

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
July 8, 2019

The Board of Directors (“Board”) of Rayford Road Municipal Utility District (“District”) met at 27316 Spectrum Way, Oak Ridge, Texas, on July 8, 2019, 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
James Ridgway, Director
Glenn Kourik, Director

and the following absent:

Brendon Keith, Secretary.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Sergeant Glen Arnold, Clayton Henry, Charles Saxe, 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 meetings held May 13, 2019 and June 10, 2019 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 Glen Arnold presented a law enforcement report and the following statistics: there were no District calls; 363 contract calls; 363 traffic contacts; 73 reports taken; four felony arrests; seven misdemeanor arrests; six crashes; and 15 charges filed. Sergeant Arnold reported on the details of a wire transfer fraud. He also discussed crime statistic websites that are available to the public. Sergeant Arnold reported the new vehicles are still being outfitted for use by deputies. Director Ridgway asked Sergeant Arnold to investigate further on possibility of using data to create interactive maps that could better depict crime statistics. Sergeant Arnold will talk to the “tech savvy” people in his office.

4. Under citizen’s comments, the Board welcomed former director Charles Saxe, who was in attendance. He asked questions about the status of various projects that had been undertaken when he was on the Board.

5. 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 in October 2019. The Board elected to allow the contract to renew automatically for another year with no changes or additional officers.

6. Bill Russell presented the bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$1,384,802.82. The capital projects fund will stand at \$91,984.93. The general fund will stand at \$3,226,231.34. Expenses exceeded revenues for the first month of the fiscal year by \$36,110.06. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the District's bills.

7. Mike Williams presented an operator's report. The District billed \$291,338.93 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 3,821 customers, and 3,594 customers received all services including garbage. The sewage treatment plant operated at 55% of capacity with no permit violations.

The operator requested write-off of seven accounts in the amount of \$1,012.39, and the Board concurred.

Resident Charles Saxe asked the operator to put the meter covers back on after reading meters. Mr. Saxe also asked about emergency preparedness. The operator reported that the District has an emergency generator at all of the lift stations, and the lift station on Willowcreek is powered by natural gas. In addition, the District's old generator from the sewage treatment plant is now used as a backup generator and can be hauled to the lift stations.

The Board discussed the notice received from the SJRA GRP review committee. Effective September 1, 2019, the pumpage fee will increase to \$2.73 per 1,000 gallons, and the surface water fee will increase to \$3.15 per 1,000 gallons. Pursuant to the terms of the District's Rate Order and Rate Schedule, the District charges the most recent surface water fee plus a 10% surcharge for lost water and administration. Therefore, District residents will pay \$3.465 per 1,000 gallons for SJRA water effective September 1, 2019. The Board noted that it would like to closely monitor the revenues received as compared to the amounts remitted to the SJRA to assure that the rate being charged to District customers is fair and equitable and does not contribute to a budget deficit. The Board agreed that it would be appropriate to review the budget and rates in more detail at the District's September meeting.

Upon unanimous vote, the board approved the operator's report as presented.

8. Mike Williams presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. Seven calls were for the pavilion, six calls were for the ball fields, and two calls were received for information. Mr. Williams reported there was one party at the pavilion for the month of June. The operator reported they removed several dead trees in the wetlands. The operator reported they received complaints from residents regarding drainage from the wetlands area. The operator and the engineer confirmed that none of the

District's facilities were contributing to the drainage issue discussed by the resident. It was the opinion of the operator and engineer that standing water in the resident's yard was the result of the very wet weather experienced this winter and spring.

9. Jason Hajduk presented an engineer's report. The engineer reported they are putting together cost estimates for the sanitary sewer repairs in Imperial Oaks, Section 5. The engineer reported that most of the lines are in good shape except for a few sags.

A couple of months ago, a resident complained that a second floor sewage backup was related to the contractor's sanitary sewer rehabilitation work. The customer would not allow the contractor to inspect the alleged sewer backup, so the contractor has disputed the claim.

Discussion returned to the homeowner in the Enclave who had complained about drainage in their backyard. The customer stated that the drainage issues began when the District developed a dog park area. The engineer reviewed the area this afternoon and does not see any issue with regard to development of the District's facilities. The engineer does not believe that the District has contributed in any way to drainage issues in the customer's backyard. It appeared to the District engineer that the customer had put in a pool in recent years, and the pool contractor may have changed the drainage, thus contributing to water ponding.

The engineer received the waste discharge permit. The engineer is in the process of updating the Kadiwal Car Wash feasibility study to include other properties. Finally, Mr. Hajduk reported that he received email correspondence from someone whose interested in purchasing in the Bahr tract. The tract is about 100 acres and the proposed development is single family with approximately four homes per acre. The engineer has not responded to the request in any way pending the Board's authorization. The Board authorized the engineer to conduct some preliminary discussions with the landowner to discuss potential development options.

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

10. The attorney noted that there was no new information to report regarding the conveyance of facilities to the SJRA.

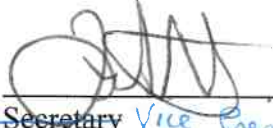
11. Lori Aylett presented an attorney's report. She noted that Southern Montgomery County MUD has indicated an interest in participating in sharing the cost of an amicus brief with the District, and she was still making contact with other firm clients. Director Ridgway suggested the possibility of having a joint meeting with other area MUDs, including Montgomery County MUD No. 88, Montgomery County MUD No. 89, and Spring Creek Utility District. Lori Aylett noted that joint meetings would have to be set by counsel for each of the individual districts. The attorney will contact the attorneys for the referenced districts to see if there is interest in having a joint meeting or coming to a future meeting of the District. Director Ridgway noted that he wanted to facilitate forward momentum, as the lawsuit between the SJRA and Conroe is at the Supreme Court on appeal.

12. Under pending business, Director Vallery asked Director Ridgway to report on the activities he had undertaken on the Board's behalf at the Association of Water Board Directors conference. Director Ridgway discussed the legislation that eliminated the

distinction between tier one and tier two municipalities. Lori Aylett noted that the District was located within the extraterritorial jurisdiction of the City of Houston and the City of Conroe, and now land in the District will not be able to be annexed without consent of the voters.

Director Ridgway also discussed an enlightening session he had attended on social media and how districts control their message. According to the presenter, having a district presence on Next Door and Facebook was a way to control the district's "brand". In this way, social media can be used to direct traffic to the district's website and provide factual information directly to residents. Director Ridgway also noted that the keynote speaker was an executive with Shell who gave an excellent informative presentation on long-term planning and management skills.

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



~~Secretary~~ Vice President