

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
December 8, 2008

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on December 8, 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, Mike Williams, Constable Tim Holifield, Deputy Steven Sprague, Terry Holland, 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 November 10, 2008 were presented and reviewed. The Board requested corrections of the minutes, and upon motion by Director Agans, seconded by Director Smith, the Board approved the minutes as corrected.

2. No tax assessor/collector's report was available for Board review.

3. Constable Tim Holifield addressed the Board and presented a law enforcement report. Activity during November was typical, and burglaries were down. Several arrests were made, and stolen property was recovered from several pawn shops. Constable Holifield requested that the Board consider a variation or modification of the contract. Presently, the contract does not allow new deputies to receive a car allowance, but there are two officers who are canine-trained who want to work in the District and would want to have a car allowance to provide canine patrol in the District. One vacancy exists now that is in a car allowance situation, but Constable Holifield requested that the Board authorize the continuation of a car allowance for a second officer to have flexibility for canine patrols.

Director Vallery stated that the District's fund balance is low, and several expenditures for District operations have not been anticipated, and there would be a concern about adequate funding. Director Smith stated that canine patrols would be very good for the community. Director Moore expressed his agreement. Director Vallery inquired as to the costs that would be incurred by the District and what would be absorbed by the County.

Constable Holifield advised the Board that the officer would purchase an animal and would be responsible for training it. The only additional cost would be for the car allowance. It was mentioned that the additional coverage provided by a canine officer would improve tracking and location of narcotics. An officer with a dog that is involved in the stop of a vehicle can allow the dog to circulate around the vehicle, and if the dog alerts, then there is probable cause for search of the vehicle. There was discussion of the proposal, and the Board expressed interest in following up on the proposal. It was agreed that the matter would be on the agenda for the Board's meeting in January, 2009.

4. Mike Williams presented an operator's report. The District had total revenues of \$198,059.21 for service provided during the month. There are 3,746 connections, of which 41 are vacant. The District accounted for 93% of water produced. Ten bacteriological samples were taken, and one sample failed. Three additional repeat samples were taken, and all were satisfactory. The wastewater treatment plant operated at 70% of permitted flow, and there were no permit violations. No taps were made during the month, and there were 24 taps during the year. Mr. Williams presented a list of six uncollectible accounts totaling \$320.99. Upon motion by Director Agans, seconded by Director Smith, the Board voted unanimously to authorize writing off the uncollectible accounts as presented.

Mike Williams reported that the operator has been working with the contractor on cleaning the storm sewer. A lot of concrete and storm debris was found in the storm sewer. Mr. Williams requested that the Board authorize additional labor for approximately one and a half days and rental of jackhammers to remove the debris. The cost would be an additional \$3,000 to \$4,000 above the original cost estimate of \$13,000. There was discussion, and Mike Williams agreed to walk the storm sewer after all the work has been completed. There was discussion, and upon motion by Director Saxe, seconded by Director Vallery, the Board voted unanimously to authorize additional work as requested by the operator.

5. Mike Williams presented a report on Imperial Oaks parks and recreation facilities. Regular mowing and clean-up was performed. The operator cleaned the Ashton Village wetlands areas and removed storm debris. Water now runs in the channel and backs up into backyards adjacent to the wetlands. There was discussion of replacement of a homeowner's fence, but it was decided that the homeowner would be responsible for replacement of the fence pursuant to his insurance. Mr. Williams reported that several homeowners have thrown debris back into the channel. It was mentioned that this is a violation of regulations. Mike Williams will provide information to the attorney about the locations at which this has occurred.

There were 21 requests for use of facilities, 16 for the pavilion and 5 for the ball fields. The operator mulched and planted annuals at the parks. The electrical repairs at Imperial Oaks Park have not been performed yet. An insurance payment was received for damage to the facilities that were vandalized on the overlook at the park.

Mike Williams requested and the Board authorized rental of a trailer-mounted power washer to clean graffiti from two locations in the District. Upon motion by Director Moore, seconded by Director Vallery, the Board voted unanimously to authorize the operator to obtain a power washer and to remove graffiti from the District. The operator will arrange to remove a tree that is infected with termites. The operator winterized the parks, repaired back

stops and put out ant bait.

6. It was mentioned that Corey Heisler has requested an opportunity to present a report to the Board at the next meeting with regard to solid waste collection and related matters. Jim Nichols inquired as to whether any reports are available on the participation in recycling. Mr. Nichols stated that there has been great participation in his neighborhood. It was mentioned that Republic Waste Services will provide a report on participation on a semi-annual basis.

7. Terry Holland 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 be \$1,601,132.72. The capital projects fund balance is \$1,135,847.48. The general fund balance is \$738,741.98 following deposit of a transfer check approved at this meeting. The tax account balance is \$5,332.09. The District has incurred expenses greater than revenues of \$298,517.90 for six months of the fiscal year-to-date. There was discussion, and upon motion by Director Agans, seconded by Director Smith, the Board voted unanimously to approve the bookkeeper's report and authorized payment of bills listed thereon. Upon motion by Director Smith, seconded by Director Moore, the Board voted unanimously to approve payment of director fees and expenses as listed on the report.

8. Jason Hajduk presented an engineer's report. Final design is underway for the clarifier at the wastewater treatment plant. A service request was received for Pallota's Mexican Grill in the Kroger Center. The engineer reviewed plans and will require addition of a backflow preventer and installation of a correct grease trap.

9. There was discussion of proposals that had been received for District web manager services. Director Agans noted that Shawn Bashaw will update the web site for six months and will provide monthly service for \$100 per month. Director Agans expressed concern about the Shawn Bashaw proposal because of an existing contractual relationship with Director Vallery. There was discussion, and in response to a question by the Board, Herman Little reported that because of the existing business relationship between the vendor and the director, a conflicts disclosure form is required to be submitted to the District by the vendor and by the director. Director Agans requested that the Board be very careful about taking action that could be misconstrued by members of the public. There was discussion of the remaining proposals. Director Moore suggested that the Board go ahead and make a decision from the two remaining proposals. Director Saxe then made a motion for the District to go out for new bids for services of a District web manager. The motion failed for lack of a second. There was further discussion, and it was agreed that no action would be taken on the matter at this meeting.

10. The Board then reviewed proposals for District insurance coverage. It was noted that the proposal of the Highpoint Agency was acceptable, and there will be a lower cost than with two other agencies that submitted proposals. After discussion, upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to approve the proposal from the Highpoint Agency for District insurance coverage as presented.

11. The Board requested that the subject of confirmation of homestead exemptions be on the agenda for the next meeting. Director Moore inquired concerning the

District's policy for refunding security deposits from customers who have had a long relationship with the District. It was mentioned that the District does not refund deposits until customers close their accounts. In response to a question by Director Vallery, Herman Little advised the Board that the attorneys are communicating with property owners with regard to storm sewer easements that are required for drainage improvements in Imperial Oaks, Sections One and Two.

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



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Secretary