

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

April 14, 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, April 14, 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
Brendon Keith, Secretary
Michael Smith, Assistant Secretary

and the following absent:

Paul Alli, Director.

Also present were Bill Russell, Mike Williams, John Montgomery, Jason Hajduk, Lieutenant David Weis, 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 March 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 697 contract calls; nine District calls; 66 reports taken; six felony arrests; 21 misdemeanor arrests; 390 citations and tickets; and 20 charges filed. The constables drove a total of 7,871 miles in the District during the month. Lieutenant Weis informed the Board that thieves had struck again on a Monday night. They stole tires off two Tahoes and another SUV. He also reported on a six car accident that took out the fence near Ace Hardware. After discussion, upon unanimous vote, the Board approved the law enforcement report as presented.

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 \$2,078,129.55. The capital projects fund will stand at \$729,419.45. The operating fund will stand at \$3,582,045.67. Revenues exceed expenditures for the first 10 months of the fiscal year by \$1,314,693.31. The bookkeeper reported that the actual revenues and expenditures reflect revenue received from the SJRA for receiving facilities at the water plant. The bookkeeper also anticipates that the budget will be adopted in May. 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 and John Montgomery presented an operator's report. The District billed \$223,426.65. The operator took 10 bacteriological samples, all of which were

acceptable. The District accounted for 93% of the water produced. The District served 3,815 customers, and 3,597 customers received all services including garbage. The sewage treatment plant operated at 77% of capacity with no permit violations. The operator requested write-off of eight accounts in the total amount of \$1,135.59.

The operator reported on one customer service inquiry. The customer requested an adjustment because she had to drain her water heater. The operator offered a leak adjustment but that was not sufficient to the customer. The Board declined any further adjustment but did authorize the operator to offer the customer an installment payment plan.

The operator reported that the MUD 99 well is still down for repairs. The MUD 99 board is having a special meeting to authorize the well repairs. The District's still providing water through the interconnect.

John Montgomery reported the results of the range finder for the copper study. Initial reports are quite favorable. The engineer and operator, along with the laboratory, have an opinion that the copper limit in the water discharge permit may be able to be raised by a factor of seven, if the full study is performed. The laboratory recommendation is to perform the full study instead of the streamlined study. The streamlined study would provided two rounds of testing, while the three-round range test for the full study is a "better gamble". The study will be performed three months in a row and will cost approximately \$26,000. The District will have to submit a study plan. The operator reminded the Board that the District has already spent \$6,000 on the range finder, and the cost quoted was for the total work. After discussion, upon unanimous vote, the Board authorized performance of the full three range test and submission of the testing plan to the Texas Commission on Environmental Quality.

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

5. The Board then considered the Resolution Affirming Review of Identity Theft Prevention Plan. The District's operator informed the Board that his office reviews the policy regularly. The operator informed the Board that the current policy is effective and no changes are necessary at this time. Upon motion duly made, seconded, and unanimously carried, the Board approved the Resolution as presented.

6. Lori Aylett reported on the status of the District's Water Conservation Plan. The District is required to adopt and implement a water conservation plan because it has more than 3,300 connections, and the previous plan has been in place almost five years. Pursuant to state law, the District is required to review the plan every five years. The Board discussed new five year goals. The operator noted that an appropriate five-year goal would be to keep water loss below 5% and reduce water usage by six gallons per capita per day. An appropriate 10-year goal would be to keep water loss at 4% or less and to reduce water usage by 5 gallons per capita per day. The Board reviewed the remainder of the Water Conservation Plan, and upon unanimous vote, the Water Conservation Plan was adopted as presented.

7. The Board discussed the Drought Contingency Plan. The attorney noted that the Drought Contingency Plan was required to be reviewed every five years. The Board has

reviewed its plan within the past five years, but the attorney recommended that the plan be readopted with no changes, so that the dates on the plan would align with the state's plan review periods. Upon unanimous vote, the Board approved the Drought Contingency Plan as presented.

8. John Montgomery presented a parks and recreational facilities report. There were 42 calls regarding issues in the parks. 20 calls were for the pavilion, 19 calls were for the ball fields and three calls were for information. The operator reported that a realtor has scheduled a large movie event in accordance with the Board's previous approval. Porta potties will be brought in for the weekend, but they will be removed on Monday.

9. The Board next discussed whether to make any changes to the Rules and Regulations for Use of Imperial Oaks Parks, Pavilion, Green Belts and Imperial Oaks Ballfields. The attorney noted that she had placed this item on the agenda because a Board member had received a complaint about dog waste on the ballfields. Mike Williams stated that there have not been any serious violations of the current rules. Mr. Williams further stated that he would prefer there to be better signage instead of any rule change. After discussion, the Board determined that no changes to the rules were necessary.

10. Jason Hajduk presented an engineer's report. Construction of the Phase 1 sanitary sewer rehabilitation is underway.

The engineer discussed the status of the SJRA surface water conversion project. The engineer issued a Notice to Proceed for the receiving facilities on March 31, 2014.

With regard to the storm sewer outfalls, the inspection is complete, and the inspection report will be presented at next month's Board meeting.

Water Plant No. 1 and Water Plant No. 2 inspections were completed. The written report will be presented at next month's Board meeting.

The engineer next reported that the Texas Commission on Environmental Quality annual inspection of the District's wastewater treatment facilities occurred on April 2, 2014. The inspector requested documentation that the District has received a waiver from the 75/90 rule. The engineer reminded the Board that the 75/90 rule was a Commission rule requiring that a district begin planning for a sewage treatment plant expansion when it has reached 75% of its design capacity for three months in a row, and a district must begin construction of an expansion when a plant operates at 90% of capacity. A waiver is available if a district is fully built-out and does not intend to develop further. The District requested and received a waiver in the past, but the inspector insisted that a new waiver submission be made. The engineer will review the situation and determine how to submit the necessary waivers again, if necessary.

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

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

12. The Board reviewed a quote for revisions to the District's website. The cost of the website revisions would be \$250 and would include revisions to the references to the meeting times and other District information. Upon unanimous vote, the Board approved the

revisions to the website for the price quoted.

13. Under pending business, Director Vallery noted that Montgomery County Drainage District No. 6 had sent a Notice of Default to Scrapyard Sports Complex for failing to comply with provisions of their settlement agreement. The engineer noted that the District had received correspondence from Scrapyard Sports asking if the District had capacity to provide sewage service. It appears that Scrapyard Sports is going to be operating a package sewage treatment plant on its site, and the request for capacity is a requirement and a condition to receiving a permit. The engineer did not make any response, because as was noted in the past during the feasibility study, the District had capacity to serve the project. Since the parties were not able to come to terms, the engineer felt that making no response would be more appropriate in this circumstance.

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



Secretary