

0

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
February 14, 2011

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on February 14, 2011 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
Paul Alli, Director

and the following absent:

None

Also present were Mike Williams, Bill Russell, Jason Hajduk, Sergeant Josh Hanson, Lori G. Aylett, and persons on the attached list

1. Minutes of the meeting held on January 10, 2011 were presented and reviewed. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented

2. Sergeant Josh Hanson presented a law enforcement report. January was a fairly quiet month. No violent crimes were experienced. During the month, there was one motor vehicle burglary, six accidents, three criminal mischief incidents, and two family violence calls. Sergeant Hanson was happy to report that there has not been a home break-in in three months. The Board praised the officers for their efforts in reducing crime. Sergeant Hanson noted that the next newsletter from the Constable's office will discuss spring break, vacation watches, and related issues. The officer briefly discussed the status of mileage and maintenance on the county patrol vehicles. The officers are using 2007, 2008 and 2010 automobiles. The older cars are beginning to have higher mileage, and he asked the Board to be mindful that the cars will need to be replaced at some point. He requested that the Board budget for the purchase of an automobile. Sergeant Hanson confirmed that the county performs oil changes and regular maintenance at the recommended intervals. The operator advised the officer that a fire hydrant had been hit on Camden Way and asked if the officer had received any reports on the damage. Sergeant Hanson indicated that he had not been made aware of this problem but would make a report and investigate. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the law enforcement report as presented.

3. 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 stands at \$4,167,311.88. The capital projects fund balance is \$172,456.29. The general fund balance is

\$1,067,303 70 The tax account balance is \$40,215 32 The bookkeeper noted that it is getting more and more difficult for his office to find banks that will accept the District's money for investments in a certificate of deposit The Board reviewed a budget comparison report and noted that the District has expenditures greater than revenues of \$84,502 20 for eight months of the fiscal year-to-date. There was discussion, and upon motion duly made, seconded and unanimously carried, the Board approved payment of bills listed on the bookkeeper's report. Upon motion duly made, seconded and unanimously carried, the Board approved payment of director fees and expenses as reflected on the report.

4 The Board reviewed a proposal from BBVA Compass Bank to serve as a depository bank for the District's general fund and construction fund accounts The bookkeeper recommended that the Board discontinue its relationship with Woodforest National Bank because of increasing difficulties in getting them to deposit funds without service charges. Upon motion duly made, seconded and unanimously carried, the Board approved BBVA Compass Bank to act as the District's depository bank for the general and construction fund accounts and authorized closing accounts at Woodforest Bank, as necessary

5. Mike Williams presented an operator's report There are 3,774 connections in the District, of which 3,532 are occupied single-family residences There are 59 vacant residences The District collected revenues of \$189,867.08 for service provided during the month. Ten bacteriological samples were taken, and all were satisfactory. The operator repaired 5 water leaks during the month. The wastewater treatment plant operated within all permit parameters The operator presented a proposal for a write-off of 11 delinquent accounts. He confirmed that he would still report these accounts to the credit bureau and would keep the names of the customers on file in case they tried to re-establish service at a future date. Upon motion duly made, seconded and unanimously carried, the Board approved the write-off of all accounts as presented.

The Board noted that it might be advisable to review the District's rate order and increase customer security deposits. The attorney will place an item on the next agenda. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented

6. Mike Williams presented a report on the Imperial Oaks parks and recreation facilities There were three calls for the pavilion and five calls for the ballfields during the month The operator performed the necessary maintenance on the facilities. The operator requested that he be authorized to add red clay to the t-ball fields and to outline and mark them Upon motion duly made, seconded and unanimously carried, the Board authorized this work to be performed on the ballfields.

7. Jason Hajduk presented an engineer's report The clarifier addition is approximately 90% complete The contractor is installing the underground piping and electrical work

The bond application report is almost complete A rough draft is available for review by the Board members and consultants.

Design of the well is approximately 90% complete. The engineer anticipates that he will send plans to the agencies for review by next week. Design of the Well No. 3 transmission line is also underway. The well and the transmission line present interesting jurisdictional issues. The well is located in Conroe's extraterritorial jurisdiction, while the transmission line goes through the City of Houston's extraterritorial jurisdiction and Conroe's extraterritorial jurisdiction. Montgomery County does not review water plant submissions. Therefore the water plant plans will be sent to the TCEQ for review. It will be necessary to bore and jack under some of the areas to minimize disruption to existing facilities.

With regard to the Water Plant No. 1 ground storage tank replacement, the engineer is still reviewing OSHA's rules. OSHA's new rules prescribe that the tank cannot be closer than 10 feet to the power line, and the existing ground storage tank is already closer than this. The engineer is studying the issue. The Board briefly discussed the possibility of adding a cooling system on the switch gear. The operator has been discussing this issue with the electrical engineer. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the engineer's report as presented.

8. The attorney briefly discussed requirements imposed by the Texas Water Development Board rules. The District must annually submit a water loss audit and must also update its progress on implementation of its existing water conservation plan. Upon motion duly made, seconded and unanimously carried, the Board authorized the operator to complete the water loss audit and the progress report on the implementation of the water conservation plan by their respective deadlines.

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



Secretary