

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
March 9, 2009

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on March 9, 2009, 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
Michael Smith, Assistant Secretary
Danny E. Agans, Director

and the following absent:

Charles Saxe, Secretary

Also present were Bill Russell, Constable Tim Holifield, Mike Williams, Jason Hajduk, Mark Cochran, 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 February 9, 2009 were presented and reviewed. Upon motion by Director Moore, seconded by Director Agans, the Board voted unanimously to approve the minutes as presented.

2. Charlie Venema addressed the Board and reported that he is the president of the community patrol in Imperial Oaks. The community patrol will be purchasing a patrol car, and a secure parking place is needed for the vehicle. Mr. Venema requested that the Board authorize the community patrol vehicle to be parked inside the fence at the Water Plant No. 1 site on Havenhouse. Mike Williams has looked at the location, and there is sufficient space for the vehicle without impairing the operations of the water plant. Mr. Venema stated that he would give keys for the vehicle to the operator, so the vehicle could be moved if it should become necessary. There was discussion, and it was mentioned that if the District authorizes the community patrol vehicle to be parked at the Water Plant No. 1 site, the District would accept no liability for the security of the vehicle or its contents. Mr. Venema stated his awareness and agreement that the District would have no responsibility for the vehicle whatsoever. After discussion, upon motion by Director Moore, seconded by Director Agans, the Board voted unanimously to authorize the District's operator to designate a space at the Water Plant No. 1 site for parking of the community patrol vehicle, and the Board directed that the operator have a key to the vehicle at any time the vehicle is on the District's property. The District will bear no responsibility or liability for the vehicle or its contents.

3. Constable Tim Holifield addressed the Board and reported that there are

two canines available outside the meeting room for observation and demonstration of their working capabilities. At 7:07 p.m. the meeting was adjourned temporarily to enable the Board and others to observe the two dogs and demonstrations of their services in identifying drugs. At 7:21 p.m. the meeting reconvened, and the Board expressed appreciation for the demonstration of the dogs and their capabilities.

Constable Holifield then presented a law enforcement report. Constable Holifield reported that there are several ongoing investigations in Imperial Oaks. Ms. Smothers has reported a problem in her neighborhood. Also, an investigation is ongoing as to an unattended death that occurred in the community. Constable Holifield reported that he is recommending an increase in the staffing for law enforcement in the District by addition of a first line supervisor that could serve as an investigator, as well. The position would require payment of a car allowance. There was discussion, and it was mentioned that the District does not currently have funding budgeted for an additional officer and call allowance. Constable Holifield reported on criminal activity during the month, including five burglaries of habitations, five burglaries of vehicles, four thefts, seven accidents, one family violence incident, one drug offense, three firearms offenses, three intoxicated persons and one DWI. The constables made two warrant arrests and a total of five arrests during the month.

There was further discussion of the proposal for an additional officer. The Board stated that the need is there, but the Board does not know if this is the correct time to add an officer. Bill Russell noted that the Board will be considering review of the budget for the coming year at the next meeting, and Director Vallery stated that the District will get numbers together to determine then whether an additional officer can be added.

4. Mike Williams presented an operator's report. The District had total revenues of \$164,040.77 during the month. There are 3,753 connections, of which 43 are vacant homes. Ten bacteriological samples were taken, and all were satisfactory. The District accounted for 91% of water produced. The wastewater treatment plant operated at 68% of permitted flow, and there were no permit violations. No taps were made during the month.

Mr. Williams presented a list of delinquent accounts that are uncollectible because customers have moved from the District. There are nine accounts on the list with a total amount of \$618.73. There was discussion of an emergency generator. Director Vallery stated that he had checked the generator and recommended that the Board pursue purchase of the generator for the lift station.

Lonnie Wright advised the Board that an insurance check had been received for damages caused by Hurricane Ike. The District submitted a claim to FEMA for \$213,471.08 for damage caused by the storm. After reviewing insurance coverage, FEMA is expected to approve a payment of \$166,530.97. After discussion, upon motion by Director Agans, seconded by Director Smith, the Board voted unanimously to approve the write-off list as recommended by the operator, and the Board approved the operator's report as presented.

5. Mike Williams presented a report on Imperial Oaks Parks. The operator performed regular mowing and placement of ant bait. The bench was installed on the ball field. 51 calls were received for District facilities, including 40 for use of ball fields.

Mr. Williams reported that a resident who lives behind the soccer fields has complaints about soccer balls being kicked against the fence. The resident has requested that the District replace the fence where damage has occurred. There was discussion of the soccer field, and the Board reviewed photographs of the fence. After discussion, the Board agreed unanimously that no action would be taken to pay for the fence repairs.

Mike Williams reported that practices on the ball fields and soccer fields are expected to begin on March 1, 2009. Several people have stated that one hour of use is not enough. There was discussion, and Director Smith stated that one hour is a typical time for use of such facilities, and there should be no problem with that requirement.

6. Mark Cochran addressed the Board and reported that he is the executive director of the South Montgomery County YMCA. The South Montgomery County YMCA has been active since 1977, with most programs taking place on the west side of IH-45. The YMCA is attempting to pursue its mission to provide services "for all," and from 2000 to 2007 there has been a 26.4% increase in participation. The YMCA would like to start activities on the east side of IH-45 and is requesting to use the District's ball fields. Initially, the program will start with soccer for ages 3 through 9 and T-Ball for ages 3 through 5. There are approximately 200 members of the Y in Imperial Oaks and Oak Ridge, and it is not convenient for those families to go across the freeway for YMCA programs. The Y also manages the Oak Ridge City pool. If approved by the Board, the Y would use the soccer field and T-Ball fields for one practice day and one game day each week. It was mentioned that the District's rules require reservations one week at a time, and subsequent requests may be called in by telephone. The reservations are made for use for one hour at a time. There was discussion, and it was mentioned that 11:00 a.m. through noon is the most commonly used time on Saturdays. There was discussion, and the Board expressed appreciation for Mr. Cochran's presentation and stated that the District will be of assistance in any way possible.

7. Bill Russell presented a bookkeeper's report, a copy of which is attached to the minutes. After payment of bills totaling \$155,440.87, the debt service fund balance will stand at \$2,205,951.19. The capital projects fund balance is \$1,139,701.33, and the general fund balance is \$989,847.94 following deposit of a transfer check of \$163,369.89. Mr. Russell noted that the District has not yet received a bill for monthly garbage service that will be approximately \$55,000, and the bill for electricity of approximately \$19,000 has not been received, either. The Board reviewed a budget comparison report and noted that the District has expenses greater than revenues of \$17,654.73 for nine months of the fiscal year. The variance is primarily the result of Hurricane Ike. Mr. Russell advised the Board that the District's 2008 taxes are 95.51% collected as of February 28, 2009. After discussion, upon motion by Director Moore, 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 Agans, the Board voted unanimously to authorize payment of director fees and expenses reflected on the report.

8. The Board reviewed a Depository Pledge Agreement with Compass Bank. Herman Little described terms of the agreement that is required by the Texas Public Funds Investment Act. The District's funds on deposit at the bank will be subject to F.D.I.C. Insurance coverage and by securities to be pledged by the bank for the District's benefit. After discussion,

upon motion by Director Smith, seconded by Director Moore, the Board voted unanimously to approve and authorize signing a Depository Pledge Agreement with Compass Bank as presented.

9. Jason Hajduk presented an engineer's report. Plans have been approved and signed for the clarifier expansion. The District will now need to seek TCEQ approval for the release of funds from escrow for construction of the clarifier.

Mr. Hajduk reported that bids were received for storm sewer cleaning in Imperial Oaks Park, Section Ten. Municipal Operations submitted a bid of \$26,200 to clean out the debris and haul it away. Silt Solutions submitted a bid that would involve cleaning the debris and disposing of it on site, and the cost would be approximately \$30,000. A bid was received from Storm Water Solutions for \$4,200. The engineer called Storm Water Solutions on four different occasions to confirm their bid. They advised the engineer that they have looked at the location, and that they will stand by their bid.

The engineer is talking to Jaime Salinas concerning a splash pad for the outfall from the District into the DD 10 detention pond. Jason Hajduk reported that for repairs of the storm sewer outfall in the DD 6 ditch, the work would involve cutting approximately two feet of concrete and rebar out of the structure and then reinstalling the culvert and reinforcing it with gunite. All holes around the outfall would be filled. This work should be subject to reimbursement by FEMA. Lonnie Wright advised the Board that the operator had checked with FEMA, and they said that it is not too late to do storm-related work or to apply for reimbursement. Lonnie Wright advised the Board that the cost of the work would be between \$8,000 and \$10,000. After discussion, upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to authorize the operator to repair the drainage culvert outfall at the Drainage District 6 ditch according to the proposal presented. Upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to approve the bid of Storm Water Solutions for removal of debris from the storm sewer in Imperial Oaks Park, Section Ten at a cost of \$4,200 as bid.

10. Herman Little advised the Board that requests for proposals were sent to four solid waste collection contractors. Bids were received from all four contractors, and the attorneys reviewed the bids and prepared a tabulation of the bids reflecting the terms of each bid for easy comparison by the Board. The Board reviewed the proposals and the tabulation.

There was discussion of consumer price increases that are possible with several of the contractors. The Board noted that the proposal from Republic Waste Services would result in a total cost per connection of \$17.64 per month including all charges described in the proposal. The Board noted that the bid of the proposal from WCA would result in a charge of \$17.05 per connection per month, a difference of \$0.59 per connection. Both proposals will be effective for three years with consumer price increases as described in the proposals. There was discussion, and the Board noted that a substantial savings would be experienced by accepting the WCA proposal. After discussion, upon motion by Director Vallery, seconded by Director Moore, the Board voted unanimously to approve the proposal from WCA for solid waste collection and recycling services in the District for a period of three years with service commencing on May 1, 2009. The proposal approved will be for curbside waste collection twice per week and recycling collection once per week.

Mathew May addressed the Board and stated that he will provide a customer information letter for mailing with the District's water bills in April. The collection days will change and will be on Mondays and Thursdays, and recycling collection will occur on Thursdays. WCA will deliver recycling bins during the last week of the month and will provide carts for use at the HOA and POA facilities. There was discussion, and the Board expressed appreciation for bids submitted by all contractors, and the Board expressed appreciation for services that have been provided by Republic Waste Service over the years.

11. It was mentioned that the District has more than 3,300 connections, and according to rules of the TCEQ and Texas Water Development Board, the District is required to have a Water Conservation Plan. Preparation of a plan will involve completion of a utility profile that will require the services of the District's operator and engineer. There was discussion, and upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to authorize the District's operator, engineer and attorney to prepare a Water Conservation Plan and all documents to be included within the plan.

12. Herman Little advised the Board that the Federal Trade Commission recently adopted requirements that all companies and organizations that sell goods or services by credit to have a written Identity Theft Prevention Program. The FTC rules will apply to the District because the District provides water and waste collection and disposal service prior to billing for the service. The District's operator will have primary responsibilities for implementation of the plan if authorized by the Board. Upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to authorize the District's attorneys to prepare an Identity Theft Prevention Program for review and approval by the Board.

13. The Chair called for customer comments, and Mike Dillon expressed appreciation for the Board's decision to change solid waste collection contractors. There was discussion of the Water Conservation Plan and its impact on residents of the community.

Lillian Smothers addressed the Board and stated that she had had a problem with a man in the community impersonating a law enforcement officer and making threatening statements and gestures to her and her husband. Ms. Smothers reported that after further conversations with the constable and the district attorney, the district attorney has reopened the case.

Director Agans expressed appreciation for the procedures that were followed in the process for receiving bids for solid waste collection and recycling service.

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


Secretary