

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

February 11, 2013

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on February 11, 2013 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
Paul Alli, Director

and the following absent:

Charles Saxe, Secretary.

Also present were Bill Russell, Mike Williams, Jason Hajduk, Lieutenants Atkins and Rodrigue, Jim Nichols, Kathryn Nichols, Doc Savage, Matthew DuVal, and Lori G. Aylett.

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 14, 2013 were presented for the Board's review and approval. Upon unanimous vote, the minutes were approved as presented.

2. Lieutenant Atkins presented a law enforcement report and reported the following statistics: there were 634 calls; 68 reports taken; 12 felony arrests; 25 misdemeanor arrests; 271 citations and tickets; no recovered property; and 21 charges filed. The constables drove a total of 7,923 miles in the District during the month. Director Alli asked if burglaries in the area had increased. The officer stated that there is not a problem in Imperial Oaks, but there have been problems in nearby Legends Ranch. The officer further reported that all patrol cars used in the District have been branded with "Imperial Oaks".

3. Matthew DuVal with Acclaim Energy approached the Board regarding their ERCOT load shedding program. After talking with the District operator, Mr. DuVal requested authorization for a site visit to see if the ERCOT load shedding program fits with the District's needs. The Board granted authorization to Mr. DuVal to tour the site.

4. The financial advisor was not present, but the attorney gave a status report on the Series 2013 refunding bond issue. The bond sale happened on January 16, 2013, and the District achieved net present value savings of 7.4% or \$286,001. The gross savings was \$355,915. The District will experience an average annual debt service savings of \$23,727. The Board thanked the financial advisor and the attorney for their assistance on the refunding bond issue.

5. Bill Russell presented a bookkeeper's report, a copy of which is attached. After this meeting, the debt service fund balance will stand at \$4,459,024.13. The capital projects fund will stand at \$1,331,677.39. The operating fund will stand at \$2,229,672.77. Year-to-date revenues exceed expenditures for the first eight months of the fiscal year by \$1,090,441.78. The bookkeeper noted that SJRA has sent payment for surface water facilities, design costs and the payment was deposited into an escrow fund pursuant to the terms of the District's Supplemental Agreement with SJRA. Upon unanimous vote, the Board approved payment of director fees and expenses. Upon unanimous vote by separate motion, the Board approved the bookkeeper's report as presented and authorized payment of the remainder of the District's bills.

6. It was reported that 2012 taxes are 94% collected.

7. There was presented the attached Resolution Authorizing Challenge to the Appraisal Roll. The attorney noted that the preliminary tax roll comes out in May, and the tax assessor has a limited amount of time to challenge any errors or omissions that he sees on the preliminary roll. The tax assessor should be authorized to make such challenges on the District's behalf. Upon unanimous vote, the Board approved the resolution as presented.

8. Mike Williams presented an operator's report. The District billed \$238,210.07. The operator took 10 bacteriological samples, all of which were within acceptable limits. The District served 3,808 customers, and 3,582 customers received all services including garbage. The District accounted for 94% of the water produced. The sewage treatment plant operated at 73% of capacity with no permit violations. The operator requested write-off of nine accounts totaling \$1,374.55.

Upon unanimous vote, the Board approved the operator's report and the write-offs as presented.

9. Mike Williams presented a parks and recreational facilities report. There were 15 calls regarding issues in the parks. Eight calls were for the pavilion, six calls were for the ball fields, and one call was for general information. The operator repaired an electrical outlet to the pavilion. The lights were not working for a time, but are working again. The operator recommended no further action on the lights until they stop working for good.

Mr. Williams reported that the picnic table in the park has some profanity written on it, and he recommended replacing the aluminum tops with wood. The wood can be pressure washed. The Board authorized the operator to get quotes for replacement of the picnic table tops. Mr. Williams also noted that many dead pine trees have been removed in the parks. There have been a lot of calls for use of the ballfields. At the ballfields, the operator performed regular mowing and cleanup, put out ant bait, and edged the outline of the ballfields. In addition, the backstops and outlines on the fields were sprayed with weed killer. The operator requested authorization to add red dirt to the t-ball fields and perform maintenance on the water fountains. The Board authorized this work to be done and approved the parks and recreational facilities report as presented.

10. Jason Hajduk presented an engineer's report. Plans for the sanitary sewer rehabilitation are complete. Well No. 3 construction is also complete. The contractor has

finished the punch list. Operations and maintenance manuals are still needed. Final pay estimates will be submitted when the manuals are received.

The engineer reported that the ground storage tank replacement project is virtually complete, and it was painted green in accordance with the Board's previous authorization. Pay Application No. 4 to W.W. Payton Corp. in the amount of \$13,733.10 was presented for the Board's review and approval. Upon unanimous vote, the Board approved the pay application as presented.

The wastewater treatment plant permit renewal has been advertised for the second time. The engineer believes that the permit should be received from the TCEQ within the next two weeks.

The San Jacinto River Authority requested that the District grant 11 easements for the surface water line. The engineer presented an exhibit showing the locations of the easements to be dedicated. The attorney noted that the District is required pursuant to its contract with the San Jacinto River Authority to dedicate necessary easements to bring a surface water line to the District plant sites. The engineer has reviewed the information provided and confirmed that the District owns the land on which the proposed easements are situated. The engineer has no objection to the granting of the easements, and the attorney has no objection to the form of the easement document. Upon unanimous vote, the Board approved the engineer's report as presented.

11. The Board considered dedication of easements for the water line, meter and access to the San Jacinto River Authority. Upon unanimous vote, the Board authorized conveyance of the necessary easements.

12. The Board reviewed customer service inquiries. Mr. Doc Savage addressed the Board in his capacity as a Citizens Law Enforcement liaison. He stated that the Citizens liaison group previously had a radio and were in contact with the Montgomery County Constable's Office. He stated that the constable now wants to charge over \$3,500 for the radio and make it the property of the Utility District. Mr. Savage noted the importance to his group to have radio access to the constables. The Board thanked Mr. Savage for his concerns and agreed to address it with the constables at the next Board meeting.

13. The attorney presented a report on behalf of the developer, who was not present. The Kroger building is expanded. The developer met with Precinct 3 Commissioner Noack about Rayford Road widening and about the Citizens Advisory Committee that the Commissioner had formed. The new fire station on Aldine Westfield is under construction. A new traffic light is scheduled for Birnamwood and Riley Fuzzel.

14. Under pending business, the Board discussed various items relating to the constable's contract, including overtime charges. The Board wanted more information on the composition of overtime charges listed on the monthly bill. The Board asked that an item be placed on the next agenda to discuss law enforcement contracts and matters, and the Board asked the attorney to place an item on the agenda so that the Board could convene in executive (session) to discuss matters relating to security of facilities and law enforcement. Precinct 3

Constable Gable will be invited to attend the meeting at the latter part of the agenda.

15. At 8:08 p.m. the Board convened in executive (closed) session pursuant to Texas Government Code §551.074 to deliberate the duties of a public officer or employee. At 8:19 p.m. the Board reconvened in regular session. No actions were taken.

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


Secretary