

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

December 8, 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, December 8, 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, Sergeant Weis, Paul Green, Glenn Kourik, Bob Garza, 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 held November 10, 2014 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Sergeant Weis presented a law enforcement report and reported the following statistics: there were 570 contract calls; two District calls; 49 reports taken; four felony arrests; 14 misdemeanor arrests; 339 citations and tickets; 10 crashes; and 10 charges filed. The constables drove a total of 6,883 miles in the District during the month.

Sergeant Weis reported that there has been a change to the law enforcement report. The "Recovered Property" column has been removed from the report and a column for "Crashes" has been added. Responding to a motor vehicle accidents has become a common part of the constable's work, and this information will be easier to track on the report. Sergeant Weis informed the Board that a new deputy has been assigned to the District, Deputy Espinoza. Sergeant Weis will make the introductions at a later date when Deputy Espinoza can attend a meeting. Sergeant Weis reported on a burglary of a habitation and stolen vehicle. These crimes were related because a nephew broke in and stole his uncle's truck. Sergeant Weis also reported that some motor vehicle burglary suspects had been caught.

Sergeant Weis reported that Deputy Gilbert won a Certificate of Appreciation from the Community Patrol Organization. The constables are grateful for the volunteers who are helping with community policing. In response to a question from the Board, Sergeant Weis reported that they use video and recording devices while on patrol and when making traffic stops.

Discussion then turned to whether the constables would continue to attend property owners association board meetings. Sergeant Weis noted that he and his officers wanted to respect the Board's wishes on this matter. Director Alli addressed the Board and noted that there are five property owners associations in Rayford Road MUD. One issue mentioned by Director Vallery was that the MUD directors sometimes do not find out that issues have been brought up at these POA meetings until the next Board meeting. The Board members desire good communication with the constables and with the community, and therefore the Board discussed whether it would be better to have the constables attend a single MUD Board meeting to make sure everyone is on the same page. Lori Aylett briefly reviewed the contract with the Board members and the constables. She noted that the definition in the contract of "working time" includes attendance by an officer at the regularly scheduled property owners association meetings that occur within the District. She also reminded the Board members that the Board does not direct the efforts of the constables office. Instead, Rayford Road MUD simply contracts for the services of the constables. If the MUD Board is displeased with the services provided, the Board can terminate the contract. The Board cannot, however, tell the constables how to perform their jobs. After discussion, the Board members noted their opinion that it would be appropriate for the constables to continue to attend property owners association meetings as in the past. The Board received a comment from a resident who pointed out that the telephone number listed for the constables office on the MUD website is not correct.

3. The financial advisor was not present at the meeting; therefore no report was given.

4. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,787,467.81. The capital projects fund will stand at \$730,112.30. The operating fund will stand at \$1,851,299.52. Expenditures exceeded revenues for six months of the fiscal year by \$1,415,266.33. 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.

5. Mike Williams presented an operator's report. The District billed \$334,790.78 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 3,815 customers, and 3,592 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 three accounts in the total amount of \$294.23, and the Board approved the request. After discussion, upon unanimous vote, the Board approved the operator's report as presented.

6. Mike Williams presented a parks and recreational facilities report. There were 11 calls regarding issues in the parks. Five calls were for the pavilion, four calls were for the ball fields and two calls were for information. The operator reported that the lights quit working at the park. The operator replaced a faulty breaker in the chlorine room, and the lights appear to be working again. The operator discussed the repairs of the water fountains. In response to a question from the Board, Mr. Williams noted that the District has two fountains, and one is currently leaking. The cost estimate to repair the leaking fountain is \$3,112. However, it is difficult to access the interior of the current fountains. The District could replace

both fountains for a price of \$6,100, and the newer models would be more accessible and easier to repair. Upon unanimous vote, the Board authorized replacement of the two fountains.

Finally, the operator noted that the property owners association has requested additional lighting for their building. Currently, the parking lot lights come on at 10:00 p.m., so the lot is often dark when property owners association meetings end. The operator asked if the Board would like him obtaining pricing for a photocell so that the lights could come on at dark and turn off at dawn. The Board requested that the operator obtain quotes for consideration.

7. Jason Hajduk presented an engineer's report. The engineer reported that the SJRA surface water conversion project is still underway, and gave a timetable for completion of various work items at the plant. There were no pay estimates for the Board's review.

On Phase I of the sanitary sewer rehabilitation, the engineer is reviewing the post-construction video.

On the wastewater treatment plant copper issue, the engineer submitted the copper study to the Texas Commission on Environmental Quality.

The engineer received a service request from Manual Molina for a tract at 2194 Rayford Road. Mr. Molina is requesting annexation and utility service for 11 ESFC's. The Board told the engineer to advise Mr. Molina that any annexation agreement would have to encompass his payment of engineering costs for an update to the elevated storage waiver, payment of annexation costs, and payment of costs to extend the water and sewer lines.

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

8. There was presented the attached Official Appointment Ballot for the election of the Lone Star Groundwater Conservation District Board of Directors. Upon unanimous vote, the Board cast its ballot for Rick Moffatt of Southern Montgomery County Municipal Utility District.

9. The Board briefly discussed the possibility of amending its rate order. The operator had reported last month that there had been a slight increase in accounts to be written off. The Board could consider an escalating deposit, which would require additional deposit amounts if a customer becomes delinquent or has water service discontinued. Currently, the District charges a \$100 homeowners deposit and a \$200 renters deposit. In addition, the District assess penalties for late payments. The Board reviewed the budget numbers and determined that the penalty revenues received far exceeded the amounts of write-offs for the past few months. Therefore it did not appear that any action was necessary. After discussion, the Board declined to amend its rate order.

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


Secretary