

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 8, 2018

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on January 8, 2018, 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
James Nichols, Director

and the following absent:

None.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Ken Washington, Brad Dupoy, George Defenbaugh, Clayton Harrington, Kathryn Nichols, 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 11, 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 17 District calls; 353 contract calls; 329 traffic contacts; 31 reports taken; no felony arrest; 10 misdemeanor arrests; nine crashes; and 10 charges filed. Sergeant Washington reported that he continues to make sure that deputies have high visibility in the District.

Director Vallery reported that there was a tent in the park. He asked the law enforcement officers to investigate. There was no one living there, and it appears to have been kids building a "fort". The deputies are trying to make the public aware of the fact that pedestrians have the right-of-way in crosswalks.

Director Smith expressed concern with the number District calls on the report. He asked Sergeant Washington why there appeared to be more District calls, and the officer promised to get Director Smith the answer to his question.

3. There were no citizen comments for items not on the agenda for the Board's consideration.

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 \$2,912,121.71. The capital projects fund will stand at \$91,976.22. The general fund will stand at \$3,348,779.87.

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Revenues exceeded expenses for seven months of the fiscal year by \$268,362.17. The bookkeeper reported that the District has nine months of revenues in the general fund. 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 2018 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 2017 delinquent taxes for business personal property on April 1, 2018 and for real property on July 1, 2018. Upon unanimous vote, the Order was adopted as presented.

8. Mike Williams presented an operator's report. The District billed \$317,679.36 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 94% 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 71% of capacity with no permit violations.

The operator requested write-off of two accounts in the total amount of \$1,264.10, and the Board approved the request.

Mr. Brad Dupoy addressed the Board regarding his water bill and noted he had not been happy with the response from Municipal Operations and Consulting. He noted that a meter can malfunction. He stated that for two months the meter reflected that he used no water, when he knew that he had used some water during that period. He had contacted the operator, and the meter was replaced. Up until that time, his annual usage had been about 36,000 gallons. From September 7, 2017 to October 8, 2017 the meter stated that he used 58,000 gallons. The customer confirmed that he received two door tags from the operator. He stated that he had no irrigation system and no pool. Mike Williams addressed the Board and stated that two of his technicians in the field reported the existence of a leak to Mr. Dupoy. On September 13, 2017, the meter read 49,000 gallons of usage and the customer was notified that there was a house line leak. Mike Williams confirmed that July 7, 2017 and August 9, 2017 meter read months showed zero usage. After that time, the meter was replaced, and the large usages were recorded. By October 27, 2017, the meter was no longer reporting a leak. Director Vallery stated that the meter was reporting usage, and the two different technicians confirmed the existence of a leak according to the leak detector. Mr. Dupoy was not in agreement with Director Vallery's

assessment. There was a considerable and lengthy discussion regarding the meter. Mr. Dupoy claimed that he had inspection reports indicating that there was no leak, but he did not produce these reports upon request. The Board discussed whether it would be appropriate to give an adjustment to the customer to four months of usage at the lowest tier. The customer stated that he would not be satisfied with that sort of adjustment, and he did not believe that he had used the water. After a considerable discussion, the Board authorized a bench test of the new meter that was installed in August, 2017.

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

Mike Williams reported that regular mowing and clean-up was performed during the month.

George Defenbaugh addressed the Board regarding a request from the Imperial Oaks Property Owners Association. They would like the lights on the four poles in the parking lot of the community center to be on from dusk until dawn. The parking lot is dark. The Board authorized Mike Williams to review the operation of the lights and the circuits to see how this can be accomplished. Mr. Williams will contact an electrician if appropriate.

Mike Williams also noted that he had talked to the resident who attended last month's meeting who had been researching her bill. She has called out her own irrigation company several times, and the meter has been pulled and bench tested as accurate. The customer appeared to have very high usage, but the operator has no explanation for where the water was used. The Board authorized the operator to discuss a six month payment plan with the customers who have extraordinarily high usage.

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

10. Jason Hajduk presented an engineer's report. The attorney is working on completion of an out-of-District service agreement with Kadiwal. The engineer reported that Faith United Methodist Church may request compensation for the easement.

The engineer discussed the drainage swale between MUD 88 and the District. The storage facility was developed, and the site naturally drains to the District's swale. According to the site developer's engineer, the storage facility detained the water on the site to predeveloped rates. There has been silt in the District's channel since Hurricane Harvey. Mike Williams will provide a quote to remove the silt and clean the drainage area.

The engineer provided photographs of the fence proposed for construction by the developers of Montgomery County MUD No. 115. The fence would be located on a District reserve but would be maintained by the other water district as part of its drainage and parks plan. Rayford Road MUD homeowners could tie to the fence, and the other district is offering to maintain the sloped area. The Board noted that it would be preferable for MUD 115 to maintain

the entire fence and reserve. Director Nichols also proposed some improved specifications for the fence, including six-by-six corner posts and two-by-eight rockboards. The Board authorized the attorney to begin preparation of a contract between Rayford Road MUD and Montgomery County MUD 115.

The engineer presented Pay Estimate No. 4 and 5 and Final to Texas Pride Utilities in the amount of \$126,576.50 for the sanitary sewer rehabilitation project. The project is now 100% complete.

After discussion, upon unanimous vote, the Board approved the engineer's report and authorized payment of the pay estimates listed thereon.

11. Lori Aylett noted that she had not heard anything further from the San Jacinto River Authority regarding their conveyance of facilities document.

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


Secretary