

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
February 9, 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, February 9, 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
Michael Smith, Assistant Secretary
Paul Alli, Director

and the following absent:

Brendon Keith, Secretary.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Jared Daly, Sergeant Weis, Paul Green, Jim Nichols, Kathryn Nichols, Brant Capilongo, Cheri Vallery, Mark Jarratt, 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 January 12, 2015 were presented for the Board’s review and approval. Upon unanimous vote, the minutes were approved as presented.

2. The Board reviewed a request for user of facilities and waiver of pavilion rental fees presented by Mark Jarratt on behalf of the Imperial Oaks Swim Team. Mr. Jarratt noted that in the past the Board had waived rental fees to the Imperial Oaks Swim Team, as they are a community based organization that does not operate for profit. Mr. Jarratt provided a list of proposed dates for swim meets and team events to the operator. He noted that in future years, they may form two teams and divide the kids from Meadows at Imperial Oaks and Falls at Imperial Oaks because membership is so high. After discussion, upon unanimous vote, the Board approved waiver of the rental fees and accepted a \$300 deposit for the Imperial Oaks Swim Team to use the pool and pavilion on the requested dates, a copy of the approved dates is attached to the minutes.

3. Sergeant Weis presented a law enforcement report and reported the following statistics: there were 704 contract calls; six District calls; 52 reports taken; one felony arrest; 13 misdemeanor arrests; 738 citations and tickets; eight crashes; and 12 charges filed. The constables drove a total of 7,312 miles in the District during the month.

Sergeant Weis commented on the high number of District calls and reported that they had to provide some backup to the Sheriff’s office. A resident asked that the District website be updated to include basic statistics on law enforcement.

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 \$4,156,141.37. The capital projects fund will stand at \$730,225.48. The operating fund will stand at \$2,413,991.84. Expenditures exceeded revenues for eight months of the fiscal year by \$855,823.62. The bookkeeper reported the final payment of \$22,736.92 had been received from FEMA for Hurricane Ike damage. 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.

5. There was presented the attached Resolution Authorizing Challenge to the Appraisal Roll. The attorney noted that the preliminary tax roll comes out in May, and the tax assessor has a limited amount of time to challenge any errors or omissions that she sees on the preliminary roll. The tax assessor should be authorized to make such challenges on the District's behalf. Upon unanimous vote, the Board approved the resolution as presented.

6. Mike Williams presented an operator's report. The District billed \$246,475.46 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 92% of the water produced. The District served 3,815 customers, and 3,600 customers received all services including garbage. The sewage treatment plant operated at 79% of capacity with no permit violations. The operator requested write-off of four accounts in the total amount of \$338.50, and the Board approved the request.

The operator reported that representatives of the SJRA met with operators to discuss the upcoming surface water conversion. The SJRA plans to send the District surface water in mid-July. The SJRA is willing to provide a pamphlet concerning the surface water conversion, so the only costs the District will incur are the costs to mail it out to District customers. The Board asked the operator to provide a cost estimate on sending out the educational information separately for maximum impact. SJRA will also assist in chemical purchases to stabilize pH levels at the sewage treatment plant.

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 13 calls regarding issues in the parks. Three calls were for the pavilion, nine calls were for the ball fields and one call was for information. The operator reported that the concrete and picnic tables were pressure washed and the tables were prepped for stain. Kiddie cushion needs to be installed underneath the playground equipment at a cost of \$1,875, and the Board authorized the work to be done. Mr. Williams will obtain quotes for rehabilitation work of the baseball diamond. Upon unanimous vote, the Board approved the parks report as presented.

8. Jason Hajduk presented an engineer's report. The engineer reported that the SJRA surface water conversion project is nearing completion. The engineer presented Change Order No. 1 to furnish and install RTU panels that will be used to control chlorine injection and noted that the SJRA has already given preliminary approval of the change order. This SCADA system needs to be installed so that the SJRA can remotely monitor the water supply, valves and related systems. The net increase to the contract will be \$39,020. Much of

the cost will be offset by deductions from the extra items, and the SJRA will advance the money for the installation of the system pursuant to the District's supplemental agreement with them. Upon unanimous vote, the Board approved issuance of the change order.

The engineer is awaiting the final pay estimate from the contractor for the sanitary sewer rehabilitation system. The work has been completed, and the engineer has completed his review of the video inspection.

The WER study to support raising the copper limitations in the District's waste discharge permit has been sent to the Texas Commission on Environmental Quality and EPA for review. The District has not yet received a response from the regulatory authorities.

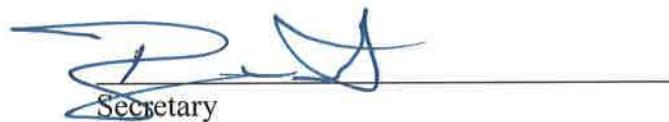
The engineer talked with the owner of a tract adjacent to the District about the cost involved in obtaining utility service and annexation. After providing some preliminary information, the engineer has not heard anything further from them.

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

9. Under pending business, a resident addressed the Board and reported that the community patrol personnel had gotten a new patrol vehicle. He asked for advice from the Board on where to park it, as the usual parking location at the District's facilities was not available due to construction. Mike Williams notified the resident that the usual parking spot would be available within the next three to four months but the vehicle could be parked at Hidden Park.

The Board members noted that a new theater and Walmart are scheduled to be built in the area, and development continues to occur at a swift pace.

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

A handwritten signature in blue ink, appearing to read "Secretary", is placed over a horizontal line.