

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

### Minutes of Meeting of Board of Directors

January 11, 2016

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on Monday, January 11, 2016, 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, Sergeant David Weis, Mrs. Weis, Jim Nichols, Kathryn Nichols, Paul Green, 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 14, 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 677 contract calls; no District calls; 20 reports taken; one felony arrest, two misdemeanors; 136 citations and tickets; seven crashes; and three charges filed. The constables drove a total of 4,524 miles in the District during the month. Sergeant Weis reported the officers responded to several firework calls during the month. Sergeant Weis next provided a comparison report of crime statistics from 2014 to 2015. The statistics for the two years were very similar with the exception of an uptick in burglaries. Upon unanimous vote, the law enforcement report was approved by the Board.

3. There were no comments from the public for the Board's consideration.

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 \$3,200,903.88. The capital projects fund will stand at \$91,973.58. The operating fund will stand at \$2,897,326.34. Revenues exceeded expenditures for seven months of the fiscal year by \$456,656.59. 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. 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 2016 and adopted the attached Order Adopting Residence Homestead Exemption as presented.

6. 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.

7. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2015 delinquent taxes for business personal property on April 1, 2016 and for real property on July 1, 2016. Upon unanimous vote, the order was adopted as presented.

8. Mike Williams presented an operator's report. The District billed \$390,107.48 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District served 3,818 customers, and 3,592 customers received all services including garbage. The sewage treatment plant operated at 69% of capacity with no permit violations. The operator requested write-off of seven accounts in the total amount of \$559.31, and the Board approved the request.

The operator reported that 43.786 million gallons were billed to customers during the month but only 24.660 million gallons had been pumped from the wells or received. The operator believes there may be a problem with the SJRA meter and is investigating the matter. The District may owe a credit to MUD 99.

The annual inspection was held by the Texas Commission on Environmental Quality at the District's sewer plant and facilities. They found only one issue: a non-functioning buzzer at one of the lift stations. The operator has since made the necessary repair.

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

9. Mike Williams presented a parks and recreational facilities report. There were 11 calls regarding issues in the parks. Four calls were for the pavilion, five calls were for the ball fields, and two calls were for information. The operator reported that the outlook behind the pavilion was vandalized again and had to be repaired. Backstops at the ball field were also repaired. Upon unanimous vote, the Board approved the parks report as presented.

10. Jason Hajduk presented an engineer's report. The engineer sent the final pay application to the SJRA and is waiting for them to authorize release of the payment to the contractor, McDonald Electric, Inc., all in accordance with the District's supplemental agreement with the SJRA.

The engineer published the first required public notice concerning the proposed major amendment to the wastewater treatment plant permit. The amendment will change the copper limitations.

The District's request for revisions to the elevated storage tank variance is under review by the Texas Commission on Environmental Quality. The engineer solicited bids for a television and cleaning of the next section. The low bidder appeared to be CSI with a bid price of \$34,614.40.

Lori Aylett explained the requirements of new effective House Bill 1295. The law, which became effective on January 1, 2016, provides business entities that wish to enter into, amend, extend or renew a contract with the District must submit a Disclosure of Interested Parties, also known as a Form 1295, in connection with the proposed contract. Specifically, the form must be submitted in connection with contracts that require an action or vote by the Board before they may be signed or have a value of at least \$1 million. The form must be filed online with the Texas Ethics Commission, and the Commission generates a unique certificate number for each form filed. The Form 1295 must then be executed by an appropriate representative of the business entity as a sworn statement in the presence of a notary and filed with the District before the District may enter into the contract. After discussion, upon unanimous vote, the Board authorized the engineer to approve a contract with CSI if CSI can produce a completed Form 1295. If the necessary form is not received, the contract will not be awarded.

The engineer discussed the District's manholes. The engineer recommended a visual inspection of all District manholes, and the Board authorized the engineer to perform that work under the engineer's general agreement.

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

11. There was presented the attached Order Removing 312 Spring Hill Drive, Suite 100, Spring Texas 77386 as Posting Location. The attorney explained that this address was formerly a posting location because it was the operator's old physical address. The operator has since moved their offices. The District has other posting locations in its boundaries, and the adoption of the order was therefore appropriate. Upon unanimous vote, the Board adopted the order as presented.

12. Under pending business, the attorney presented a calendar of 2016 events. Director Smith requested that an item be placed on the next agenda to discuss whether another officer needed to be added to the District's law enforcement contract.

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



Secretary