

## RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
June 8, 2009

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on June 8, 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  
Charles Saxe, Secretary  
Michael Smith, Assistant Secretary  
Danny E. Agans, Director

and the following absent:

None

Also present were Bill Russell, Sergeant Frank Mitchell, Mike Williams, John Montgomery, Jason Hajduk, Jim Nichols, Katherine Nichols 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 the meeting of May 11, 2009 were presented and reviewed. The Board requested a correction of the minutes, and upon motion by Director Agans, seconded by Director Smith, the Board voted unanimously to approve the minutes as corrected.

2. Sergeant Frank Mitchell presented a law enforcement report. There were 17 property crimes, 3 accidents, 19 disturbances, 7 criminal mischief incidents, 3 family violence incidents, one drug incident and 4 offenses involving fire alarms. There were 68 traffic enforcement matters. Director Vallery expressed appreciation for services provided by the constables and stated that the officers had gone above and beyond the call of duty in a recent incident in the District. Sergeant Mitchell expressed appreciation for the additional position that had been approved by the Board. The biggest problem in the District is where residents leave their garages open. This is an invitation to thefts. One suspect was caught in a garage recently. Sergeant Mitchell reported that residents in the other adjoining districts do not understand the limitations on law enforcement services that are provided in Rayford Road MUD. There was discussion of possibly contacting Montgomery County MUD 99 and Montgomery County MUD 115 concerning sharing of law enforcement services. Herman Little advised the Board that he represents both of those districts, and neither district has sufficient funds to pay for supplemental law enforcement services at this time. Sergeant Mitchell clarified that the officers do not hesitate to respond to calls from the other nearby communities, but their primary responsibility is within the District.

3. Mike Williams presented an operator's report. The District had total revenues of \$189,034.18. There are 3,747 connections, of which 3,530 are occupied single-family residences. There are 49 vacant residences. The District accounted for 96% of water produced. Five water leaks were repaired during the month. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 68% of permitted flow. One tap was made during the month, bringing the total to three for the year-to-date. Mike Williams presented a list of five delinquent accounts that are uncollectible because residents have moved from the District and recommended that the balance due on the accounts be written off as uncollectible. The amount is \$447.27. Upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to approve the operator's report and to authorize writing off uncollectible accounts as recommended by the operator.

4. Mike Williams presented proposals for rental of a generator for Lift Station No. 4. John Montgomery discussed proposals that had been received from Sunbelt Rentals, Stewart & Stevenson, Southern Plains and Godwin Pumps. The cost of a 6-month rental from Sunbelt would be \$14,478. The cost of a rental from Stewart & Stevenson, including an activation fee, would be \$13,320. The cost for a 6-month rental from Southern Plains would be \$15,424. The cost of rental from Godwin Pumps would be \$15,660. Mr. Montgomery reported that a used, trailer-mounted 125 kW generator is available for \$23,000. It is not a Tier 3 facility, but has only 249 operating hours. It was mentioned that a new generator would cost between \$48,000 and \$60,000. It was mentioned that a 125 kW generator would run any of the District's lift stations and could also power a portion of the wastewater treatment plant. It would not support the blowers, however. The generator could be useful at other times and not just in hurricane season. There was discussion of the environmental issues associated with the generator, and upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to authorize purchase of the Wacker 124 kW trailer-mounted generator, but the purchase would be authorized only if the District can confirm that the generator will pass all environmental requirements.

5. Mike Williams presented a Consumer Confidence Report and advised the Board that the report should be mailed to District customers as soon as possible. There was discussion of the report and whether it should be reproduced in color or black and white. After discussion, upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to approve the Consumer Confidence Report and to authorize reproduction and distribution of the black and white version to all District customers.

6. Mike Williams presented a report on maintenance of the Imperial Oaks Park facilities. Regular mowing was performed. Letters were mailed to customers who reside near wetlands reserves. The operator cleaned up trash and debris around the parks. 43 calls were received during the month, 27 for the pavilion and 16 for the ball fields. The overlook on the trail at Imperial Oaks Park was vandalized again. The operator made necessary repairs. Director Moore noted that trash has been dumped in an easement. The operator will take necessary action.

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

\$2,400,675.46. The capital projects fund balance is \$1,143,583.23. The general fund balance will be \$859,865.75 following deposit of a transfer check approved at this meeting. The tax account balance is \$42,523.64. Mr. Russell advised the Board that the tax assessor/collector's report indicates that 2008 taxes are 98.38% collected. The Board reviewed a budget comparison report and noted that revenues are greater than the budget by \$134,018, and expenses are greater than the budget by \$309,343.

There was discussion of the District's budget and expenses incurred during Hurricane Ike. Herman Little then presented two checks that had been received from the Department of Emergency Management for reimbursement of Hurricane Ike expenses. After discussion, upon motion by Director Agans, seconded by Director Moore, the Board voted unanimously to approve the bookkeeper's report and authorized payment of bills listed thereon. Upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to approve payment of director fees and expenses as reflected on the report.

8. The Board reviewed an addendum to the bookkeeper's contract for services. The bookkeeper has requested additional compensation of \$100 per month to perform additional services regarding District investments and investment reports. After discussion, upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to approve the addendum to the contract for bookkeeping services and authorized signing the addendum as presented.

9. Jason Hajduk presented an engineer's report. Plans for the storm sewer improvements to serve Imperial Oaks, Sections One and Two were approved in 2006, but it will be necessary to have approval signatures on updated plans from the City of Houston and Montgomery County. Also, a traffic control plan will be needed to meet Montgomery County requirements. Jason Hajduk presented a proposal for engineering services relating to the storm sewer project. The proposal will include full time observation of the work and services that will be required for coordination with structural engineers and other tasks unique to the storm sewer project.

There was discussion of services that will be provided by the structural engineer, including performing a baseline report for both houses. A proposal will be obtained from a structural engineer. The bid process will be started in the next two to three weeks. The contract with the geotechnical engineer will cost approximately \$3,000. Jason Hajduk reported that construction costs on the project should be lower than in previous estimates because of current economic conditions. The engineering fees will be higher because of additional work that is required for the job.

The engineer walked the storm sewer in Imperial Oaks Park, Section 10, and the work was done very well. There was discussion of drainage problems on Woodhue, Invermere and Imperial Oaks Boulevard. Jason Hajduk reported that a report prepared in 2005 indicated problems with drainage in the area, and an analysis was made for proposed solutions. An additional storm sewer pipe was proposed to accommodate a 10-year storm. The storm sewer is located in the median of Imperial Oaks Boulevard, and the work in the median would involve cutting down the trees, or an alternate procedure would be to install the storm sewer under

paving. Montgomery County will not allow the installation under paving. The cost of the project was estimated to be \$877,660 for replacement of the existing pipe, or a parallel pipe could be installed at a cost of \$930,046.

Jason Hajduk reported that the analysis of Hydropneumatic Tank No. 2 at Water Plant No. 1 indicated that it should be rehabilitated and recoated within two years. Mike Williams advised the Board that the work needs to be done, and when the work is done, the District should also consider replacing electrical controls and sensors. Director Vallery suggested that the work be performed in the fall after hot weather has passed. After discussion, upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to approve the proposal for engineering services for the storm sewer project and to authorize signing the proposal as presented. Upon motion by Director Smith, seconded by Director Agans, the Board voted unanimously to authorize the engineers to look into the work needed at Water Plant No. 1 and to provide a cost estimate for all work that will be required.

10. It was mentioned that the District has received a copy of the Montgomery Central Appraisal District budget for 2010. The Appraisal District's expenses will not increase in the coming year's budget.

Herman Little advised the Board that Montgomery County Drainage District No. 6 has authorized preparation of a flyer to provide public information about storm water quality issues and requested that the District and other districts in the Storm Water Coalition approve mailing the brochures to their customers. The Board reviewed the proposed flyer, and upon motion by Director Smith, seconded by Director Moore, the Board voted unanimously to authorize mailing the storm water flyers to customers in the District upon receipt from Drainage District 6. Jim Nichols addressed the Board and suggested that the flyer be given to the property owners association to be included in the POA web site and to be included in the POA newsletter.

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

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Secretary