

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

December 12, 2011

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on December 12, 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 Jason Hajduk, Bill Russell, Mike Williams, Sergeant Josh Hanson, Dan Norris, Lori G Aylett and Herman I. Little, Jr.

1. Minutes of the meeting held on November 14, 2011 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 Josh Hanson presented a law enforcement report. There was one burglary, two thefts, seven traffic accidents, 18 disturbances, 15 arrests and one DWI. The new vehicle previously purchased should be in service by next week.

3. Dan Norris addressed the Board members and requested their individual support in the upcoming Republican primary elections. He noted that he was a candidate for Constable of Montgomery County Precinct 3. He offered to attend a homeowners' forum or meet and discuss the issues with residents as they so desired.

4. Bill Russell presented a bookkeeper's report, a copy of which is attached. After payment of bills at this meeting, the debt service fund balance stands at \$1,997,626.37. The capital projects fund balance is \$3,122,936.78. The general fund balance is \$904,262.07, and the tax account balance is \$10,127.33. Six months into the fiscal year, the District has net revenues of \$151,247.92. After discussion, upon motion made by Director Smith, seconded by Director Saxe, the Board voted unanimously to approve the bookkeeper's report and to authorize payment of bills listed thereon. Upon motion made by Director Moore, seconded by Director Alli, the Board voted unanimously to authorize payment of director fees and expenses as listed.

5. Mike Williams presented an operator's report. The District collected revenues of \$303,631.97 for services provided during the month. There are 3,799 connections in the District, of which 3,550 are residential customers receiving all District services. There are 57 vacant homes.

Ten bacteriological samples were taken, and all were satisfactory. The District pumped 15,611,000 gallons from Well No. 1, 26,441,000 gallons from Well No. 2, and received

16,000 gallons from Montgomery County MUD 99. The District accounted for 96% of the water produced. The operator repaired 14 leaks during the month. The wastewater treatment plant operated at 73% of permitted capacity, and there were no permit violations. No new taps were installed for the month, and there were 29 taps for the year to date.

Mr. Williams reported on the customer service inquiry from Candy Booth whose large water bill of \$471 was due to leak on her side of the meter. The operator adjusted the sewer portion of the bill in accordance with the Board's policy regarding the matter, but the customer requested more consideration. Upon motion made by Director Moore, seconded by Director Smith, the Board voted unanimously to authorize the operator to offer the customer a three month payment plan.

6. Mike Williams presented a report on District parks and recreational facilities. Regular mowing and clean up was accomplished. Six dead trees were cut down. There were 12 calls for District facilities, seven for the use of the pavilion and one for the ball fields. The operator fertilized and seeded the parks areas.

7. Jason Hajduk presented an engineer's report. At this time, the engineer is still reviewing video tapes for the Phase I sanitary sewer rehabilitation.

At Well No. 3, construction is underway. The pilot hole has been drilled, and water quality tests have been performed. The engineer attached a hydrological proposal from LBG Guyton. They will observe the drilling, review the well logs, and make a recommendation for material settings, type and grading of the gravel material and related matters. The fees of the consultant are estimated to range from \$3,500 to \$5,000.

The engineer also recommended an increase in the well casing from a 20 inch by 14 inch to an 18 inch by 24 inch. This increase will give the District flexibility in the future to lower pumps or rehabilitate the well without losing capacity. The change order to increase the well casing would increase the contract price by approximately \$50,040. The new contract amount would still be within the costs anticipated and approved in the bond application.

With regard to the Well No. 3 transmission line, a bid opening was held on December 8, 2011. The low bidder appears to be Clearwater Utilities in the amount of \$328,361.45. This amount is considerably under the engineer's estimate of \$424,747.40. The engineer recommended issuance of a notice to proceed and award of the contract to the low bidder.

At Water Plant No. 1, the ground storage tank replacement and Water Plant No. 2 modifications are being reviewed by agencies. The engineer requested authorization to begin advertising for bids for the project.

The Board discussed the hydrological proposal of LBG Guyton. Upon motion made by Director Alli, seconded by Director Saxe, the Board voted unanimously to approve the proposal of LBG Guyton at a cost not to exceed \$5,000.

The Board next reviewed the proposal for increasing the size of the well casing. Upon motion made by Director Saxe, seconded by Director Smith, the Board voted unanimously to authorize the issuance of a change order to increase the well casing as recommended by the engineer.

The Board next discussed the Well No. 3 transmission line. Upon motion made by Director Saxe, seconded by Director Moore, the Board voted unanimously to authorize award of the contract to the low bidder, Clearwater Utilities for the price bid.

The Board next turned the discussion to the Water Plant No. 1 ground storage tank replacement and Water Plant No. 2 modifications. Upon motion made by Director Smith, seconded by Director Alli, the Board voted unanimously to authorize advertisement for bids for the project as requested by the engineer.

8. The Board noted that they had no violations of water use restrictions to discuss.

9. The Board considered candidates for the election to the Montgomery Central Appraisal District Board of Directors. The attorney noted that the District has 23 ballots to cast, but the only candidate for which the District can legally cast a vote is the conservation and reclamation district candidate, Biff Picone. Upon motion made by Director Moore, seconded by Director Smith, the Board voted unanimously to adopt the attached Resolution Casting Votes for Candidate Biff Picone for Election to the Montgomery Central Appraisal District Board of Directors.

10. The Board considered the possibility of joint election participation with Montgomery County. The attorney noted that the Montgomery County election coordinator has asked all of the Montgomery County conservation and reclamation districts if they want to participate in countywide elections. The Board discussed the pros and cons of conducting its own election or participating in a countywide election. After discussion, upon motion made by Director Smith, seconded by Director Saxe, the Board voted unanimously to authorize the attorney to express the Board's desire to participate in a joint election with Montgomery County.

11. The Board reviewed the contract with WCA Waste Services for garbage collection in the District. Herman Little noted that the contract will expire by its own terms on April 30, 2012. However, the District must give a notice 60 days in advance of that to prevent the contract from renewing automatically for a three year term. The Board noted that it was generally very happy with the services provided by the contractor. However, the contract should not be automatically renewed without a discussion of competitive proposals. Upon motion made by Director Alli, seconded by Director Smith, the Board voted unanimously to authorize the attorney to direct correspondence to WCA Waste Services to prevent automatic renewal of the contract. The Board requested that the attorney notify WCA Waste Services that the District is not unhappy with their services and wants them to submit a competitive proposal for renewal.

12. Herman Little announced that he would be retiring from Smith, Murdaugh, Little & Bonham, L.L.P. at the end of the year, but would continue on in the capacity of "of counsel". He noted that he had appreciated the opportunity to serve as the attorney for the District and to work with each of the Board members. The Board members in turn expressed their appreciation to Mr. Little for all of his hard work and dedication.

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



Secretary