

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors August 24, 2009

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on August 24, 2009, at 312 Spring Hill Drive, Suite 100, West Entrance, Spring, Texas 77386, 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
Danny E. Agans, Director

and the following absent:

Charles Saxe, Secretary

Also present were Jason Hajduk, Mike Williams and Herman I. Little, Jr.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. It was mentioned that the purpose of the meeting was to conduct a public hearing on the District's proposed 2009 tax rate. The Board convened in a public hearing at 7:06 p.m.

The District experienced continued growth in taxable value during the year, and there was a minor increase in the average taxable value of homesteads in the District from \$145,168 to \$147,745. The District's financial advisor has informed the Board that a reduction of the debt service tax of \$0.02 per \$100 assessed valuation would be possible and would not cause financial stress for the District in the coming year. The Board has discussed the increasing cost of operations and maintenance of District facilities, and it has been proposed that the maintenance tax rate be increased by \$0.01. The proposed 2009 tax rate is therefore \$0.5920, which will be a reduction of 1.66% in the tax rate. The proposed tax rate will result in an increase in the tax bill for the average valued homestead of \$0.74. After discussion, the public hearing was closed at 7:15 p.m.

2. The Board reviewed an Order Accepting Roll and Levying Tax for 2009, and upon motion duly made, seconded and unanimously carried, the Board adopted the Order as presented.

3. Upon motion duly made, seconded and unanimously carried, the Board approved and authorized signing and filing an Amendment to Statement of Directors that will describe the District's 2009 tax rate as approved at this meeting.

4. Jason Hajduk presented an engineer's report. Eleven bids were received for the storm sewer improvements to serve Imperial Oaks, Sections One and Two. The engineer had estimated the project cost to be \$500,000. The Board reviewed the bid tabulation and noted the low bid submitted by Kenneth Lamb Construction Company in the amount of \$272,431. The second lowest bidder submitted a bid of \$272,442. The Board noted that Kenneth Lamb proposes a construction period of 45 days. Mr. Hajduk reported that he had checked references for the low bidder, and all references were positive. There was discussion of the procedures that will be followed prior to and during the construction period. Structural engineers will visit and examine homes on the both sides of the storm sewer easement and the construction site. After discussion, upon motion by Director Smith, seconded by Director Moore, the Board voted unanimously to award the contract for storm sewer improvements to Kenneth Lamb Construction Company as recommended by the District's engineer.

5. Jason Hajduk reported that bids had been received for the clarifier addition and improvements to the wastewater treatment plant. The engineer's estimate of cost was \$650,000. Eleven bids were received for the work, and the low bid was submitted by N&S Construction in the amount of \$569,170. The bid includes all items that have been proposed for construction. There was discussion of the contractor, and Jason Hajduk noted that N&S Construction was the original contractor for the wastewater treatment plant, and they are familiar with the facility. After discussion, upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to award the contract for wastewater treatment plant improvements and a new clarifier to N&S Construction Company as recommended by the District's engineer.

6. Mike Williams reported that the back slope interceptor in the drainage ditch has been repaired, and the outfall pad has been modified. Mr. Williams reported that the Stage I drought conditions were lifted, and the District is now under voluntary water conservation measures.

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



Secretary