

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 14, 2008

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on April 14, 2008, 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, Mike Williams, Jason Hajduk, Bill Russell, 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 March 10, 2008 were presented and reviewed. Upon motion by Director Vallery, seconded by Director Smith, the Board voted unanimously to approve the minutes as presented.

2. Vickey Sullivan presented a tax assessor/collector's report. 2007 taxes are 95.1% collected. After discussion, upon motion by Director Smith, seconded by Director Vallery, the Board voted unanimously to approve the tax assessor/collector's report as presented.

3. David Bates addressed the Board and described the Community Patrol program that is being organized in Imperial Oaks. Community Patrol is a volunteer organization, and it serves as eyes and ears within the community to assist local law enforcement efforts. There are 13 initial members in the Community Patrol program. Background checks are performed on all prospective members of the organization. Extensive training is provided to participants. Participants will wear uniforms and will have identification. Participants will not carry weapons and will not act in the capacity of law enforcement officers. Training for the Community Patrol program commenced last month. Mr. Bates requested that the Board recognize the Community Patrol as providing a service to the community. Constable Holifield is very supportive of the program. Community Patrol is a non-profit organization. The program will start using personal vehicles, although it is hoped that a vehicle can be provided for

Community Patrol by the District in the future. Vehicles will be marked with magnetic signs. A person cannot go on patrol until after receiving training. Members are expected to work at least eight hours per month. Information gathered by the participants will be passed on to the constable. There was discussion, and in response to questions by the Board, Mr. Bates confirmed that the Community Patrol members are not law enforcement officers, and they will not represent themselves as law officers at any time.

4. Mike Williams presented an operator's report. The District had revenues of \$164,639.65 during the month. There are 3,730 connections in the District. There are 41 vacant homes at this time. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 70% of permitted flow, and there were no permit violations.

Mr. Williams reported that several residents of the District had reported on a resident at 31223 Copperleaf who raked leaves in the yard and then disposed of the leaves by putting them down a drainage inlet. It was mentioned that placing leaves and yard clippings in the inlet is prohibited by law and is a violation of the District's rules and regulations. There was further discussion, and upon motion duly made, seconded and unanimously carried, the Board directed the attorney to provide a notice of violation to the responsible party and to request that the person attend a hearing on the matter that will be held by the Board at the next regular meeting.

Mike Williams presented a list of delinquent accounts that are uncollectible. All accounts have been closed, and the customers have moved away from the District. Upon motion duly made, seconded and unanimously carried, the Board approved the list of accounts to be written off in the amount of \$530.

5. Mike Williams presented a report on the Imperial Oaks parks. Mr. Williams requested authorization to plant annual flowers in the main park. A request was received that each of the ball fields be identified by number. This would facilitate proper scheduling of the use of the ball fields. Mr. Williams reported that a light pole at the pavilion is in need of replacement. After discussion, upon motion by Director Vallery, seconded by Director Venema, the Board voted unanimously to authorize the operator to plant flowers and to install signs at the ball fields and to replace the light pole at the pavilion as requested.

Lonnie Wright advised the Board that the operator would be moving to a new location in the same complex. The new location will be at 312 Spring Hill Drive, Suite 100, Spring, Texas 77386. Upon motion duly made, seconded and unanimously carried, the Board voted unanimously to adopt a resolution designating 312 Spring Hill Drive, Suite 100, Spring, Texas 77386 as an office and meeting place outside the District, and the Board directed that a notice of designation of the meeting place be published as required by law.

6. The Chair then stated that the Board will conduct a hearing on violations of the District's rules. Director Agans described procedures that will be followed by the Board in conducting the hearing.

Mike Williams reported that on or about March 18, 2008, Mike Williams notified Director Agans that two boys had been observed cutting down trees in one of the District's wetland preserves. Mike Williams went to the location and observed the boys, and approximately 8-10 trees that had been cut down. Photographs were taken of the area and damage to vegetation in the preserve.

Hugo Sevilla addressed the Board and stated that his son, Brian, was one of the boys along with Joshua Terrice. The boys went on the property to play, and they disregarded the signs that stated "no trespassing." The boys were playing, and they cut 6-8 small trees. Mr. Sevilla stated that the boys did not have any malice, and they did not paint anything or cause any damage or vandalism other than cutting the trees. The boys should not have gone on the property, and the signs are very clear and visible. Mr. Sevilla requested that the Board not consider the actions as vandalism and give the boys an opportunity to replace the trees or perform community service as punishment for their actions. This should be a positive lesson for the boys who are both 13 years old. Mr. Sevilla expressed appreciation for the Board's taking the matter up and stated that he realized that it could have been referred to the District Attorney. Mr. Sevilla stated that either restitution or community service would be appropriate punishment for their actions.

Amanda Terrice addressed the Board and stated that her son is Joshua Terrice. She agrees with Mr. Sevilla, the boys did not have any malice. They were playing. The "no trespassing" sign is very visible, but there has been a lot of dumping, and other people have been going on the property, so the boys did not think anything of it. Ms. Terrice requested that the Board of Directors consider community service as a means of punishment. There were other individuals involved, but they were not present when the incident was reported.

There was discussion of the boys' actions. The Board expressed concern that District facilities had been set aside for the enjoyment of the community, and it is unacceptable for people to destroy the facilities. Director Venema stated his opinion that community service would be an appropriate punishment and recommended that the Board consider community service for both boys. There was discussion of the procedures for community service. Mike Williams advised the Board that he would be available to supervise community service and assured the Board that there is plenty of work that can be done. After further discussion, upon motion by Director Smith, seconded by Director Vallery, the Board voted unanimously to require 8 hours of community service by Brian Barahona and by Joshua Terrice, such service to be supervised by Mike Williams. The Board expressed appreciation for Mr. Sevilla and Ms. Terrice attending the meeting with the boys. The boys have acknowledged that their actions were wrong, and the Board stated that upon completion of the community service, the Board will consider the matter to be closed.

7. The Chair called for customer inquiries. James Larimore addressed the Board and expressed his desire that the District establish bike paths on drainage ditches in the area. Mr. Larimore stated that there are some bike paths already, but the District is separated from Spring Creek and the Spring Creek Greenway project. Harris County has been developing bike paths for use by citizens. There was discussion, and it was mentioned that the drainage

ditches are operated by Montgomery County Drainage District No. 6 and Montgomery County Drainage District No. 10. It was mentioned that there are no sidewalks along many streets in Imperial Oaks, and there are no sidewalks along Rayford Road or Robinson Road. The waterways are great avenues for access to other parts of the community. Herman Little addressed the Board and stated that Drainage District 6 has expressed an interest in establishing trails for walking and bicycling, and Drainage District 6 is gathering information on specifications for such facilities. Drainage District 10 will likely agree to the same types of facilities. Mr. Larimore may have an opportunity to provide volunteer services to Drainage District 6 as its program is undertaken.

Jeff Sorrells reported that there is graffiti on the fence along Aldine-Westfield Road. It was mentioned that the fence belongs to the POA.

Andrew Hampton addressed the Board. Andrew is a scout in Troop 895 and is requesting that the Board authorize him to perform a community service project in support of his progress to Eagle Scout. Mr. Hampton stated that he would like to install benches at the soccer field. It was mentioned that the soccer fields are on the Tennessee Gas Pipeline right-of-way, and there may be an objection. There was discussion, and it was mentioned that there are standard benches throughout Imperial Oaks. After discussion, upon motion by Director Venema, seconded by Director Smith, the Board voted unanimously to authorize Andrew Hampton to perform a community service project for installation of benches at soccer fields, and the Board further directed the District engineer to contact Tennessee Gas Pipeline Company with regard to placement of benches adjacent to the soccer fields.

8. 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 \$2,292,981.27. The capital projects fund balance is \$1,118,543.56. The general fund balance will stand at \$940,743.03 after deposit of a transfer check approved at this meeting. The District has net revenues over expenses of \$334,565.30 for ten months of the fiscal year. Mr. Russell reported that he will present a budget for approval by the Board at the next meeting. In reviewing the budget and background information, it appears that the last two years have been very wet, and revenues have been lower than anticipated. The cost of garbage service has increased because of fuel adjustments. Mr. Russell suggested that the Board may be able to reduce the debt service tax rate and possibly increase the maintenance tax rate again to provide additional funds for the coming year. The budget will be on the agenda for action next month.

Bill Russell presented a proposal to purchase electric power from Hudson Energy for a period of three years. Rates have been fluctuating substantially lately, and the 3-year contract has the best terms available at this time. After discussion, upon motion by Director Venema, seconded by Director Smith, the Board voted unanimously to authorize Bill Russell to approve and sign a contract for purchase of electric power with Hudson Energy for a 3-year term.

9. Jason Hajduk presented an engineer's report. Drainage District 10 signed the agreement with Tennessee Gas Pipeline Company for relocation of culverts in Imperial Oaks

Park, Section Nine. Jason Hajduk described the next project for construction in the District, a second clarifier for the wastewater treatment plant. The District issued bonds in the amount of approximately \$460,000 for the cost of the clarifier. The current estimate of costs for the project is \$650,000, so there will be a need for additional funding, possibly from surplus funds. There was discussion of engineering that will be required to design the clarifier and obtain release of funds from escrow, and upon motion by Director Smith, seconded by Director Vallery, the Board voted unanimously to authorize the engineers to proceed with design of the second clarifier for the wastewater treatment plant.

There was further discussion, and it was agreed that at the next meeting, the Board will consider authorizing an application for release of funds from escrow and for use of surplus funds, as necessary.

Jason Hajduk presented correspondence from the San Jacinto River Authority concerning the proposed Water Resources Assessment Program. The District will participate in the WRAP at a cost of \$3,000 to remain in compliance with requirements of the Lone Star Groundwater Conservation District. Upon motion by Director Vallery, seconded by Director Smith, the Board voted unanimously to approve and authorize signing the Water Resources Assessment Plan agreement and to pay \$3,000 for the District's share of costs as recommended by the engineer.

10. In the absence of a report by the developer, Director Agans reported that Jim Holcomb stated that sales had slowed down considerably in 2008. The Kroger Center is approximately 70% leased. A security patrol has been established within MUD 115 to reduce and prevent thefts of construction materials.

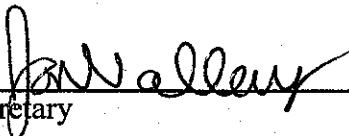
11. It was mentioned that in the May 10, 2008 directors' election, the Board will be required to have electronic voting equipment. The Board reviewed an equipment lease agreement with Premier Election Solutions that will provide two machines for early voting and two machines for election day, including all training and programming required for the election. After discussion, Upon motion by Director Venema, seconded by Director Vallery, the Board voted unanimously to approve and authorize signing the equipment lease agreement with Premier Election Solutions.

It was mentioned that the Board will be required to hold a meeting following the election to declare results of the election. After discussion, upon motion by Director Vallery, seconded by Director Venema, the Board voted unanimously to schedule the meeting for declaring results of the election on Wednesday, May 14, 2008 at 7:00 p.m. at the regular meeting place.

12. There was further discussion of the Community Patrol program. It was suggested that the Board approve a letter agreement to establish sponsorship of the Community Patrol program in the District. In addition, arrangements are necessary for a place to store equipment for the Community Patrol program. Mike Williams recommended use of the wastewater treatment plant site where there is adequate space for storage of materials. In

response to a question by Director Smith, Herman Little advised the Board that the District will not have any liability for actions of the Community Patrol participants. Upon motion by Director Vallery, seconded by Director Smith, the Board voted unanimously to approve a letter agreement for sponsorship of the Community Patrol program and to authorize use of the District's wastewater treatment plant site for storage of equipment for the program. Director Venema abstained from the discussion and vote.

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


Secretary