

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
June 13, 2016

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on Monday, June 13, 2016, 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

and the following absent:

Paul Alli, Director.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Paul Green, Sergeant Weis, Kerry Masson, 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 May 9, 2016 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. The President of the Board executed Certificates of Election indicating that Frank Moore and Brendon Keith were elected to serve four-year terms on the Board. The newly elected directors presented their Statements of Appointed/Elected Officer, Letters of Qualification and Oaths of Office. Upon unanimous vote, the Board accepted the Oaths of Office and included the directors under the Directors' Faithful Performance Bond. The directors participated in the remainder of the meeting.

Directors Moore and Keith completed disclosure questionnaires indicating that they had no conflicts of interest to disclose to the Board of Directors. The two directors also completed questionnaires regarding public access to certain information about them and also received a memorandum about required Open Meetings Act and Public Information Act training.

3. Sergeant Weis presented a law enforcement report and reported the following statistics: there were 354 contract calls; zero District calls; 44 reports taken; one felony arrest, two misdemeanors; 339 citations and tickets; five crashes; and six charges filed.

The four Board members present at the meeting all reported that they were stopped in separate incidents issues during the month. The Board members commended the officers for their diligence in enforcing state laws.

Upon unanimous vote, the law enforcement report was approved by the Board.

4. There were no citizen comments for the Board's consideration.

5. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,762,912.62. The capital projects fund will stand at \$91,909.39. The operating fund will stand at \$3,006,212. Revenues exceeded expenditures for 12 months of the fiscal year by \$466,804.34. 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.

6. The Board reviewed the ethics letter and update by investment officer, Bill Russell. The attorney noted that annually the investment officer is asked to disclose whether he has any personal business relationships (as that term is defined by statute) with anyone offering to engage in an investment transaction with the District. Mr. Russell submitted the required disclosure which indicated that he had no such relationships to disclose. The attorney noted that this document would be filed with the Texas Ethics Commission and in the District's records as required by law. Upon unanimous vote, the Board approved the investment officer disclosure as presented and authorized its necessary filing.

7. The attorney distributed a conflict of interest questionnaire to the Board. The Board members completed the questionnaires, noting no conflicts, and provided copies for the District's records.

8. Mike Williams presented an operator's report. The District billed \$281,460.43 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 95% of the water produced. The District served 3,818 customers, and 3,594 customers received all services including garbage. The sewage treatment plant operated at 83% of capacity with no permit violations. The operator requested write-off of six accounts in the total amount of \$993.82, and the Board approved the request.

The operator reported that it had been a very wet month and they were kept extremely busy with the Memorial Day flooding. No water was reported in homes but the operations crew spent their days cleaning storm sewer inlets. The operator reported that it may cost \$15,000 to repair the existing generator and get a trailer and fuel tank. The Board authorized the repair to the generator upon receipt of a completed Form 1295. There was then discussion regarding the operator's protocols and response to flooding in the District. The Board commended the operator for a job well done.

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 18 calls regarding issues in the parks. Five calls were for the pavilion, 12 calls were for the ball fields, and one call was for information.

During the month, the operator cut several trees damaged due to storms and cleaned the Ashton Village wetland pilot channel. The SJRA contractor is still working in the

easement and the operator wants to make sure that the irrigation system on the ball fields is repaired after the line installation.

Upon unanimous vote, the Board approved the parks report as presented.

10. Jason Hajduk presented an engineer's report. Construction of the MUD 99 / MUD 115 water line is underway. Almost 3,000 linear feet of line has been installed.

On the waste discharge permit major amendment, notice regarding the issuance of the permit is being advertised for a second time on June 17, 2016. If no public comment is received, the final permit will be issued.

The engineer presented quotes for various fencing options for the back side of the wastewater treatment plant. Cedar fences range in price from \$15,916 to \$19,552. Thin concrete fences cost approximately \$59,962, while thick concrete prices range from \$98,000 to \$109,000. The Board reviewed the various options in some detail. After discussion, the Board requested that the engineer obtain firm quotes for two options: 1) a six-foot concrete fence with razor wire to be placed on the inside of the chain link fence at the back of the treatment plant site; and 2) an eight-foot cedar fence with screws. The engineer will return with updated pricing proposals at the next meeting.

The engineer continues to review the videos for the sanitary sewer rehabilitation.

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

11. Lori Aylett reported on the status of the conveyance of facilities and easement to San Jacinto River Authority. Their office is still preparing the necessary descriptions of the easement documents.

12. The Board discussed nominations to the candidate for appointment to the groundwater reduction plan contract review committee of the San Jacinto River Authority. Kerry Masson presented a letter reflecting his qualifications and asked for the Board's nomination and for the Board's vote when ballots are distributed later in the year. Mr. Masson noted that he had been serving the unexpired term of Al Newton. He informed the Board of the activities of the GRP committee and upcoming action items. After discussion, upon unanimous vote, the Board adopted the attached Resolution Regarding the Nomination of Candidate for Appointment to the Groundwater Reduction Plan Contract Review Committee of the San Jacinto River Authority, which resolution reflected the nomination of Mr. Kerry Masson.

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


Secretary