

# RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
October 8, 2007

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on October 8, 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

and the following absent:

Duane Burrell, Director

Also present were Vickey Sullivan, Lonnie Wright, Mike Williams, Bill Russell Jason Hajduk, Jim Holcomb, Constable Tim Holifield, Brian Jarrard, 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 the meeting of September 10, 2007 were presented and reviewed. Upon motion by Director Smith, seconded by Director Venema, the Board voted unanimously to approve the minutes as presented.

2. Director Agans announced that the Board will convene in an executive session (closed meeting) in accordance with the Texas Government Code to consider the placement and deployment of security facilities and law enforcement services. The Board adjourned into executive session at 7:05 p.m.

3. The Board reconvened in a public meeting at 7:38 p.m.

4. Constable Holifield presented a law enforcement report. The Board reviewed the report and discussed incidents that had occurred during the month. Constable Holifield reported that Sergeant Brown has relocated, and there is a vacant position for sergeant within the District. The Constable is considering candidates to fill the position. The Constable is equipping the new vehicle with a trailer hitch. There was discussion, and upon motion by Director Venema, seconded by Director Vallery, the Board voted unanimously to approve the law enforcement report as presented.

5. Vickey Sullivan presented a tax assessor/collector's report. 2006 taxes are 98.5% collected. The Board reviewed the report and a series of checks presented for payment of

bills. Upon motion by Director Venema, seconded by Director Vallery, the Board voted unanimously to accept the tax assessor/collector's report as presented.

6. Mike Williams presented an operator's report. The District had water and waste collection revenues of \$155,863 during the month and total revenues of \$171,595.08. The District accounted for 99% of water produced. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 71% of permitted capacity. 23 water leaks were repaired during the month. 12 taps were made, bringing the total to 126 for the year-to-date. The District has 3,706 connections.

Mike Williams presented photographs of wooded areas in Imperial Oaks Park, Section Nine along the Montgomery County Drainage District No. 10 drainage channel. There are several locations at which drainage is obstructed, and there is considerable debris from the vegetation. The operator has investigated, and it may be possible to remove low vegetation to help solve the problems or to clear the area along Regal Park to get drainage flowing. A third alternative would be to clean out around the cul-de-sac at Regal Park Court. There was discussion of alternatives, and upon motion by Director Venema, seconded by Director Smith, the Board voted unanimously to authorize the operator to clean obstructions around Regal Park Court as a first step in determining whether additional work will be needed.

Mike Williams reported that there is a reserve owned by the District on Fountain Brook that was sodded by a contractor working for the homeowners association. It would be helpful to have irrigation on the area to preserve the new vegetation. There was discussion, and upon motion by Director Venema, seconded by Director Smith, the Board voted three in favor, with Director Vallery voting against the motion, to approve irrigation of the reserve as recommended by the operator.

Mike Williams presented a list of delinquent accounts that are recommended for write-off as uncollectible. Upon motion by Director Smith, seconded by Director Venema, the Board voted unanimously to approve writing off the uncollectible accounts as recommended by the operator.

7. Mike Williams reported on use of the Imperial Oaks Parks and facilities. There were twelve calls for the pavilion and twelve calls for the ball fields. The soccer nets were replaced during the month. Mike Williams requested authorization to stripe the soccer fields. There was discussion, and the Board requested that a bid be received for striping the fields.

8. Herman Little advised the Board that the District had received a subpoena in litigation brought in the United States District Court by a homeowner in the District against the former owner relating to drainage problems in Sections One and Two. The subpoena has required the District to assemble all documents relating to drainage problems in Imperial Oaks, Sections One and Two and minutes of District board meetings since 1995. The documents have been assembled and have been delivered to the operator's office as required in the subpoena. Director Vallery, acting as the District's records custodian, has executed an affidavit that the records are business records of the District.

9. 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 \$1,603,943.26. The capital projects fund balance is \$1,605,083.94. The general fund balance is \$510,453.10 following deposit of a transfer check of \$170,179.85. There was discussion of the bills and the report, and upon motion by Director Venema, seconded by Director Smith, the Board voted unanimously to approve the report and payment of bills listed thereon.

10. Jason Hajduk presented an engineer's report. Rayford Road construction is underway. The storm sewer along Robinson Road is under construction. The engineer provided documents regarding drainage in Imperial Oaks, Sections One and Two as required by the subpoena. The wastewater treatment plant permit renewal is administratively complete, and a notice is being published in a newspaper as required by TCEQ rules. The engineer investigated the drainage problem in Imperial Oaks Park, Section Nine.

Mr. Hajduk reported that on August 13, 2007 the TCEQ issued a general permit that will require small municipal separate storm sewer systems to obtain storm water discharge permits. The District will be required to have such a permit. Montgomery County Drainage District No. 6 recently held a workshop and invited the District and other local districts that will be affected by the permit requirements to join Drainage District 6 in a coalition to participate in preparation and filing of permits and in compliance measures that will be required thereafter. Jason Hajduk recommended that the Board approve participation in the coalition with Drainage District 6 to be in compliance with the new TCEQ requirements.

Director Venema noted that the operator and the engineer had responded very promptly to the drainage problems in Imperial Oaks Park, Section Nine, and the Board expressed appreciation for their diligent efforts.

11. Brian Jarrard presented a developer's report. There is a six month supply of lots remaining in the District. There are approximately 100 homes in inventory at this time. The Kroger store is shaping up, and the opening should be held in early 2008. Chase Bank will open prior to Kroger, probably in November.

Brian Jarrard noted that there will be a sales tax election held in Emergency Services District No 8, and the developer is concerned that voter approval of the sales tax may place the community at a disadvantage in the future. It was mentioned that there is a constitutional limit on sales taxes that can be applied in any location, and if the Emergency Services District tax of \$0.02 is approved, no other entity, including a city, will be able to impose a sales tax in the future. This could be a disadvantage to the District in the event the District could enter into a strategic partnership agreement with the City of Houston or in the event that incorporation of the area including the District could be accomplished.

12. Herman Little advised the Board that the attorneys are preparing an agreement for acquisition of storm sewer easements, but no action is necessary at this time.


13. There was discussion of a proposal for the District to participate in the South Montgomery Storm Water Coalition being sponsored by Montgomery County Drainage District No. 6. It was mentioned that preparation and filing of a permit will be required by February, 2008, together with a storm water management plan, but districts and participants will

have a period of five years to come into full compliance. Upon motion by Director Venema, seconded by Director Vallery, the Board voted unanimously to approve participation by the District in the Storm Water Coalition and to take necessary steps for the purchase of software and filing the permit and the storm water management plan required by TCEQ.

14. Director Venema reported that he had met recently with Jim Holcomb and Nick Ozuna concerning possible sharing of law enforcement responsibilities in the adjoining districts presently under development. The developers are interested, but funding is limited because there is no income from the new communities at this time. In light of the lack of funding, it is not feasible for the District to extend law enforcement services into the new areas at this time. Director Venema noted that development of the Kroger Center on Rayford Road will place additional burdens on the District's law enforcement staff. There was discussion, and the Board requested that the attorney investigate additional funding sources that could be available to provide increased coverage in the commercial areas. Director Vallery noted that the District's tax revenues will increase upon completion of the commercial development.

Director Venema advised the Board that he is interested in starting a community patrol program in the District and is planning to attend a conference on community patrols that will be held in Columbus, Ohio. Director Venema requested that the Board authorize reimbursement of his costs of hotel, car rental and conference expenses, expected to be \$820. This would not include airfare or travel expense. After discussion, upon motion by Director Agans, seconded by Director Smith, the Board voted three in favor, with Director Vallery voting against the motion, to approve reimbursement of Director Venema's reasonable expenses upon completion of the conference.

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

  
Secretary