

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

December 10, 2018

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on December 10, 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
James Ridgway, Director

and the following absent:

James Nichols, Director.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Glen Arnold, Glenn Kourik, Clayton Henry, Karen Armour, 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. The President read the following announcement of recording and publication of recording on the District’s website: “The District records its meetings and at the conclusion of the meeting posts the recording on the District’s website. The audio recording can be found under the ‘Meetings’ tab of the website, www.rayfordroadmud.com. Members of the Board of Directors and attendees of the Board meeting may also be recording the meeting.”

2. Minutes of the meeting held November 12, 2018 were presented for the Board’s review and approval. After discussion, upon unanimous vote, the Board voted to approve the minutes as presented.

3. Sergeant Arnold presented a law enforcement report and reported the following statistics: there were 13 District calls; 360 contract calls; 243 traffic contacts; 66 reports taken; no felony arrests; six misdemeanor arrests; 24 crashes; and 11 charges filed. Sergeant Arnold reported he is working with Kaufman Elementary on parking issues since there are a lot of programs held at the school. Rayford Road will be closed this weekend so increased traffic should be expected. Sergeant Arnold reported that as of now, the county has employed seven of the eight officers in the District contract. The county continues to search for an appropriate candidate to fill the remaining slot.

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

5. Bill Russell presented the bookkeeper’s report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,323,241.48. The capital projects fund will stand at \$91,975.84. The general fund will stand at \$2,776,933.57.

Expenses exceeded revenues for the first six months of the fiscal year by \$295,562.99. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

6. Mike Williams presented an operator's report. The District billed \$297,333.58 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 3,604 customers received all services including garbage. The sewage treatment plant operated at 62% of capacity with no permit violations.

The operator requested write-off of seven accounts in the total amount of \$730.02. After discussion, upon unanimous vote, the Board authorized the operator to write-off the accounts as uncollectable.

The operator reported one customer complained about a stuck meter, and the operator has since replaced the meter. The Board authorized an adjustment to the customer's bill to an average of 6,000 gallons per month for the time period in question.

The operator reported they routinely test for chromium in the water of all the districts they operate because of recent news reports. The District's water is well below the maximum contaminant level for chromium.

Director Ridgway asked the operator about changes assessed to customers who pay online. In particular, he asked if it would be possible for the bank to waive fees associated with e-checks. The operator noted that he could make contact with the bank on the matter, but the fees were industry standard. Director Ridgway asked for an item to be placed on the next agenda to discuss electronic banking options.

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

7. Mike Williams presented a parks and recreational facilities report. There were 12 calls regarding issues in the parks. Seven calls were for the pavilion, four calls were for the ball fields, and one call was received for information. Mr. Williams reported that a MUD 88 resident damaged the District's ditch during some construction activities at the resident's home. The engineer will review the damage. The operator will attempt to resolve the matter amicably, and if he cannot, the Board will involve the District's attorney.

8. Jason Hajduk presented an engineer's report. With regard to the commercial water line loop, the engineer reported that bid opening was held and they reviewed contractor qualifications, financial statements and recommendations. The low bid received was in the amount of \$120,416.20 from S. Thomas Construction, LLC. The engineer was not familiar with the contractor and recommended the District authorize him to perform some additional inspections to make sure the contractor completes the contract according to specifications. After discussion, upon unanimous vote, the Board authorized award to the low bidder and authorized additional inspections as recommended by the engineer.

The engineer presented the Long Term Management Plan from 2010. The Board

briefly reviewed this capital improvements plan and discussed the next actions to be taken. The engineer recommended that that District televise sewer lines in Imperial Oaks, Section 5.

The District's discharge permit with renewal application is still pending with the TCEQ. Upon unanimous vote, the Board approved the engineer's report as presented.

9. The Board considered a request for consent to encroachment from Jason W. Gonzales, the owner of Lot 4, Block 8 in Imperial Oaks, Section 9, Phase 1 Partial Replat. The property is located at 31111 N. Head Drive in Spring, Texas. The property owner is requesting consent to encroach on a portion of a utility easement with a portion of a spa, concrete pool decking, portion of a home, brick paving and a one-story shed. The engineer noted that there is a 16-foot wide utility easement along the west end of the subject property. The District has no utilities in the easement at the present time. Upon unanimous vote, the Board approved the Consent to Encroachment, subject to payment of all necessary fees for preparation by the property owner.

10. The District performed a review of the engineer's contract. Director Ridgway stated that it was his desire that the District be certain that it is getting "bang for its buck" on all consultants. The engineer noted that they charge the actual salaries times a factor of 2.3. The factor is designed to pay for all overhead costs and build in a profit. Director Ridgway asked if this rate was competitive. Mr. Hajduk responded that he did not know what rates were charged by other engineering consultants. He reminded the Board that engineers are professionals that are selected on the basis of their qualifications. The Professional Services Procurement Act prohibits governing bodies from selecting professional contractors on the basis of a low bid. Mr. Hajduk noted that he has a staff of EITs that can help him with projects. They can do routine projects at a cost savings to the Board. The firm has a long history with the Imperial Oaks subdivision. IDS has provided engineering services for many years and has good historical perspective. Director Ridgway asked if the District could save money by having the engineer leave early or by having the engineer reduce their rates. The other Board members noted that it would not be in the best interest of the District for its consultants to exit the meetings before all of the business was conducted. Director Ridgway asked that the operator's contract be placed on the next agenda.

11. 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, 2019 deadline. Upon unanimous vote, the Board authorized the

attorney to make the submission as required by law.

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


Secretary