

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

July 8, 2013

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 312 Spring Hill Drive, Suite 100, West Entrance, Spring, Texas, on Monday, July 8, 2013, 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, Mike Williams, John Montgomery, Jason Hajduk, Lieutenant Mike Atkins, and J. Davis Bonham, Jr.

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 of June 10, 2013 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.
2. Lieutenant Atkins presented a law enforcement report and reported the following statistics: there were 699 contract calls; 43 reports taken; 4 felony arrests; 15 misdemeanor arrests; 250 citations and tickets; and 13 charges filed. The constables drove a total of 6,807 miles in the District during the month. Lieutenant Atkins requested an update on the status of payment for the new Tahoe. Bill Russell informed the Board that checks are being presented tonight for the purchase of the vehicle and related equipment. Lieutenant Atkins informed the Board that the District's contract deputy program is now fully staffed with permanent deputy constables.
3. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$2,264,151.56. The capital projects fund will stand at \$946,079.45. The operating fund will stand at \$2,157,027.58. The District's completed one month of its fiscal year, and year-to-date expenditures exceed revenues by \$77,221.31. 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.
4. Mike Williams presented an operator's report. The District billed \$269,350.45. The operator took 10 bacteriological samples, all of which were within acceptable limits. The District served 3,810 customers, and 3,578 customers received all services including

garbage. The District accounted for 92% of the water produced. The sewage treatment plant operated at 77% of capacity with no permit violations. The operator requested write-off of eight accounts totaling \$1,001.94. Upon unanimous vote, the Board approved the operator's report and the write-offs as presented.

5. The Board then discussed the Notice of Enforcement dated June 26, 2013. The District's attorney and operator reviewed the Notice of Enforcement with the Board, the District's violation history, and the plan to address the issue going forward. The operator informed the Board that polyphosphates are being added to the District's water supply and that the District has operated within permit for the last three months. The operator informed the Board that he has discussed the low copper limit in the District's permit with the District's engineer and that they intend to meet with a representative of the TCEQ in Austin to discuss the issue and request an increase in the copper limit.

6. The Board then considered the Agreed Order Docket No. 2013-1119-MWD-E. The attorney reviewed the terms of the Agreed Order with the Board and the District's options moving forward. The Agreed Order includes an administrative penalty in the amount of \$9,375, \$1,875 of which is to be deferred contingent upon the District's timely and satisfactory compliance with the terms of the Agreed Order. The attorney and operator reviewed the Ordering Provisions with the Board including the submission of written certification of compliance within 90 days after the effective date of the Agreed Order. The Board discussed the Agreed Order, and upon motion duly made, seconded, and unanimously carried approved the Agreed Order, authorized payment of the administrative penalty, and directed the District's operator, engineer, and attorney to take all action necessary to ensure compliance with the terms of the Agreed Order.

7. Mike Williams presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. Eight calls were for the pavilion and five calls were for the ball fields. The operator stated that two dead trees had been removed in Bradford Village Wetland. The operator then addressed the lighting in the park with the Board. Two light fixtures in the park are not operational, and the operator believes that the conduit running to the fixtures will need to be replaced. The Board requested that the operator bring proposals for repair to the next Board meeting. The operator then addressed security in the park and requested that the constables begin bike patrols in the park. The District previously purchased two bicycles to allow the constables to patrol within the park. Lieutenant Atkins was unable to confirm if any of the deputy constables assigned to the District are certified for bike patrol, and he will report back to the Board with the training information.

8. Jason Hajduk presented an engineer's report. The plans and contract for the Phase I Sanitary Sewer Rehabilitation are complete. The bid opening will be held July 16<sup>th</sup> at 2:00 p.m., and the engineer will present bids at the Board's next regularly scheduled meeting.

Well No. 3 construction is complete, and the engineer is waiting on the final pay application. The engineer received the final pay application today, but the proper documentation was not provided, so the pay application could not be accepted. The contractor will resubmit the pay application for approval at the Board's next regularly scheduled meeting.

The engineer reported that the ground storage tank replacement and water plant modifications are complete. The engineer presented Pay Application No. 7 and Final from W.W. Payton Corp. in the amount of \$53,214.10.

The engineer then addressed the Board regarding a utility request from Bryan Beaty with Kaleidoscope Promotions for 5,000 gpd of wastewater flow. Mr. Beaty owns property located at 29607 Robinson Road, which currently includes several baseball fields, and would like to expand his facilities. The Board discussed the request and the availability of wastewater capacity. The Board requested that Mr. Beaty attend the Board's next regularly scheduled Board meeting to present his request and discuss his construction plans and ultimate needs with the Board.

The engineer then provided the Board with an update on the status of the San Jacinto River Authority surface water conversion, including the most recent status report provided by the SJRA.

The engineer then addressed the Board regarding the Drainage and Amenity Lake Easement to be conveyed by Montgomery County Drainage District No. 10 to Montgomery County Drainage District No. 115. The Board discussed the proposed construction and the District's ownership interest in the drainage easement and agreed to consent to the conveyance.

After discussion, upon unanimous vote, the Board authorized payment of Pay Application No. 7 and Final as presented, consented to the conveyance of the drainage and amenity lake easement, and approved the engineer's report as presented.

9. The Board tabled consideration of an Order Authorizing Use of Surplus Funds until the August meeting.

10. The Board then considered the Interlocal Cooperation Agreement (Agreement No. 5) for Compliance with TPDES Permit No. TXR040000 (2012-2017) by and among the District, Montgomery County DD 10, Rayford Road MUD, Southern Montgomery County MUD, Montgomery County MUD 19, Montgomery County MUD 99, Spring Creek UD and City of Oak Ridge North, Texas. The attorney reviewed the substantive terms of the Agreement with the Board, and upon motion duly made, seconded, and unanimously carried, the Board approved the Agreement as presented.

11. The Board then considered the District's meeting schedule to consider and adopt the 2013 tax rate. The Board agreed to hold a special meeting at 7:00 p.m. at the District operator's office on August 26, 2013.

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

  
Secretary