

# RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

## Minutes of Meeting of Board of Directors

July 9, 2007

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on July 9, 2007, 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:

Danny E. Agans, President  
Michael Smith, Vice President  
Jon Vallery, Secretary  
Charles W. Venema, Director  
Duane Burrell, Director

and the following absent:

None

Also present were Mike Williams, Jason Hajduk, Jim Holcomb, Vickey Sullivan, Bill Russell, Rebecca Marcucci, Sergeant Jeff Brown, Herman I. Little, Jr. and persons on the attached list.

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

1. Minutes of meetings held on June 11 and June 13, 2007 were presented and reviewed. Corrections were requested, and upon motion by Director Vallery, seconded by Director Burrell, the Board voted unanimously to approve the minutes of both meetings as corrected.

2. Vickey Sullivan presented a tax assessor/collector's report. 2006 taxes are 97% collected. Ms. Sullivan noted that there are refund checks for many accounts for which homestead exemptions were granted after the deadline. The Board reviewed the report, and after discussion, upon motion by Director Burrell, seconded by Director Smith, the Board voted unanimously to approve the tax assessor/collector's report as presented.

3. Mike Williams presented an operator's report. The District collected service revenues of \$142,945.84 and total revenues of \$165,683.70. The District accounted for 99% of water produced. There was a malfunction at the water plant, and approximately 3 million gallons of water were lost before the problem was resolved. 17 leaks were repaired. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 71% of permitted capacity. Eleven taps were made during the month, bringing the total to 104 for the year-to-date. There are 3,679 taps at this time. Mr. Williams presented a list of delinquent accounts that are uncollectible and recommended that the accounts be written off. There was an incident in which a contractor was observed pouring paint into the

storm drainage system. Photographs were taken, and the operator talked to the contractor's representatives. The TCEQ inspected the wastewater treatment plant during the month, and several small violations were noted, but all were taken care of, and there is no additional action required. After discussion, upon motion by Director Burrell, seconded by Director Smith, the Board voted unanimously to approve the operator's report as presented and the Board further voted to approve the write-off list as presented by the operator.

4. Mike Williams presented a report on the Imperial Oaks parks. A dead pine tree has been observed on Silverwood Village. There were eleven calls for use of facilities, eight for the pavilion and three for the ball fields. Lights were replaced at the entrance to the park. The timer on the lights was replaced, as well. There was discussion of the light pole at the front of the park and the timer for the lights. The timer could be rewired at a cost of \$814. A proposal was received for replacing a cedar fence at the Thorsby Park. The cost would be \$2,727.40 for 150 feet of 6-foot cedar fence. Signs for the parks have been ordered and will be installed when they arrive. There was further discussion of the lights, and Director Smith inquired as to whether a timer could be installed. Mike Williams noted that a timer will not function in that application. After discussion, upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to authorize the operator to fix the light, as necessary. Upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to request another bid for the cedar fence from H & C.

5. The Chair called for customer inquiries. Randy Rothrock addressed the Board and stated that he had sent a letter on May 20, 2007 requesting additional information about documentation pertaining to director expenses. Mr. Rothrock requested a report on the status of the matter. It was mentioned that copies of the director expense reports had been provided as requested. Mr. Rothrock stated that the reports did not have attachments for backup information. Herman Little noted that the District had provided copies of everything in the District's files with regard to the expenses in question and that the District's auditor is reviewing the matter.

Lillian Smothers addressed the Board and inquired about environmental law enforcement services. Ms. Smother also stated that she has not seen constables in her neighborhood in Section Nine, and she continues to observe juveniles engaged in misconduct. Ms. Smothers stated that last summer her residence was egged, and fireworks were shot at her home. A call was placed to the Montgomery County Sheriff, and a response was made one hour later. Director Burrell stated that he had visited with the constable about the matter. Ms. Smothers stated that she has not heard from the constable. Director Vallery stated that he had ridden with a constable recently, and the constable was in Section Nine during that patrol. There was a call relating to a stabbing, and the constable responded within 30 seconds. Director Vallery encouraged Ms. Smothers to continue calling for law enforcement assistance when necessary. Director Agans suggested that Ms. Smothers document the times and dates of the problems and efforts to contact the constables.

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 stands at \$2,360,829.87. The capital projects fund balance is \$1,584,675.98. Mr. Russell noted that the

District received a refund check from Montgomery County MUD No. 99 of \$10,906 which resulted from an overpayment for water supply capacity purchased by the District. The general fund balance will stand at \$545,179.93 after deposit of a transfer check. After discussion, upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to approve the bookkeeper's report and authorized payment of bills listed thereon.

7. The Board reviewed a proposed addendum to the District's contract for solid waste collection services. Herman Little described changes that have been made to reflect recycling services that have been approved by the Board. Lorene Roy inquired as to whether the contractor charges per account or per household or per metered connection. The Board stated that the charge should be \$3.25 per household and should make no reference to the number of connections at that location. The Board requested that this matter be confirmed with the contractor, and upon motion by Director Smith, seconded by Director Venema, the Board voted unanimously to approve the addendum to the contract with the stipulation that the charge will be \$3.25 per household.

The Board reviewed a proposed letter to customers of the District regarding charges for recycling services. There was discussion of changes that will be applicable to persons age 65 and older and disabled. There was a discussion of the proposed rates for recycling service, and the Board reviewed a table showing examples of rates that could be charged for District customers and exemptions that may be granted to persons age 65 and older and disabled. Director Venema presented information with regard to the proposed charges and suggested that the District charge \$3.70 per household to cover the District's payments to the contractor, including fuel surcharges and a CPI increase. There was further discussion of rates to be charged for persons age 65 and older, and upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to approve an additional charge of \$3.70 for each residential household connection to cover costs of recycling services, and the Board voted to charge \$2.00 per household for residents age 65 and older and disabled. There was further discussion of the letter to District customers, and upon motion by Director Smith, seconded by Director Burrell, the Board voted unanimously to approve the letter with modifications requested by the Board. The Board requested that the letter be placed into the newsletter and that it be mailed with the next water bill.

8. Rebecca Marcucci addressed the Board on behalf of Legacy Energy Management Solutions. Ms. Marcucci reported that Legacy has reviewed 24 months of District utility billings, and it appears that approximately \$13,500 can be recovered for the District from taxes that should not have been assessed. Legacy Group will be paid 35% of the amounts recovered, which is less than the normal percentage as a result of Bill Russell's advocacy for the Board. Legacy audited 18 service addresses for a period of 24 months that involved three different providers. Ms. Marcucci noted that two accounts are being billed without location identifiers, and they are part of the 200 street lights in the District. Ms. Marcucci stated that Legacy will look at the other 24 months and will examine utilities provided for street lights and for District facilities. The District's rates will be reviewed, and Legacy will be prepared to recommend proposals for new energy contracts by the due date of June, 2008. Power to the lift stations will be reviewed, as well. The Board expressed appreciation for Ms. Marcucci's report.

9. Jason Hajduk presented an engineer's report. Utilities in Rayford Road have been relocated, and the storm sewer is now being constructed for the Rayford Road improvements. The project is on schedule, according to the county. The Robinson Road project is still being delayed because of AT&T facilities. Herman Little advised the Board that he is working on easements for the Sections One and Two drainage project. Mr. Hajduk reported that AT&T has started relocating the cable in Imperial Oaks Boulevard that will be necessary for that drainage project to be completed. It was mentioned that the TCEQ has given approval for payments to the developer as approved in the District's surplus funds application. After discussion, upon motion by Director Burrell, seconded by Director Smith, the Board voted unanimously to approve the engineer's report as presented.

10. Jim Holcomb presented a developer's report. Aldine Westfield Road should be open within two weeks. Conroe I.S.D. is putting temporary buildings at Kaufman Elementary School to accommodate the increasing population. All new sections in the nearby community will go to Broadway Elementary School beginning in 2007. A new middle school will be open in Spring Trails by 2008. The Kroger store is progressing and should be open in November or December. The volunteer fire department is looking at locations in the area, and it appears the fire station will be relocated from Fox Run to Riley Fussel Road, and the next fire station will be on Aldine Westfield near the District.

11. Sergeant Jeff Brown presented a law enforcement report. There was one aggravated assault, three family violence calls, three burglaries of habitations and two burglaries of coin operated machines. Confessions have been received concerning the burglaries and arrests have been made. There were five criminal mischief calls, two criminal trespass calls, 19 disturbances, five minors in possession, eight misdemeanor narcotics calls, five DWI's and 33 total arrests. There was discussion, and Mike Williams noted that all chlorine containers are located within locked buildings. There was discussion of signage that will indicate the constables' patrols. The District will order ten signs. Sergeant Brown reported that the bicycles had come in, but they were not the correct ones, and they were sent back. The bicycle patrol should commence within the week, however. The office in the District has a telephone, and if the office is not manned, voice mail will give prompts to the other numbers for the constable.

There was a discussion of the Interlocal Agreement for Law Enforcement Services that will be needed by October 1, 2007. It was mentioned that the procedures for getting reports should be clarified, and procedures for termination of the contract should be clarified, as well. This matter will be on the agenda for the meeting in August.

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

Secretary

