

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

November 9, 2015

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on Monday, November 9, 2015, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Jon Vallery, President  
Brendon Keith, Secretary  
Michael Smith, Assistant Secretary  
Paul Alli, Director

and the following absent:

Frank Moore, Vice President

Also present were Bill Russell, Mike Williams, Jason Hajduk, Jared Daly, Jim and Kathryn Nichols, Lillian Vassar, Victor Cadena, Jason Kraus, Matthew May, Sergeant Weis, 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 October 12, 2015 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 800 contract calls; no District calls; 34 reports taken; one felony arrest, eight misdemeanors; 223 citations and tickets; 11 crashes; and five charges filed. The felony arrest was for a sex offender who was working in violation of his probation. Sergeant Weis discussed two unsolved robberies that occurred in the District. The constables are pursuing some suspects, and they think an arrest will be made soon. In response to a question from a resident regarding noise complaints, Sergeant Weis noted that there was no noise ordinance in Montgomery County. However, if neighbors are being noisy, the constables would prefer that residents call their office. They will respond by visiting the home and asking the residents to be courteous and quiet. Director Vallery reported that he had received an invitation from a coalition of Spring Creek-area homeowners associations. They were requesting that several different communities participate in a supplemental law enforcement program. It was Director Vallery's initial thought that the District's program was working fine as is, and Sergeant Weis noted that he was happy with the District's law enforcement program. The other directors noted that participating with other homeowners associations might dilute the District's law enforcement coverage. There was no action to be taken at this time. Upon unanimous vote, the law enforcement report was approved by the Board.

3. The Board discussed the status of the Laurus Holdings annexation and the request for the refund of deposit from the landowner. Jason Kraus spoke on behalf of Laurus

Holdings. He stated that his client was no longer interested in pursuing annexation into the District because necessary easements could not be obtained. He requested refund of the annexation deposit. The attorney explained that the District had already proceeded forward with the work relating to amendment to the District's elevated storage variance, revision to the SJRA map, and certain legal expenses. All totaled, the District had already incurred costs of \$16,907.50. The Board agreed that it would be appropriate to refund to Laurus Holdings the balance remaining from the deposit, which equaled \$14,092.50. Upon unanimous vote, the Board approved the refund of the remaining deposit as requested by Laurus Holdings.

4. The Board considered customer service inquiries. One customer asked the District to explain the bill for SJRA usage. Lori Aylett reported on the activities of the SJRA and the groundwater reduction planning efforts. The SJRA is acting on behalf of over 100 large volume groundwater users and will be bringing surface water to some residents of Montgomery County. The resident also discussed recent high usage on her water bill, and the Board requested that the operator check the meter and review the account with the customer. The customer also complained about a leaking fire hydrant, and the operator will investigate.

5. Matthew May presented a Best Trash report. He reported that Aimee Ordeneaux Raley was not returning to Best Trash after her maternity leave. Mr. May will act as the Board's liaison. There was one incident regarding non-compliant construction debris, and the garbage contractor put a yellow tag on the debris.

6. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,650,651.13. The capital projects fund will stand at \$91,999.17. The operating fund will stand at \$2,382,491.17. Expenditures exceeded revenues for five months of the fiscal year by \$130,010.31. 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.

7. Mike Williams presented an operator's report. The District billed \$406,866.39 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 96% of the water produced. The District served 3,817 customers, and 3,596 customers received all services including garbage. The sewage treatment plant operated at 66% of capacity with no permit violations. The District accounted for 100% of the water produced. The operator requested write-off of eight accounts in the total amount of \$468.18, and the Board approved the request.

Over the past month, the operator has noticed increasing levels of copper in the sewage effluent. One theory is that the changed chemistry of the surface water is a contributing factor. The operator is injecting phosphate into the water lines to combat the problem. The engineer reminded the Board that he had filed a request for a permit amendment to lower the copper limitations. Once that is approved and implemented by the TCEQ, the District should not have any further troubles with compliance with that limitation. In the meantime, the operator will continue to monitor closely. The District engineer will follow up with the Texas Commission on Environmental Quality on the status of the permit amendment.

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 20 calls regarding issues in the parks. Six calls were for the pavilion, 12 calls were for the ball fields, and two calls were for information. Five trees were cut down in the wetland area, and backups are being repaired. Upon unanimous vote, the Board approved the parks report as presented.

9. Jason Hajduk presented an engineer's report. The engineer reported there are no new pay estimates on the SJRA contract. He responded to the TCEQ's initial comments on the draft waste discharge permit amendment. The elevated storage variance has been submitted and will increase the number of connections which can be served from 3,750 to 3,998. The engineer presented a list of long-term District maintenance projects. He noted that Water Well No. 1 and Water Well No. 2 have never been pulled for inspection. However, he noted that often times when a well is pulled, it is difficult to put it back into the ground. The engineer's recommendation was to leave the wells in the ground until they make a strange noise or otherwise need to be pulled. The Board asked the engineer to prepare a cost estimate for televising sanitary sewer lines in Section 2.

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

10. The Board reviewed proposals for renewal of the District's insurance policies. The Board reviewed the renewal policies and premiums in detail, and upon unanimous vote, the Board approved renewal of the District's insurance policies.

11. The attorney presented a proposed renewal agreement for operation of street lights with Imperial Oaks Park Property Owners Association. She noted that the District's new electricity contract with Frontier Utilities expires June 30, 2020. Because the District also pays for the electricity to operate the street lights and then bills the homeowners association, that agreement should be extended so that its term coincides with the electricity contract. Upon unanimous vote, the Board approved renewal of the agreement for operation of the street lights with Imperial Oaks Park Property Owners Association.

12. Under pending business, the Board members asked the operator if there had been any recent problems with security at the sewage treatment plant facilities. The operator noted that there had been no problems lately.

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

  
Secretary