

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

March 10, 2014

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, March 10, 2014, 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
Michael Smith, Assistant Secretary
Paul Alli, Director

and the following absent:

Brendon Keith, Secretary.

Also present were Bill Russell, John Montgomery, Jason Hajduk, Drew Masterson, Lieutenant David Weis, Paul Wood, Jim Nichols, 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 of February 10, 2014 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Lieutenant Weis presented a law enforcement report and reported the following statistics: there were 581 contract calls; 13 District calls; 51 reports taken; five felony arrests; 15 misdemeanor arrests; 340 citations and tickets; and 18 charges filed. The constables drove a total of 6,860 miles in the District during the month. The Board inquired about a suspicious person report. The officers responded to the report but did not find anyone. Lieutenant Weis reported that an officer in the department is receiving commendation for a traffic stop in which a machine gun and \$17,000 in cash was seized.

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 \$2,054,252.86. The capital projects fund will stand at \$729,307.23. The operating fund will stand at \$2,281,273.81. Revenues exceed expenditures for the first nine months of the fiscal year by \$894,420.43. 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. Drew Masterson then reported on the status of the Series 2014 Refunding Bonds. He reported that the Board had approved a parameter of a present value savings of 4%. The District priced the bonds on February 19, 2014 and achieved present value savings of \$258,370.67 or 5.598498%. Mr. Masterson presented the final and verified numbers for the Board's review and consideration. The Board thanked the financial advisor for security the debt

service savings for the District.

5. John Montgomery presented an operator's report. The District billed \$231,342.63. The operator took 10 bacteriological samples, all of which were within acceptable limits. The District accounted for 93% of the water produced. The District served 3,815 customers, and 3,592 customers received all services including garbage. The sewage treatment plant operated at 78% of capacity with no permit violations. The operator requested write-off of three accounts in the total amount of \$165.29. The operator sent the water audit to the Texas Water Development Board. The operator has not yet scheduled the biomonitoring because the weather has been so variable. It will be scheduled at optimal times.

The operator reported on a customer service inquiry. The customer had a leak and requested a credit. The operator recommended waiting a month to review the customer's usage. The Board noted that they could authorize a sewer adjustment after observing a month of usage. After discussion, upon unanimous vote, the Board authorized the operator to adjust the customer's account after next month's usage and approved the operator's report as presented.

6. The Board next reviewed a draft Order Adopting Water Conservation Plan and Providing for Implementation and Enforcement Thereof. Ms. Aylett noted that the District is required to review its Water Conservation Plan and re-implement it every five years, not later than May 1, 2014. The operator, engineer and attorney will assist the Board in making sure goals are reasonable.

7. John Montgomery presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. Five calls were for the pavilion, nine calls were for the ball fields and one call was for information. The operator reported that the pavilion had been pressure washed and repairs due to vandalism were completed. The operator also reported that ant bait had been applied to the ballfields and parks. Director Alli reported receipt of a complaint concerning dogs on the ballfields. The resident requested that the Board adopt a policy prohibiting dogs from being on the ballfields, due to the issue of dog waste. The attorney noted that the rules currently require dogs to be on a leash and that owners are required to clean up after them. The attorney will place an item on the next agenda for consideration of a change to the rules.

8. Jason Hajduk presented an engineer's report. Construction of the Phase 1 sanitary sewer rehabilitation is underway. Point repairs have been made in Imperial Oaks Sections 1 and 3, and 90% of the pipe bursting has been completed in Imperial Oaks, Section 3.

The engineer discussed the status of the SJRA surface water conversion project. A Notice to Proceed will be issued and a pre-construction meeting is expected to be held within the next couple of weeks.

With regard to the storm sewer outfalls, the engineer has inspected 21 of the 29 metal outfalls. The remaining eight outfalls will be inspected tomorrow, and the engineer will begin preparation of an inspection report.

With regard to the wastewater treatment plant permit issue, the Range Finder test for copper has been scheduled, but due to weather has not yet begun. The engineer is waiting on

optimal weather to get a good sample.

The engineer inspected Water Plant No. 1 and No. 2 and is preparing inspection reports.

Upon unanimous vote, the Board approved the engineer's report as presented.

9. There was no developer present, so no developer's report was given.

10. The Board then considered the attached Order Declaring Unopposed Candidates Elected and Canceling Election originally scheduled for May 10, 2014. The Board reviewed a secretary's certificate certifying that all candidates for office of director are unopposed, and the deadline for filing an application to be a candidate has expired. After discussion, upon unanimous vote, the Order was approved and executed.

11. The attorney noted that the SJRA is making an informational presentation on the status of the surface water conversion project. The meeting will be held at the offices of Southern Montgomery County Municipal Utility District on March 24, 2014 at 7:00 p.m., and everyone is invited to attend.

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


Secretary