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RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
February 8, 2010

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on February 8, 2010, 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

and the following absent:

None

Also present were Terry Holland, Sergeant James Corn, Jason Hajduk, Mike Williams, persons on the attached list, 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 January 11, 2010 were presented and reviewed. Upon motion by Director Moore, seconded by Director Smith, the Board voted unanimously to approve the minutes as presented.

2. Sergeant James Corn presented a law enforcement report. There were three burglaries of habitations, five thefts, twelve disturbances, four criminal mischief incidents, three accidents, one intoxicated person, and seven incidents involving firearms. The District is now fully staffed and has 24-hour law enforcement coverage. There have been no problems involving dogs not on leashes in recent weeks. In response to a question by the Board, Sergeant Corn reported that firearms incidents involve any observation of firearms in a home while responding to a call. After discussion, and upon motion duly made, seconded and unanimously carried, the Board approved the law enforcement report as presented.

3. Mike Williams presented an operator's report. The District had revenues of \$175,761.65 during the month. There are 3,755 connections, of which 3,521 are active connections receiving garbage service, and 66 are vacant homes. The District accounted for 95% of water produced. Ten leaks were repaired during the month. Ten bacteriological samples were taken, and all were satisfactory.

The wastewater treatment plant operated properly at 75% of permitted flow, and there were no permit violations. Mike Williams presented a list of delinquent accounts and recommended that the accounts be written off as uncollectible. The accounts total \$422.85.

Mike Williams reported that the operators had met with the fire chief during the week after the last meeting, and an agreement was reached that an operator representative would accompany fire department personnel when inspecting fire hydrants. 23 fire hydrants had been bagged, but only 11 fire hydrants were not operative and required repairs. All black bags have been removed from fire hydrants at this time. Director Saxe stated that there is one remaining on Richards Road. The operator will investigate.

Mike Williams reported that Lonnie Wright has worked with the fire department and has talked to three classes of cadets regarding fire hydrants and water district operations. The fire department has made a commitment that they will not do any work in the District without any operator being present. Two American Darling fire hydrants were damaged and cannot be repaired.

Herman Little advised the Board that following the last meeting, he had received a call from Howard Katz, the attorney representing the Emergency Services District. Mr. Katz stated that the fire department had no authority to take action involving District fire hydrants, and the attorney advised the fire department personnel to stop all activities relating to fire hydrants within the District. Several days later, when additional fire hydrants had been bagged, the attorney called Mr. Katz and advised him, and he again contacted the fire department.

Mike Williams reported that there is a need to replace the building at the wastewater treatment plant where District drawings and maps are stored. The operator has located two buildings that are solid concrete that would be suitable for the replacement. A bid has been obtained for purchase of a building, painting the building and installation. A large crane will be required to install the building. The cost of demolition of the old building, installation of the new building, painting, installation of air-conditioning and heating and installation of a restroom will be \$18,650. This cost includes electrical connections, as necessary. As an alternative, the District could purchase a Morgan building 16 feet by 10 feet for \$8,000, but there would be no lavatory. An additional \$2,000 would be required for electrical connections, and the total cost would be approximately \$10,000, but there would be no plumbing. There was discussion of the urgency of the work, and Director Saxe inquired concerning possibly using the wastewater treatment plant contractor for installation of the building. Jason Hajduk will check with the contractor. After further discussion, upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to authorize removal of the old building at the wastewater treatment plant site and to relocate it with a concrete building, plus painting, installation of a restroom, and HVAC improvements at a cost not to exceed \$18,650. After discussion, upon motion by Director Smith, seconded by Director Moore, the Board voted unanimously to approve the operator's report, and the Board approved the write off of uncollectible accounts.

4. Mike Williams reported that materials had been dumped in one of the wetlands areas, including a couch and drug paraphernalia. These items were removed. The District received 12 calls for use of District facilities and 33 calls for use of ball fields during the month. The operator cleaned up the parks. Bids were received for restriping the parking lot, handicap spaces, and the basketball court. The best proposal was presented by Sundown Striping of New Caney, Texas. After discussion, upon motion by Director Smith, seconded by Director Saxe, the Board voted unanimously to authorize restriping the District facilities as recommended

by the operator. Mike Williams reported that a new wire rope was installed at the ball fields. It still will be necessary to replace some of the old posts.

5. Director Vallery advised the Board that Curtis Lacy was going to come to the meeting to discuss the recycling program in the District. The recycling survey was not accomplished, however, and the report will be provided at the next meeting.

6. 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 stands at \$3,960,674.21. The capital projects fund balance is \$1,148,013.11. The general fund balance will be \$999,901.93 following deposit of a transfer check to be approved at this meeting. The tax account balance is \$41,955.95. The Board reviewed the report and a series of checks presented for payment of bills. The budget comparison report indicates that the District has net revenues of \$154,175.82 for eight months of the current fiscal year. The District has collected 93% of 2009 taxes. After discussion, upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to approve the bookkeeper's report and to authorize 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 reflected on the report.

7. Jason Hajduk presented an engineer's report. The storm sewer project was completed on February 3, 2010, and a walkthrough was conducted. A punchlist has been prepared, but the project looks really good. Jason Hajduk has talked with both homeowners at the project location, and there was a request for repair of a damaged curb. There have been no problems to date with yards, fences or trees. The contractor stated that no big roots were encountered during the storm sewer installation. The District will be monitoring trees on the two lots as required by the agreement.

The wastewater treatment plant clarifier project is underway. Because of the close proximity of electrical facilities, additional shoring will be needed, and some facilities will need to be relocated. The cost will be approximately \$7,000. The clarifier will be relocated on the site as far away as possible to eliminate conflicts. A 16-inch line will be removed, and a new water line will be installed. Also, the air relief line will need to be replaced. It also will be necessary to reroute a force main line at the plant site. At Water Plant No. 1, a preconstruction meeting will be held on February 12, 2010. The engineer will issue a Notice to Proceed for the water plant project, so parts and materials can be ordered.

Jason Hajduk reported that the engineers have estimated that the costs of preparation of a long-term capital improvement rehabilitation and management plan will be approximately \$7,000. This will involve substantial data entry and will result in long-term cost estimates and timetables for all District facilities. The report will include the age and life expectancy of all facilities with recommendations as to possible timing for replacements and costs. It may be desirable to add GPS data as to locations of all facilities and locations where point repairs are made on underground lines. There was discussion, and Director Saxe noted that the District should build up a reserve fund to take care of these replacements as they become necessary.

Jason Hajduk reported that the District had issued a utility commitment for a Woodforest Bank location on Rayford Road. The commitment expired, and the bank has requested that the commitment be renewed. The fire line to serve the LDS church has not been installed because no tap fee has been paid yet. The LDS church has submitted a proposed easement for the water meter, and the attorney is reviewing the easement document. After discussion, upon motion by Director Saxe, seconded by Director Smith, the Board voted unanimously to authorize the change order for work at the wastewater treatment plant at a cost not to exceed \$7,000. Upon motion by Director Saxe, seconded by Director Smith, the Board voted unanimously to authorize the District engineer to prepare a long-term capital improvement rehabilitation and management plan for District facilities.

8. Upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to approve renewal of the utility commitment for the Woodforest Bank for a period of one year.

9. The Chair called for customer inquiries. Mike Dillon expressed appreciation for the use of security envelopes for customer payments as he had requested. There was discussion regarding the recycling program and the recent HOA newsletter involving the use of plastic bags for solid waste collection.

10. There was discussion of an Emergency Services District sales tax election that will be held. It was mentioned that the voters rejected a sales tax proposal in the past. Jim Nichols stated that the residents and voters in the area should review the pros and cons of the proposed sales tax before making a decision about the election.

11. The Board reviewed an Order for Election of Directors. The election will be held on Saturday, May 8, 2010. After discussion, upon motion by Director Moore, seconded by Director Saxe, the Board voted unanimously to adopt the Order for Election of Directors, which Order is attached to the minutes.

12. It was mentioned that the District will conduct a joint election with Montgomery County and other Montgomery County jurisdictions. This will necessitate a submission to the U.S. Justice Department under the Voting Rights Act. Upon motion by Director Saxe, seconded by Director Moore, the Board voted unanimously to authorize the District's attorneys to prepare and file a Voting Rights Submission with the U.S. Justice Department, as necessary.

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


Secretary