

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
August 10, 2009

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on August 10, 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, Mike Williams, Jason Hajduk, Anthea Moran, Sandi Garidel, Lorene Roy, 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 meetings of July 13 and July 21, 2009 were presented and reviewed. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes of both meetings as presented.

2. Mike Williams presented an operator's report. The District had total revenues of \$238,513.63. The District has 3,748 connections, of which 3,537 are residences receiving solid waste collection service, and 50 are vacant residences. The District accounted for 97% of water produced. Twenty water leaks were repaired during the month. Ten bacteriological samples were taken, and all were satisfactory. The wastewater treatment plant operated properly at 65% of permitted flow, and there were no permit violations. One tap was made during the month, bringing the total to five for the year-to-date. Three new irrigation connections were established, and there was one commercial tap.

Mike Williams presented a list of seven delinquent accounts that are uncollectible and requested authorization to write off the accounts. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved writing off seven uncollectible accounts in the total amount of \$570.47. Upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented.

3. Mike Williams presented a report on maintenance of the Imperial Oaks Park. Regular mowing and cleaning of wetlands was performed during the month. One dead

tree was removed from the wetlands area. There were 12 calls for District facilities during the month, ten for the pavilion and two for the ball fields. A resident has requested permission to have a birthday party at the pavilion and to have a petting zoo. There was discussion, and the Board stated that there would be no problem with the proposal as long as all regular procedures are followed, and the area is properly cleaned following the party.

Regular mowing and cleaning of the parks was performed. Basketball nets were replaced, and ant bait was put out. At the ball fields, regular mowing and cleaning was performed, and ant bait was put out. Soccer nets are in need of replacement. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the report on maintenance of District parks, and the Board authorized purchase of soccer nets for the ball fields.

4. The Board did not consider any matters involving violations of District rules and regulations.

5. 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 \$2,442,468.02. The capital projects fund balance is \$1,144,327.25. The general fund balance is \$713,489.25 prior to deposit of a transfer check in the amount of \$237,476.54. The Board reviewed a budget comparison report and noted that the District has net revenues of \$42,218.37 for two months of the fiscal year-to-date. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of the bills. Upon motion duly made, seconded and unanimously carried, the Board approved payment of director fees and expenses as shown on the report.

6. The District's auditor was not present at the meeting. The Board took no action to review the District's Investment Policy, Strategies and Objectives.

7. It was mentioned that First Southwest Company has been engaged to prepare the continuing disclosure filings for the District. Herman Little advised the Board that First Southwest Company should be authorized to file continuing disclosure matters for the District for the current year. Upon motion duly made, seconded and unanimously carried, the Board approved continuing disclosure filings by First Southwest Company as recommended by the attorney.

8. Anthea Moran addressed the Board and discussed the proposed tax rate for 2009. Ms. Moran advised the Board that growth in taxable value in the District will permit a reduction in the debt service tax by \$0.02 without creating any financial detriment to the District. Ms. Moran reviewed a cash flow schedule reflecting annual debt service requirements on the bonds through maturity of all bonds. The proposed debt service tax rate of \$0.58 will provide adequate funds for retirement of the bonds in the absence of any further growth in taxable value.

There followed a discussion of the maintenance tax for 2009. It was mentioned that the District's general fund balance remains at a lower level than is desirable for a district of this size. By addition of one cent to the maintenance tax rate, the fund balance will be increased by approximately \$50,000, and the District will still have a one cent reduction in the overall rate.

After discussion, Director Agans made a motion to approve the proposed 2009 tax rate of \$0.5920, and Director Smith seconded the motion. After further discussion, a vote was held, and the motion passed, four in favor, with Director Vallery voting against the motion. The Board then voted unanimously to hold a public hearing on the proposed 2009 tax rate at 7:00 p.m. on Monday, August 24, 2009 at the regular meeting place. Herman Little advised the Board that a Notice of Public Hearing on Tax Rate will be published by the tax assessor/collector as required by law.

9. Jason Hajduk presented an engineer's report. The engineers have obtained all agency approvals on the plans for the storm sewer project except from the City of Houston. The bid opening was scheduled for August 14, 2009, but it may be pushed back depending upon the status of the City approval. Bids will be received on August 12, 2009 for the clarifier addition and wastewater treatment plant improvements. The electrical inspection of Water Plant No. 1 is expected to be performed within the next two weeks. The District will be able to install the emergency fire line at Faith United Methodist Church as soon as the tap fee is paid, and the Montgomery County signatures are on the plans.

The storm sewer serving Imperial Oaks Park, Section Eleven, has had standing water for a long time. This will be addressed by modifying the concrete outfall pad for a back slope interceptor. The work has begun by Drainage District 10, and it should be finished within the next few weeks. There was discussion, and it was mentioned that the Board can consider bids for the storm sewer project in Imperial Oaks, Sections One and Two, and the clarifier project at the wastewater treatment plant at the meeting to be held on August 24, 2009. Herman Little will have both items on the agenda for Board action, as necessary.


10. The Board reviewed an Order Adopting Rules and Regulations for Storm Water Protection and Establishing Penalties for Violations. Herman Little described the rules and regulations that have been prepared to be consistent with requirements under the District's MS4 permit. Drainage District 6 will be adopting similar rules as well as rules for post-construction controls. The District's responsibilities under the proposed rules will be to assure that all required permits are obtained and storm water protection procedures are followed in all new construction within the District. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the Order Adopting Rules and Regulations for Storm Water Protection and Establishing Penalties for Violations, which Order is attached to the minutes.

11. The Board reviewed an Interlocal Cooperation Agreement for South Montgomery County Storm Water Coalition. Herman Little advised the Board that the proposed Interlocal Cooperation Agreement is the third agreement for the Coalition. The agreement confirms the willingness of all members of the Coalition to work together to achieve goals under the storm water management program and the MS4 permits. The agreement term will coincide with the term of the MS4 permit. Upon motion duly made, seconded and unanimously carried, the Board approved the Interlocal Cooperation Agreement for South Montgomery County Storm Water Coalition as presented.

12. The Board reviewed correspondence from the Texas Department of Parks and Wildlife requesting a five-year report on the status of the Imperial Oaks Park pursuant to the

District's grant from Parks and Wildlife for construction of the park. The District is required to complete a self inspection report, and provide information about the status of the park together with photographs of the park and the project sign. Mike Williams advised the Board that he would prepare the report on behalf of the District, and the Board authorized him to do so.

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



Secretary