

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
November 14, 2011

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on November 14, 2011 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
Charles Saxe, Secretary
Michael Smith, Assistant Secretary
Paul Alli, Director

and the following absent:

none.

Also present were Jason Hajduk, Bill Russell, Mike Williams, Sergeant Josh Hanson, Lori G. Aylett and Herman I Little, Jr.

1 Minutes of the meeting held on October 10, 2011 were presented and reviewed. Upon motion by Director Smith, seconded by Director Alli, the Board voted unanimously to approve the minutes as presented.

2. Sergeant Josh Hanson presented a law enforcement report. There were no violent crimes reported in the District. There were eight thefts, three traffic accidents, 214 traffic contacts, three family violence incidents, two DWIs, and 14 arrests during the month. The new vehicle previously authorized for purchase by the Board has been bought and equipment has been installed.

Director Vallery reported that he had been contacted by the homeowners association regarding the possibility of enhancing communications from the constable's office. Specifically, the homeowners association was interested in sending notices regarding important law enforcement activities through its email service. The homeowners association was envisioning the use of mass emails in emergency stations, such as a missing child. The attorney reminded the Board that it does not direct the efforts of the constable. Montgomery County is the employer of the District's constables, and Montgomery County directs their efforts. Sergeant Hanson stated that he was very familiar with the homeowners association and its representatives and could contact them in the event of an emergency situation in which the use of mass email communications would be warranted.

3. Bill Russell presented a bookkeeper's report, a copy of which is attached. After payment of bills at this meeting, the debt service fund balance stands at \$1,917,304.31. The capital projects fund balance is \$3,189,651.76. The general fund balance is \$820,934.61, and the tax account balance is \$4,201.65. The district received settlement funds from Digco for

damage done to a District line. The District has collected 1.62% of 2011 taxes. After discussion, upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to approve the bookkeeper's report and to authorize payment of bills listed thereon. Upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to authorize payment of director fees and expenses as listed.

4. Mike Williams presented an operator's report. The District collected revenues of \$361,256.38 for services provided during the month. There are 3,799 connections in the District, of which 3,550 are residential customers receiving all District services. There are 55 vacant homes.

The operator repaired 22 leaks during the month. Ten bacteriological samples were taken, and all were satisfactory. The District pumped 17,264,000 gallons from Well No. 1, 28,701 gallons from Well No. 2, and received 4,330,000 gallons from Montgomery County MUD 99. The District accounted for 97% of the water produced. The wastewater treatment plant operated at 70% of permitted capacity, and there were no permit violations. Six taps were made during the month, bringing the total to 29 taps for the year to date.

Mike Williams presented a list of uncollectable delinquent accounts in the amount of \$1,313.53.

The operator then reported on the status of water use restrictions under the drought contingency plan. The rains have helped reduce water production quite a bit, however, the Texas Commission on Environmental Quality is recommending that districts stay in drought conditions, due to the region-wide effect of the drought. The Board concurred with the operator's recommendation to remain in the declared drought condition.

The operator also recommended that the homeowners association be allowed to return to watering esplanades and irrigation areas twice per week. Upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to authorize removal of the special limitations on the HOA and to authorize them to open their meters for irrigation two times per week, in accordance with the District's Drought Contingency Plan.

Finally, Mike Williams reported that one of Municipal Operations & Consulting's employees was robbed at Amegy Bank. The thief took cash, money orders and checks attributable to Rayford Road customers. The operator has already directed correspondence to the customers who were affected and has repaid the District for all the cash that was stolen. The operator has taken further steps to insure that this does not recur. After discussion, upon motion by Director Smith, seconded by Director All, the Board voted unanimously to approve the operator's report and to approve the write-off of delinquent accounts as recommended by the operator.

5. Mike Williams presented a report on District parks and recreational facilities. Regular mowing and clean up was accomplished. Six dead trees were cut down in the wetland areas. There were 37 calls for District facilities, 14 for the use of the pavilion and 22 for the ball fields. Upcoming activities will include winterizing the grass. The operator also noted that there were a substantial number of dead trees on District property. The District may want to consider inclusion of additional amounts in its budget for next year to account for the tree

removal. At 31402 Camden Village, a resident requested that the Board approve an encroachment into the wetland area to avoid having to cut down a tree. The resident's fence would need to be relocated by approximately two feet to save the tree. The Board authorized encroachment of the fence in that area. Upon motion made by Director Smith, seconded by Director Saxe, the Board voted unanimously to authorize fertilizing and fall seeding of the parks.

6 Jason Hajduk presented an engineer's report. Phase I sanitary sewer rehabilitation television work is complete. The engineer recommended payment to AAA Flexible Pipe Cleaning for Pay Application No. 1.

At Well No. 3, construction is underway. The contractor is expected to begin drilling the pilot hole for the well this week. Director Alli and the engineer met with a neighboring homeowner to discuss the construction project. They thoroughly discussed noise levels, time frames and background of the project. The homeowner was very understanding and even communicated with another homeowner regarding the meeting.

With regard to the Well No. 3 transmission line, the plans and contracts are complete. The engineer requested approval to begin advertising for bids for the project.

The Water Plant No. 1 ground storage tank replacement design is currently under review.

With regard to the SJRA surface water conversion, the SJRA wants to create a hydraulic model of the District. This will be useful to them in understanding what improvements will be needed for the conversion. SJRA asked that the District provide their engineer with any models that the District currently has, and after SJRA completes its model, it will provide a copy to the District for the District's use. The Board authorized the engineer to provide SJRA with any modeling information that the District has. The SJRA wanted its design engineer, Malcolm Pirnie, to do the final design work of the water plant improvements. However, the District engineer would prefer to do this work, since they are more familiar with the District's system. The District would need to direct correspondence to the SJRA regarding its preference. Upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to authorize the attorney to direct correspondence to SJRA requesting that Pate Engineering perform the design work for the water plant improvements related to the surface water conversion. After discussion, upon motion by Director Alli, seconded by Director Saxe, the Board voted unanimously to authorize the engineer to advertise for bids for the Well No. 3 transmission line, to approve Pay Application No. 1 to AAA Flexible Pipe, and to approve the remainder of the District's engineer's report.

7. There were no hearings for violations for water use restrictions.

8. The Board noted that it had previously authorized approval and submission on the annual disclosure report, so no action was necessary on that agenda item.

9. The Board considered renewal of the District's insurance policies. The attorney presented the proposal from Highpoint for renewal of the District's property, general liability, non-owned automobile liability, pollution, boiler & machinery, directors and officers liability, travel accident insurance, law enforcement liability, and directors and officers and public employee blanket bonds. The Board noted that the premium increased by \$200. In

addition, the deductible for the property policy increased from \$2,500 to \$5,000. Upon motion made by Director Smith, seconded by Director Moore, the Board voted unanimously to renew the District's insurance policies based on the proposal submitted by Highpoint.

10. The Board reviewed a brief developer's report. The developer is completing construction of an 8,200 square foot building at the Kroger Center, and tenants will begin build out in a few weeks. The developer is also working on the future expansion of Rayford Road and would like to request the assistance of Board members and community leaders to call attention to traffic problems in the area. Future traffic generation from the Exxon Mobile campus and other jobs projects will necessitate expansion of Rayford Road. This will be a county project, and it will involve approval of another county bond issue. The developer expressed appreciation that the third well is under construction.

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



Secretary