

**RAYFORD ROAD MUNICIPAL UTILITY DISTRICT**

Minutes of Meeting of Board of Directors

December 11, 2017

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on December 11, 2017, 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

and the following absent:

Brendon Keith, Secretary  
James Nichols, Director.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Ken Washington, George Defenbaugh, Derek Drawhorn, Shannon Waugh, 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 November 13, 2017 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Sergeant Washington presented a law enforcement report and reported the following statistics: there were 40 District calls; 320 contract calls; 397 traffic contacts; 29 reports taken; one felony arrest; 15 misdemeanor arrests; three crashes; and 12 charges filed. Sergeant Washington reported that he encourages the deputies to speak to residents and for residents to report any crimes. He believes that the more the deputies interact with residents, the better they will be able to determine when something is out of place.

3. The Board considered citizen comments. The Board received a complaint from a customer whose water bill which was over \$1,000. She discussed the situation in some detail with the Board and noted that she had sent correspondence which should be arriving in the operator's office via US mail. The operator reported that the meter has been calibrated and was registering accurately. The customer requested another review of the matter, and the Board authorized the operator to investigate the matter.

4. Bill Russell presented the bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,412,010.55. The capital projects fund will stand at \$91,975.84. The operating fund will stand at \$2,719,305.99. Expenses exceeded revenues for six months of the fiscal year by \$357,034.93. 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

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payment of the remainder of the District's bills.

5. Mike Williams presented an operator's report. The District billed \$321,186.22 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 93% of the water produced. The District served 3,820 customers, and 3,600 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 four accounts in the total amount of \$391.56, and the Board approved the request.

The operator reported receipt of a letter from Brad DuBois, a realtor and apparent owner of the property at 303 North Head. In the letter, Mr. DuBois complained about his water bill. The operator tagged Mr. DuBois' door multiple times because there was a leak; the leak detector was activated multiple times. After review of the account, the Board authorized the operator to offer Mr. DuBois a payment plan, but the Board did not authorize any adjustment of the amount due, as the customer was advised of the leak on multiple occasions.

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 11 calls regarding issues in the parks. Three calls were for the pavilion, seven calls were for the ball fields, and one call was received this month for information.

Mike Williams reported that the wash-outs were filled during the month and rye grass was planted. Director Vallery pointed out a broken ring on a manhole on Welsford. The operator will investigate the matter and make the necessary repair.

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

7. Jason Hajduk presented an engineer's report. The engineer provided an update on the Rayford Road expansion project, which is underway. The engineer has requested a project schedule from the County.

The engineer discussed the easement that will be necessary from Montgomery County Drainage District No. 6 and Faith United Methodist Church to create a looped water line to serve the commercial areas of the District. He reported that the metes and bounds description for the church easement had been prepared, and the easement has been sent to their pastor for review and execution.

The engineer recently received e-mail correspondence from the storage facility adjacent to the District. They have denied responsibility for negatively affecting the drainage channel, which has an accumulation of silt. The engineer will pursue the matter further, as the silt came directly from their construction site.

The engineer is awaiting additional information from the developer of the Falls regarding their request to place and maintain a fence on District property adjacent to their

development.

The Water Plant No. 2 inspection was held and there were no action items. The engineer anticipates receipt of the final pay estimate by next week on the sanitary sewer rehabilitation project.

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

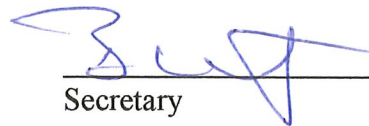
8. The Board considered an Out-of-District Service Agreement with Kadiwal Investment, L.P. The attorney explained the terms and conditions of the proposed agreement with the Board in detail. She noted that the capacity reservation was limited to the amount of equivalent family single connections calculated as necessary by the District engineer and was assigned on each tract. The developer will have to pay three times in the in-District commercial rate for water and sewer service, as well as all tap and inspection fees charged pursuant to the Rate Order. The contract is not assignable without consent of the District. The contract will be recorded in the real property records so that all parties will have notice of the existence of the agreement. After discussion, upon unanimous vote, the Board approved the Out-of-District Service Agreement with Kadiwal Investment as presented.

9. Lori Aylett reported that pursuant to Texas law, all entities with the power of eminent domain must annually submit certain information to the Texas Comptroller. The District will be required to submit not later than February 1st of each year a report containing records and other information needed for the Controller's eminent domain database, including the following: (i) name, (ii) address and public contact information, (iii) the name of a representative and their contact information, (iv) the type of entity, (v) each provision of law that grants the District eminent domain authority, (vi) the focus or scope of eminent domain authority, (vii) the earliest date on which the District had the authority to exercise eminent domain, (viii) the District's taxpayer identification number, if any, (ix) whether the District exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition, and (x) the District's website address or, if it does not have one, the contact information to enable a member of the public to obtain information from the District. The attorney requested that the Board authorize her office to file the annual report with the Texas State Comptroller not later than the February 1, 2018 deadline. Upon unanimous vote, the Board authorized the attorney to make the submission as required by law.

10. The Board reviewed proposals for the provision of website hosting and management services. Derek Drawhorn submitted a proposal and discussed it with the Board in some detail. He offered to retool and redesign the District's website from scratch at no cost to the District. He noted that he was trying to establish a practice of working on websites for water districts. Until recently, he had served on a water district and maintained their website on a voluntary basis. The monthly proposed charge for maintenance of the website was \$280. The site will be friendly to mobile phones and tablets. It can also be designed to do e-blasts and other customer notifications. The Board asked Mr. Drawhorn several questions and thanked him for his presentation. Mr. Drawhorn exited the room and Shannon Waugh of Off Cinco gave a presentation for the same services. She noted that her company tries to do same-day uploading of agendas and other District documents. Her firm will redesign the website to make it more mobile

and tablet responsive. She offered a number of proposals. The standard fixed layout option would cost \$900, and she can do custom designs for \$2,400. She offered three options for monthly management ranging from \$100 to \$200. The Board had a number of questions for her and discussed the proposal in some detail. The Board thanked her for the information and she exited the room. The Board reviewed the proposals in some detail. After discussion, upon unanimous vote, the Board approved a contract with Off Cinco to construct a \$900 fixed layout website and \$150 per month for maintenance services.

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



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Secretary