

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 12, 2015

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, January 12, 2015, 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, Jim Nichols, Kathryn Nichols, Clayton Harry, Brant Capilongo, 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 December 8, 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 712 contract calls; zero District calls; 48 reports taken; zero felony arrests; seven misdemeanor arrests; 469 citations and tickets; four crashes; and nine charges filed. The constables drove a total of 6,883 miles in the District during the month.

Director Keith commended an unknown officer from Precinct 3 for paying for dinner for a local family. Director Keith had heard of the act of kindness from the resident. Sergeant Weis admitted that he was the officer who had done this. The Board thanked Sergeant Weis for being an asset to the community.

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 \$3,730,387.71. The capital projects fund will stand at \$730,170.10. The operating fund will stand at \$2,338,299.03. Expenditures exceeded revenues for seven months of the fiscal year by \$932,329.62. The bookkeeper reported that most of the deficit is attributable to the SJRA project, for which funds have been deposited. 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. The Board reviewed an Order Adopting Residence Homestead Exemption.

The District has granted an exemption of 10% of the homestead value for all residence homesteads in the District for many years and can continue such exemption with adoption of this Order. After discussion, upon motion duly made, seconded and unanimously carried, the Board voted to continue the general homestead exemption of 10% in effect for the year 2015 and adopted the attached Order Adopting Residence Homestead Exemption as presented.

5. The Board reviewed an Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. Upon motion duly made, seconded and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled, which Order reflected the granting of a \$40,000 exemption.

6. The Board reviewed an Order Confirming Engagement of Delinquent Tax Attorney and Levying Additional Penalty for Delinquent Taxes. It was mentioned that since the District has engaged the county tax assessor/collector to collect the District's taxes, the District is relying upon the attorneys who are engaged by Montgomery County to collect the District's delinquent taxes. That firm is Linebarger Goggan Blair & Sampson, L.L.P. Upon motion duly made, seconded and unanimously carried, the Board voted to approve the attached Order Confirming Engagement of Delinquent Tax Attorney and Levying Additional Penalty for Delinquent Taxes, which order is attached to the minutes.

7. Mike Williams presented an operator's report. The District billed \$282,641.52 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 91% 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 80% of capacity with no permit violations. The operator requested write-off of seven accounts in the total amount of \$645.82, and the Board approved the request. The operator presented a large bill for repair of sinkholes on a sewer line in Section 2. The operator had to repair about 75 feet of line. After discussion, upon unanimous vote, the Board approved the operator's report as presented.

8. Mike Williams presented a parks and recreational facilities report. There were nine calls regarding issues in the parks. Four calls were for the pavilion, three calls were for the ball fields and two calls were for information. The operator reported water fountains should be replaced this week. Director Vallery reviewed the circumstances surrounding the request by the property owners association for lighting for their building. It was determined that some of the lights are property owners association lights, not District lights. The property owners association has been so advised. Upon unanimous vote, the Board approved the parks report as presented.

9. Jason Hajduk presented an engineer's report. The engineer reported that the SJRA surface water conversion project is still underway, and there were no pay estimates for the Board's review.

On Phase I of the sanitary sewer rehabilitation, the engineer has reviewed the video tapes, and work is complete.

Regarding the waste discharge permit issue, the Texas Commission on Environmental Quality is reviewing the WER study, and the engineer hopes that they will

approve revisions to lower copper limits.

The engineer met with Manual Molina regarding an annexation request for a tract at 2194 Rayford Road. Mr. Molina is reviewing his options before moving forward with a request for annexation.

Lastly, the engineer reported that tomorrow night there is a technical meeting for the SJRA surface water conversion project.

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

10. The Board discussed the Phase II (small) MS4 Annual Report for members of the South Montgomery County Stormwater Coalition. The attorney recommended approval of the annual report and execution by the Board President. Upon unanimous vote, the Board approved the annual MS4 report and authorized its submission to the TCEQ as required by law.

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

Asst. Secretary 