place an item on the agenda for their presentation.

15. The Board discussed the AWBD summer conference schedule and attendance. Director Ridgway requested that the Board put an item on the next agenda for further discussion.

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


Secretary