

# **RAYFORD ROAD MUNICIPAL UTILITY DISTRICT**

Minutes of Meeting of Board of Directors

January 9, 2006

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on January 9, 2006, at 230 Spring Hill Drive, Suite 325, Spring, Texas 77386, in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Duane Burrell, President  
Jake L. Kelly, Sr., Vice President  
Rufus Houston, Secretary  
Dwayne Finley, Director

and the following absent:

Charles W. Venema, Director

Also present were Vickey Sullivan, Bill Russell, Lonnie Wright, Mike Williams, Sergeant Jeff Brown, Kevin Tokarski, James Light, Marcie White, Jim Holcomb, Jon Vallery, Lorene Roy, Dan Agans 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. Minutes of the meeting of December 12, 2005 were presented and reviewed. Upon motion duly made, seconded and unanimously carried, the minutes were approved as presented.

2. Vickey Sullivan presented a tax assessor/collector's report. 2005 taxes are 13.6% collected. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor/collector's report as presented.

3. The Board then reviewed an Order Reaffirming Homestead Exemption. It was mentioned that the District has for many years granted a 10% exemption for all homestead properties in the District. This reduces the effective rate of taxation on the homes in the District by 10%. Upon motion by Director Finley, seconded by Director Houston, the Board voted unanimously to approve the Order Reaffirming Homestead Exemption, which Order is attached to the minutes.

The Board then reviewed an Order Reaffirming Homestead Exemption for Persons Age 65 and Older and Disabled Persons. It was mentioned that the District grants an additional homestead exemption for persons age 65 and older and disabled persons in the amount of \$10,000. This exemption reduces taxation on homestead properties of eligible persons and is in addition to the 10% overall exemption. After discussion, upon motion by Director Kelly, seconded by Director Finley, the Board voted unanimously to approve the Order Reaffirming

Homestead Exemption for Persons Age 65 and Older and Disabled Persons, which Order is attached to the minutes.

4. Mike Williams presented an operator's report. The District collected \$133,155.30 in water and wastewater revenues, and had total revenues of \$147,106.42 for the month. The District accounted for 95% of water produced. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated at 54% of permitted flow, and there were no permit violations. 20 taps were made during the month, bringing the total to 292 taps for the year 2005. There are 3,242 connections. Mr. Williams presented a list of accounts that are uncollectible because customers have moved from the District leaving unpaid amounts. There are five uncollectible accounts on the list. Upon motion duly made, seconded and unanimously carried, the Board approved writing-off the five accounts on the list. Lonnie Wright addressed the Board and stated that 300 customers have elected to use automatic bank draft procedures to pay their monthly bills. Transaction fees are being charged to the customers for the service. The operator will have an alternative for payments by Visa in the near future. The cost will be approximately \$5.00 per transaction to be paid by the customer. Upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented.

5. Marcie White presented a report on Imperial Oaks Park maintenance. The parks were mowed during the month. There were no pavilion rentals. The backstop was repaired at the ball fields. Information magnets were mailed with the District's bills.

6. Bill Russell presented a bookkeeper's report, a copy of which is attached to the minutes. After payment of bills at this meeting, the debt service fund balance will stand at \$1,647,453.34. The capital projects fund balance is \$2,126,022.02. The general fund balance is \$640,207.19, including funds in the transfer account. For seven months of the year-to-date the District has revenues over budget of \$105,000 and has expenses under budget of \$19,003. The District is in good financial condition. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of bills listed thereon.

7. Sergeant Jeff Brown presented a law enforcement report. There was no major law enforcement activity during December. Traffic contacts have increased. 350 calls were answered. Six arrests were made, and 18 reports were taken. Starting in January the report will identify building checks separate from checks on MUD facilities and parks. The District inquired concerning crosswalks at the ball fields, and the County Commissioner will provide crosswalks, although the District will have to be in compliance with ADA. Jim Holcomb advised the Board that he will assist the District by making the crossing ADA compliant. Sergeant Brown reported that criminal mischief involving Christmas decorations was very, very low this year. Lorene Roy noted that her neighbor had called the constable's office concerning vandalism, and the resident was on hold for 40 minutes. The customer wants to file a complaint and has heard nothing from the constable's office for the past three weeks. Sergeant Brown stated that he would obtain information from Ms. Roy and would respond to the matter. There was a discussion of fireworks, and it was noted that the county does not have authority to prohibit fireworks. Jim Holcomb reported that there have been problems on Aldine Westfield Road where barricades have been knocked down. No trespassing signs will be installed.

Dumping has started again in the area. Mr. Holcomb requested assistance on barricades and assistance in patrolling around the elementary school site. After discussion, the Board approved the law enforcement report as presented.

8. James Light presented an engineer's report. Imperial Oaks Lake, Section One is complete. Change Order No. 2 has been presented for adjustments to manholes in the section, and there will be no increase in cost. At Water Plant No. 2, the booster pump is still making noise. It appears that the piping configuration may be affecting the booster pump, and further investigation will be made. The bond application was filed on November 14, 2005 and should be approved by the TCEQ in the near future.

9. James Light reported on construction activities on Rayford Road and Robinson Road. Jones & Carter is doing engineering on Rayford Road east of the railroad tracts. Plans should be 75% complete by next month, and the engineers will review the plans and will submit comments. The engineers have reminded the county's engineers of the importance of drainage at Imperial Oaks Boulevard and Rayford Road. The engineers stated that Sam Bell Gully is outside the scope of the work. Jim Holcomb stated that a meeting is needed with the County Commissioner's office concerning Sam Bell Gully. The drainage from Imperial Oaks is affected by Sam Bell Gully, and Mr. Holcomb inquired of Lorene Roy as to whether DD6 will support this matter. Ms. Roy stated that Steve Gardner will be talking to the Commissioner about the matter. There was a discussion of traffic control during the project, and it was mentioned that the construction will involve one lane of pavement at a time to keep four lanes open at all times.

James Light reported that the engineers have talked to Carter & Burgess concerning the improvements to Robinson Road. PBS&J did the plans for Robinson Road. It is unknown when construction of those improvements will be done. No District facilities will be affected by the project. The project will include construction of two wider lanes with shoulders. After discussion, upon motion by Director Kelly, seconded by Director Finley, the Board voted unanimously to approve the engineer's report and to approve Change Order No. 2 to the contract for utilities to serve Imperial Oaks Lake, Section One.

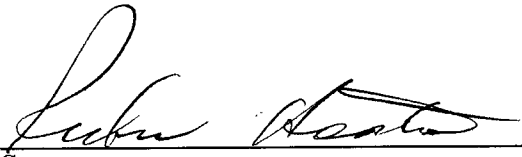
10. Herman Little addressed the Board and noted that TCEQ approval of the bond application can be expected in the near future. The attorney recommended that the Board authorize the District's financial advisor begin preparations for a sale of the bonds, including preparation of a preliminary official statement. Upon motion by Director Kelly, seconded by Director Finley, the Board voted unanimously to authorize preparation of a preliminary official statement for the District's Series 2006 Bonds.

11. Herman Little advised the Board concerning new requirements for filing Conflicts Disclosure Statements by District directors. The attorney had prepared and forwarded to the directors a questionnaire concerning the Conflicts Statement. All directors have completed the questionnaire indicating that there is no necessity for filing a Conflicts Disclosure Statement by any of the directors at this time. The District's consultants and other contractors and vendors also will be required to file Conflicts Disclosure Statements, and additional information will be needed to inform the contractors and vendors of the new requirements.

12. Jim Holcomb presented a developer's report. There were 233 home sales last year, and this is the best year yet in Imperial Oaks. The elementary school will open in August. The developer is working with local organizations concerning after-school programs. Aldine Westfield will be extended for access to the school. Jim Holcomb reported that Montgomery County MUD No. 99 will have utility construction commencing within the next month. The Imperial Oaks Lake section has been finished. There will be three water sprays in the lake. There have been five or six sales, to date. An open house will be conducted in the section in February. The developer is in hopes of action on commercial facilities on Rayford Road. There is no word on the Eckerd tract, yet.

13. Dan Agans addressed the Board and stated that he is requesting information on the District's employees. Herman Little stated that the District does not have any employees. All services provided to the District are provided by companies and individuals serving as independent contractors. Mr. Agans stated that he would revise his request for information, accordingly. Jon Vallery requested an application for the director's election. Herman Little stated that the application forms will be available at the next meeting when the Board votes to order the election to be held. Mr. Vallery stated that his MUD taxes have increased \$198 in recent years. In response to a question by the Board, Mr. Vallery confirmed that the increase relates to increases in his property value and not to any increase in the District's tax rate. Lorene Roy addressed the Board and stated that election machines will be used in Montgomery County elections this year.

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

  
Secretary