

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
July 11, 2016

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on Monday, July 11, 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
Paul Alli, Director

and the following absent:

None.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Paul Cote, Sergeant Weis, Captain Baker, Travis Eggert, Jim Nichols, Kathryn Nichols, Jesse Jones, Alishia Jones, Denise Stephenson, 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 June 13, 2016 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 296 contract calls; two District calls; 18 reports taken; zero felony arrests, two misdemeanors; 356 citations and tickets; five crashes; and four charges filed.

Sergeant Weis reported that there was another break-in at the sewage treatment plant by juveniles. No major damage was done.

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

3. There were no citizen comments 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 \$1,762,999.51. The capital projects fund will stand at \$91,915.83. The operating fund will stand at \$2,948,162.10. Revenues exceeded expenditures for the first month of the fiscal year by <\$62,369.87>. The bookkeeper reported that the District received a credit from the SJRA for flushing in the amount of \$8,700. 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. Mike Williams presented an operator's report. The District billed \$269,559.38 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 3,818 customers, and 3,595 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 one account in the total amount of \$121.82, and the Board approved the request. The operator reported that one write-off account had been paid.

The operator reported that the SJRA sent a slug of water with low phosphate. The water with low phosphate caused some rust to come off the pipes and out into the distribution system. There were many customer complaints about discolored water. The operator began to flush the system, but it is difficult to flush out with the discolored water. Mike Williams assured the residents that the water was still safe to drink, but the water is unsightly due to the percentage of iron. The operator noted that he had over 400 complaints in one day due to the discolored water, but complaints are now down to three or four. The residents from Mercoal and Secola still appear to be experiencing some problems. The operator will continue working until the entire system is flushed.

The operator noted that he took action to rent a fuel tank during hurricane season for \$208 per month. The Board thanked him for being proactive.

The auxiliary generator at the sewage treatment plant has been installed, and the existing generator has been repaired.

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

6. Mike Williams presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. Eight calls were for the pavilion, five calls were for the ball fields, and two calls were for information.

The operator inspected the irrigation system on the District's ballfields after the SJRA excavation work was completed and noted several deficiencies. The SJRA's contractor has damaged the system in several places. The operator and engineer are working with the SJRA to resolve the deficiencies.

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

7. Jason Hajduk presented an engineer's report. On the MUD 99 / MUD 115 water line construction project, most of the transmission pipe that goes through the District has been installed.

On the waste discharge permit major amendment, notice regarding the issuance of the permit was advertised for a second time on June 17, 2016. The operator is now awaiting issuance of the final permit.

The engineer continues to work with the Texas Commission on Environmental Quality regarding the elevated storage tank variance.

The engineer received quotes for fencing at the sewage treatment plant and presented several options for the Board's consideration. The Board reviewed proposals for concrete and cedar, along with the various options. After review, the Board stated that they would like to have a Fencecrete fence. Within the price range, it is anticipated that the District will need to solicit three bids based upon a uniform specification. Upon unanimous vote, the Board authorized the engineer to prepare the specification, solicit three bids, make a recommendation of award, and obtain a Form 1295 for the Board's consideration at the next meeting.

The engineer is still looking at the sanitary sewer rehabilitation repairs and is compiling options. The engineer also plans to inspect the force main manholes while repairs to the Phase 2 of the sanitary sewer rehabilitation project are ongoing.

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

8. There was nothing further to report on the conveyance of facilities to the SJRA. They are currently preparing metes and bounds descriptions of the various easement areas.

9. There was no developer present, and no developer's report was presented.

10. The attorney presented the arbitrage rebate report from Municipal Risk Management. It appears that the Board should engage Arbitrage Compliance Specialists to perform a five-year arbitrage report for the Series 2011A Bonds. Upon unanimous vote, the Board authorized engagement of Arbitrage Compliance Specialists.

11. The Board reviewed correspondence from the Texas Legislative Council regarding the District's creation legislation. The attorney reported that the District was created as a water control and improvement district (Water Code Chapter 51 district) by the legislature in 1969. In the 1970's, the District converted to a municipal utility district (Water Code Chapter 54 district) and has operated since that time as a municipal utility district. The Texas Legislative Council is tasked with codifying all the special laws with regard to water district creations. The Council would like to move the District's creation statute into a separate section of the code, but because the District no longer operates as a Chapter 51 district, they cannot simply recodify the creation statute without amending legislation. The Texas Legislative Council asked that the Board contact Senator Creighton and ask him to sponsor a bill to amend the District's creation authority to be in line with how the District currently operates as a Chapter 54 municipal utility district. Upon unanimous vote, the Board authorized the attorney to contact Senator Creighton's office to make the necessary request for the bill.

12. The Board reviewed the Interlocal Agreement with Montgomery County Municipal Utility District No. 99 for Law Enforcement. The attorney reminded the Board that the contract renews automatically unless a termination notice is given before the end of the term. The next term expires on October 5, 2016. The Board elected to allow the contract to renew automatically for another year.

13. The Board considered a Resolution Declaring Support for the

Appointment of a MUD Representative on the Montgomery County Precinct 3 Commissioner's Transportation Task Force. Paul Cote addressed the Board and noted that it was the desire of several of the area MUDs that residents of the east side of Interstate 45 have a voice in transportation planning. The proposed resolution would support the nomination of MUD 88 director Brian Desilets as that representative. Upon unanimous vote, the Board adopted the attached resolution as presented and authorized its submission to the Montgomery County Precinct 3 Commissioner, Mr. James Noack.

14. Under pending business, resident Travis Eggert asked about the District's electricity contract and pricing. The attorney gave the resident information regarding expiration of the District's electricity contracts.

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



Secretary