

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

October 8, 2018

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met at 27316 Spectrum Way, Oak Ridge, Texas, on October 8, 2018, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Jon Vallery, President
Brendon Keith, Secretary
James Ridgway, Director
James Nichols, Director

and the following absent:

Frank Moore, Vice President.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Washington, Kathryn Nichols, Zohib Ali, Nizar Ali, Clayton Harry, 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 September 10, 2018 were presented for the Board's review and approval. After discussion, upon unanimous vote, the Board voted to approve the minutes as presented.

2. Sergeant Washington presented a law enforcement report and reported the following statistics: there were 24 District calls; 363 contract calls; 181 traffic contacts; 23 reports taken; two felony arrests; 10 misdemeanor arrests; six crashes; and 11 charges filed. Sergeant Washington reported that Deputy Gonzalez resigned and went back to work in the school district. He estimates that he should have a replacement in two to three weeks.

The law enforcement officer reported that the Imperials Oaks subdivision is going to invite the deputies to the fall festival in place of National Night Out. There was a discussion regarding community policing and its value to the neighborhood. Sergeant Washington noted that he strongly encourages the deputies under his command to speak at neighborhood events and be present and visible in the community. In response to a question from the Board, the Sergeant indicated that all cars are marked with the Imperial Oaks logo. Director Ridgway asked for an explanation regarding coverage when one of the deputies in the contract is out sick or otherwise unavailable for duty. The Sergeant confirmed that County deputies are sent in to cover the shift whenever possible. In response to another question, the Sergeant indicated that there are two deputies on each shift.

3. The Board discussed citizen comments. Director Jim Nichols asked if the meeting was being recorded "twice" because Director Ridgway appeared to have a recording device. Director Ridgway confirmed that he was recording the meeting but stated that he had "no current plans" to post it on social media.

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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 \$1,180,727.53. The capital projects fund will stand at \$91,975.84. The general fund will stand at \$2,844,497.28. Expenses exceeded revenues for the first four months of the fiscal year by \$140,881.76. The bookkeeper reported that 2017 taxes were 99.63% collected. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

5. Mike Williams presented an operator's report. The District billed \$367,462.21 to customers for services rendered. The operator took 10 bacteriological samples, all of which were acceptable. The District accounted for 97% of the water produced. The District served 3,820 customers, and 3,598 customers received all services including garbage. The sewage treatment plant operated at 72% of capacity with no permit violations.

The operator requested write-off of eight accounts in the total amount of \$1,086.26. After discussion, upon unanimous vote, the Board authorized the operator to write-off the accounts as uncollectable.

A fire hydrant manufacturing company, AFC, contacted the District to report they had a recall of one of their products. The District has 38 fire hydrants that will be replaced for free.

The Imperial Oaks Property Owners Association through their manager, VanMor, requested an adjustment on an irrigation meter account. The valve was stuck in the on position. The operator cannot determine what kind of adjustment to recommend because their usage during the month in question was only 10,000 gallons more than the previous month's usage. Director Ridgway made a motion to adjust 95,000 gallons of usage off the account if the property owners association agreed to disconnect some of their irrigation meters in the wintertime. The motion died for lack of second.

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 22 calls regarding issues in the parks. Six calls were for the pavilion, 14 calls were for the ball fields, and two calls were received for information. Three trees were cut down in the wetlands area, and other routine maintenance was performed.

Discussion returned to the credit request presented by the property owners association. Director Nichols made a motion to credit the property owners association for 15,000 gallons of usage, but continue to charge the SJRA and Lone Star fees. The motion was seconded by Director Keith. The chair called for a vote, and the motion passed with a vote of 3-1, with Director Ridgway opposing. Director Ridgway stated that he was not interested in making any adjustment unless there was behavior modification on the part of the homeowners association.

7. Jason Hajduk presented an engineer's report. The engineer reported the commercial water line loop plans are scheduled to be advertised on October 24, 2018. The engineer is working with the Eagle Scouts and the pipeline company to come up with a location for the Scout's proposed bench installation project that works best for both parties.

The engineer reported receipt of an email from the owner of the property at 25505 Richards Road. The owner requested information regarding service to the tract. The proposed usage for the property will be light industrial and will use 13 ESFCs. The tract will require an extension of water and sewer lines. The property is in the boundaries of the District and the engineer will respond and provide information to the property owner.

Upon unanimous vote, the Board approved the engineer's report as presented.

8. The attorney gave a brief report on the status of the Lone Star litigation with the City of Houston. The court granted a summary judgment against Lone Star, finding that the groundwater authority had passed an invalid user-based rule requiring the large volume groundwater users to reduce groundwater usage by 30%. The summary judgment will be appealed.

9. The Board considered the First Amended and Restated Agreement for Out-of-District Service with Kadiwal Investments. Kadiwal had previously asked for annexation, but the Board had declined. The Board had previously approved an out-of-district service agreement, and Kadiwal subsequently purchased more land. The engineer performed an updated feasibility analysis that indicated that the District could still serve Kadiwal as an out-of-district customer. The agreement should be amended to reflect total amount of land owned by Kadiwal and the amount of connections committed to its use. Upon motion made by Director Keith, seconded by Director Ridgway, the Board voted with a vote of 3-1, with Director Nichols opposing, to approve the First Amended and Restated Agreement for Out-of-District Service with Kadiwal.

10. There was no action to take on the San Jacinto River Authority conveyance of facilities.

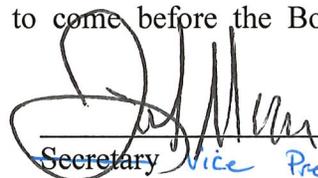
11. There was no developer present so no developer's report was presented.

12. Under pending business, Director Nichols stated that he wanted to review the system of auto recording with the Board in more detail and asked that an item be placed on the next meeting agenda. In addition, he stated his opinion that there needs to be an announcement of recording and requested that the be added to the next agenda.

Also under pending business, the Board requested a price for obtaining five email addresses, one for each Board member.

Finally Director Ridgway stated that he would like to attend an AWDB dinner and conference. The Board debated whether to pay for Director Ridgway's registration fee, meal, and director fee of office. Upon motion made by Director Keith, seconded by Director Ridgway, the Board voted with a vote of 3-0, with Director Nichols abstaining, to pay Director Ridgway's registration fee and meal for the conference.

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


Secretary Vice President