

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

July 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, July 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  
Paul Alli, Director

and the following absent:

None.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Paul Green, Corporal Dreyer, Tony Belinoski, 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 June 9, 2014 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Corporal Dreyer presented a law enforcement report and reported the following statistics: there were 807 contract calls; three District calls; 55 reports taken; two felony arrests; 16 misdemeanor arrests; 260 citations and tickets; and 18 charges filed. The constables drove a total of 7,966 miles in the District during the month. Corporal Dreyer reported on a robbery at Rayford and Richard. Deputy Gilbert observed the vehicle and assisted in the apprehension of the alleged robbers. After discussion, upon unanimous vote, the Board approved the law enforcement report as presented.

3. The Board received a brief presentation from Deputy Chief Appraiser Tony Belinoski of the Montgomery County Appraisal District ("MCAD"). Mr. Belinoski noted that the MCAD offices needed to be expanded and remodeled. The current lobby space is too small for the number visitors to the facility or people who come in to protest their taxable values. By law, MCAD must secure the approval of 70% of the taxing entities to make the necessary expenditures. MCAD believes that the best option is to add 15,000 square feet to the current facility and make repairs and upgrades to the current facility. The budget for the expansion and upgrades is \$4 million, and the impact to the District is anticipated to be \$1,284 per year. In compliance with state law, MCAD also reviewed two other options. If MCAD considered building a new building, land acquisition would be an issue, and even if land could be acquired, the anticipated cost would be \$8.5 million. The other option reviewed was a lease, and anticipated lease costs would be \$4.2 million after six years. MCAD requested approval of the first option presented. After discussion,

upon unanimous vote, the Board adopted the attached Resolution Approving the Expansion & Remodeling of the Facilities of the Montgomery Central Appraisal District.

4. The Board reviewed the Interlocal Agreement with Montgomery County for Law Enforcement. The attorney reminded the Board that the contract renews automatically unless a termination notice is given 60 days before the end of the term. The next term expires on September 30, 2014. The Board elected to allow the contract to renew automatically for another year.

5. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$2,109,980.33. The capital projects fund will stand at \$729,741.23. The operating fund will stand at \$3,042,135.24. Expenditures exceeded revenues for the first month of the fiscal year by \$210,202.79. 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.

6. Mike Williams presented an operator's report. The District billed \$314,415.32. 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 3,593 customers received all services including garbage. The sewage treatment plant operated at 81% of capacity with no permit violations. The operator reported that there was one elevated copper reading but it was still within permit limits.

The District provided 15,000,000 gallons of water to Montgomery County MUD No. 99 through the interconnect while the MUD 99 well was down for repairs.

The operator reported that the clarifier at the sewage treatment plant is back online and is operating fine.

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

7. Mike Williams presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. 10 calls were for the pavilion, four calls were for the ball fields and one call was for information. The operator cut down two trees in the Willowcreek wetland during the month. The operator reported the need to replace the soccer goals because they are in bad condition. After discussion, the Board authorized the replacement at a cost not to exceed \$10,000.

8. Jason Hajduk presented an engineer's report. The SJRA contractor is making good progress. At Water Plant No. 1, they have installed storm sewer catch basins, two 12 inch flow meters and vaults, gas lines and meters, driveways, and 75% of the conduit and duct bank. The contractor is currently installing slabs for the buildings. At Water Plant No. 2, the contractor has installed the water line, underground conduit, duct bank, and forms for the buildings.

The engineer presented Pay Application Nos. 1, 2 and 3 to C.F. McDonald Electric, Inc. in the amount of \$127,388.70, \$67,459.05, and \$143,820, respectively. According to the District's supplemental agreement with the SJRA, payments cannot be paid from the escrow fund until the SJRA has reviewed and approved the pay applications. The engineer has notified the

SJRA, and they plan to send their own inspector to approve the work. The engineer noted that it would be appropriate for the Board to approve the payment of the pay applications, subject to receipt of approval from the SJRA. Upon unanimous vote, the Board authorized payment of Pay Application Nos. 1, 2 and 3, after SJRA approval is received.

The construction is still underway on the Phase 1 sanitary sewer rehabilitation. All of the point repairs and pipe bursting has been completed in Imperial Oaks, Sections 1 and 3. The contract is currently working on some final manhole rehabilitations. The engineer recommended payment of Pay Application No. 6 in the amount of \$60,291 and Pay Application No. 7 in the amount of \$55,147.74 to North Houston Pole Line LP. Upon unanimous vote, the Board approved payment of the pay applications as recommended by the engineer.

With regard to the compliance with the copper limitations in the District's current permit, the Interim Guidance Document is in the process of being prepared.

The engineer then presented a report detailing the storm sewer outfall inspections performed in the District. The report was lengthy, and the engineer recommended that the Board review the report in detail and discuss at the next meeting. In summary, the engineer believes that most of the storm sewer outfalls are in good shape, and some minor repairs are needed. It may be possible to have the operator perform some of the repairs. Mike Williams stated that he would review the report and come up with some ideas on scope of repairs and costs. In addition, the Board noted that Drainage District No. 6 had been making outfall repairs and slope repairs, and some of the standards for facilities may have changed. The attorney suggested that Mr. Hajduk provide a copy of his outfall inspection report to the Drainage District No. 6 engineer, so that any repairs or rehabilitation work can be coordinated to the Drainage District's satisfaction.

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

9. Under pending business, Lori Aylett reported that she received correspondence today from the Texas Commission on Environmental Quality indicating that the District had taken all necessary corrective actions in response to alleged violations that were noted at the annual wastewater treatment plant inspection.

In addition, the District received notice that NJM (Kaleidoscope or Scrap Yard Sports) is seeking a waste discharge permit to discharge 10,000 gallons per day of effluent into a Drainage District No. 6 facility. The proposed treatment plant will be located on the Scrap Yard Sports complex site.

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

  
Secretary