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## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
October 13, 2008

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on October 13, 2008, 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  
Danny E. Agans, Director

and the following absent:

None

Also present were Jason Hajduk, Bill Russell, Deputy Stephen Sprague, Mike Williams, Lonnie Wright, John Montgomery 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 meetings held on August 28, September 8, September 23 and October 6, 2008 were presented and reviewed. Upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to approve the minutes as presented.

2. Deputy Stephen Sprague presented a law enforcement report. The deputies were all on duty for twelve hour shifts during and following the hurricane. There were several cases of vigilantes, but there were no major problems. There was vandalism at the club house. The staff is still short one officer. There was discussion, and Director Vallery stated that the Board greatly appreciates the services and sacrifices made by the deputies during the storm. In particular, Frank Mitchell was very quick to respond to a domestic disturbance call on Sunday.

3. Mike Williams presented an operator's report. There are 3,743 connections and 39 vacant houses. The District collected revenues of \$221,089.18 for service provided during the month. The wastewater treatment plant operated at 69% of capacity, and there were no permit violations. There were issues as to effluent quality during the storm, but the TCEQ recognizes that the hurricane presented difficult operating conditions and has no objections. The TCEQ inspected the plant during the storm and returned again last week for another inspection.

Two taps were made during the month, bringing the total to 16 for the year-to-date. Ten bacteriological samples were taken, and all were satisfactory. Mr. Williams presented

a list of delinquent accounts that are uncollectible totaling \$394. Mike Williams then presented letters received from residents of the District, Joseph P. Roberts, and Sara Horibro, expressing thanks to the District and its operating personnel for their services during the storm.

Mike Williams reported that an insurance adjuster had come out and examined damage from the storm. One homeowner presented a claim of \$1,210 for replacement of 65-feet of 10-foot fence adjacent to the wastewater treatment plant. Director Saxe noted that another fence contractor had submitted a bid to the POA at a cost of approximately \$2.00 per foot. There was discussion, and Director Vallery expressed thanks on behalf of the Board to Mike Williams and his family for their sacrifices during the storm. Mike worked very long hours and protected the District's water and wastewater systems.

It was mentioned that Brian Simmons had made it possible for his company to donate \$750 gallons of diesel fuel that were used at the District. Also, Mike Manning donated a fuel tank from his company. The City of Shenandoah provided a 200 Kw generator for the District's use, and there was no charge for use of the generator. After discussion, upon motion by Director Smith, seconded by Director Saxe, the Board voted unanimously to approve the operator's report and the list of uncollectible accounts, and the Board further voted to approve reimbursement for the homeowner's cost of replacement of fence adjacent to the wastewater treatment plant site.

4. Mike Williams presented a report on parks and recreational facilities. Regular mowing was performed. Several trees are down around the parks and trails and at Webber Pond. A lot of debris has been removed, and the operator believes that all paths are open at this time. 20 calls were received for use of the pavilion and 19 for use of the ball fields. The ball parks on Budde Road were damaged, so many other people are using the District's ball fields now because the Budde Road facility is not available. The ball fields are booked solid for the foreseeable future.

Mike Williams reported that it appears that the tree that was damaged by vandals at the Imperial Oaks Park will die. Rafael's Tree Service has been working in the area and has been cleaning up the park since Sunday. Director Saxe suggested that the tree be removed and disposed of before other problems can occur. Director Moore stated that he knows of another contractor that may remove trees at a reasonable cost. Mr. Williams reported that three picnic tables were broken by falling trees, and repairs have been made. Also, repairs were made to the information center, but replacement of the glass is still needed. Additional repairs are needed to the lights and the exercise stations around the park. After discussion, upon motion by Director Vallery, seconded by Director Moore, the Board voted unanimously to approve needed repairs, including the fencing at the backstop on the ball fields.

Director Moore noted that solid waste and debris is still present throughout the District. It was mentioned that the county crew had returned to the District, and a lot of additional debris was removed. Doc Savage advised the Board that the county had missed his street, however.

5. Herman Little advised the Board that applications have been submitted to FEMA for assistance following the hurricane. Two disaster declarations had been issued, and the District may be able to make claims for damage to facilities, fuel and debris removal. FEMA

has not announced specific procedures for filing claims yet, but the District will be prepared to make claims, as necessary.

6. There was discussion of the Boy Scout proposal for construction of a bench at the ball fields. Mike Williams stated that the bench had received, but Mr. Payter had to do another project to meet his time deadline. The Chair called for customer inquiries, and Corey Heisler addressed the Board and stated that things had gone very well during the storm, and it was very good that the District had water supply during the whole event. Mr. Heisler stated that he was very pleased with the District's services.

7. 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 \$1,499,503.60. The capital projects fund balance is \$1,132,252.42. The general fund balance is \$850,617.33, including a transfer check at this meeting in the amount of \$219,123.10. The tax fund balance is \$19,929.09. Two refund checks were approved on the tax fund for refund of overpayments of taxpayers. The Board reviewed a budget comparison report and noted that the District has expenses greater than revenues of \$212,637.97 for four months of the fiscal year-to-date. Mr. Russell presented a check payable to Montgomery County with the check amount blank. The District only received a partial bill for law enforcement services provided by the county during the month, and it will be necessary to pay the balance as soon as the county's computer is back on line. After discussion, upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to approve payment of bills reflected on the bookkeeper's report, including issuance of a check to Montgomery County for completion when the final bill is received for law enforcement services during the month.

The Board then reviewed materials submitted for payment of director fees and expense reimbursements. It was mentioned that all items have supporting documentation except director fees that are documented by meeting minutes. Upon motion by Director Saxe, seconded by Director Smith, the Board voted unanimously to approve payment of director fees and expenses as presented.

8. Jason Hajduk presented an engineer's report. Design is continuing on the new clarifier for the wastewater treatment plant. The project will include extension of the concrete road, extension of the headworks, a support for the headworks and a sump pump. The estimated cost of the additional work is \$30,000 plus \$8,000 for engineering. The engineering fee includes electrical and structural engineering services. In addition there will be a cost of \$1,500 for surveying for the road extension. There was discussion, and Mr. Hajduk noted that of the total cost, \$17,000 is for the sump pump. There was discussion of the benefits of the project, and it was mentioned that the modifications will provide a safer working environment for the operator and will make it easier to dispose of materials that are not treatable in the plant. Director Saxe inquired concerning the initial engineering fees on the project, and Mr. Hajduk noted that the engineering fees for the additional work will be \$8,000 plus \$1,500 for the survey. The work will be bid as a part of the clarifier project. The engineering services are needed to prepare plans and specifications for the work for submission to the TCEQ. After discussion, upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to authorize engineering for the additional work at the wastewater treatment plant site as proposed by the engineer.

Jason Hajduk reported that in anticipation of copper limits in the discharge permit, it will be necessary to have weekly testing of copper for a period of three years. After Year 3, it will be necessary for the plant to be capable of meeting the new permit limits. The daily average value will be .015, the daily maximum will be .0334, and the single grab limit will be .0492. It was mentioned that at this time, the effluent is below these limits, and it is not known what modifications will be needed in three years. In response to a question by the Board, Mike Williams reported that the cost of testing for copper would be \$40 per week. This will cover the cost of one test per week.

Jason Hajduk reported that drainage facilities in Imperial Oaks Park, Section Ten have been reviewed. The engineer and operator pulled manhole covers, and they observed silt in several pipes. The silt is one inch to six inches in depth, and this could have an impact on the capacity of the storm sewers to remove storm water. Also, one back-slope interceptor is defective as it flows into the DD10 pond. This may be impacting the system also. In response to a question by the Board, Mike Williams stated that storm sewer cleaning can be very costly. There was discussion, and upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to authorize the operator to get proposals for removal of the silt buildup from the location of the buildup to the storm sewer outfall. Also, information will be needed from Drainage District 10 with regard to repairing the back-slope interceptor.

9. Cory Heisler addressed the Board and stated that he had been planning to perform a study on recycling as a part of his senior project at the University of Houston. He would look at solid waste services and methods of billing for services and opportunities for improvements in the process. The District's solid waste collection contract ends on April 30, 2009, and this schedule did not fit Mr. Heisler's schedule at the university, so he dropped the class. He is now back in the class and is requesting Board authorization to look at the District's expenses and to perform a case study for research into solid waste collection and recycling services for the benefit of the District. The District may want to seek bids for solid waste services in the future, however, the contract rate at this time is a very good rate. Fuel cost increases have been significant. Mr. Heisler stated that he is studying to find the optimum cost for solid waste collection, whether once per week or twice per week. The study would not be binding on the District, but it would include alternatives for automated collection and semi-automated collection. Mr. Heisler stated that he would not be acting on behalf of the District, but he will provide data and his report and conclusions to the Board for the District's use, as necessary. There was discussion, and Director Vallery stated that he would like to have input from Cory Heisler on the solid waste collection services. Upon motion by Director Smith, seconded by Director Saxe, the Board voted unanimously to approve the project proposed by Cory Heisler and to support his project and to review his report and presentation upon completion and to express the Board's willingness to consider these matters with regard to solid waste collection services.

10. There was discussion of the District's web site. Director Smith stated that he had started to write a description of the web manager, but Charlie Venema's description is very detailed and is suitable for consideration by the Board. Charlie Venema addressed the Board and stated that he did the web manager services for \$150 per month while he was a director of the District. The web site has not been updated since May, and almost nothing on the web site is current.

Director Saxe suggested that the Board provide comments on the proposal to Mike Smith. The services would include posting meeting notices and minutes of meetings on the web site and updating of the home page with general information about elections, hurricanes and the like. The web master would not be expected to create content for the web site. The Board should attempt to have community input for the web site. After discussion, upon motion by Director Saxe, seconded by Director Smith, the Board voted unanimously to approve the proposal and to use the proposal for solicitation of bids for services of a web manager for the District.

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

  
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Secretary