

RAYFORD ROAD MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 9, 2007

The Board of Directors ("Board") of Rayford Road Municipal Utility District ("District") met on April 9, 2007, at 230 Spring Hill Drive, Suite 325, Spring, Texas 77386, in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Danny E. Agans, President
Michael Smith, Vice President
Charles W. Venema, Director
Duane Burrell, Director

and the following absent:

Jon Vallery, Secretary

Also present were Vickey Sullivan, Bill Russell, Mike Williams, Jason Hadjuk, Kevin Tokarski, Lonnie Wright, Sergeant Jeff Brown, Jim Holcomb, Herman I. Little, Jr. and persons on the attached list.

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 March 12, 2007 were presented and reviewed. Upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to approve the minutes as presented.

2. Vickey Sullivan presented a tax assessor/collector's report. The Board reviewed the report and noted that 2006 taxes are 96% collected. Ms. Sullivan presented requests for taxpayer refunds. Frank Truong requested a refund of \$16.43 of penalty and interest that resulted from a delay in receiving the tax statement. Taxpayer Mark Wysetta also requested a refund of penalty and interest because the tax statement was delayed. After discussion, upon motion by Director Burrell, seconded by Director Agans, the Board voted unanimously to approve the taxpayer requests for refunds. Ms. Sullivan reported that a taxpayer, Cecil Jacobson, contacted the tax office and described a number of serious problems that make it impossible for the taxpayer to pay taxes on the regular schedule. There was discussion, and upon motion by Director Burrell, seconded by Director Venema, the Board voted unanimously to authorize Ms. Sullivan to work with Mr. Jacobson to establish an appropriate tax payment agreement. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor/collector's report as presented.

3. Mike Williams presented an operator's report. The District collected \$138,278.38 of water and waste collection and disposal revenues during the month. The District had total revenues of \$158,117.15. Ten bacteriological samples were taken, and all were

satisfactory. The District accounted for 99% of water produced. 34 taps were made during the month, bringing the total to 58 for the year-to-date. The District has 3,633 connections. Mr. Williams presented a list of delinquent accounts that are uncollectible and recommended for write-off. The total is \$408.83. After discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to approve writing off accounts totaling \$408.83 as uncollectible.

Mike Williams reported that the oldest tank at the wastewater treatment plant is scheduled to be cleaned tomorrow. There is approximately four feet of silt buildup in the bottom of the tank. The operator would like to do the other tank next month. This means that there will be some large bills for sludge hauling in the future. The wastewater treatment plant operated properly at 61% of permitted flows. Upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented.

4. Mike Williams presented a report on activity at Imperial Oaks Park. Eleven calls were received for use of facilities, seven for use of the pavilion and four for the ball fields. The operator has not yet put dirt on the ball fields because of weather. Director Venema reported that wires are exposed and the cover is missing on a light pole in the park. The operator will correct the situation. Director Agans requested that the operator follow through on obtaining signs regarding law enforcement patrol in the District by the Precinct 3 Constable. There was discussion, and upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to authorize purchase and installation of signs in the District regarding patrol by the Precinct 3 Constable. Upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to replace signs that are posted informing the public of the District's board of directors meetings.

5. Director Agans called for customer inquiries, and Jeff Sorrells inquired concerning the garbage collection day that had been missed in February. Herman Little advised the Board that he had contacted the contractor, and one collection was missed because of the INS raid on the contractor's offices. The contractor agreed to make an adjustment in the bill, as necessary. There was a discussion of the possible use of 96 gallon containers for garbage collection, and there was discussion of recycling in the District.

6. 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 \$2,284,351.22. The capital projects fund balance is \$2,486,902.85. The general fund balance is \$559,106.16, and following deposit of the transfer check, the balance will be \$717,319.20. Mr. Russell reported that he is presenting a number of blank checks for payment of bills for electric power. The energy providers will not accept a single check for payment of multiple accounts. There are 13 street light accounts and 7 District accounts. There have been problems with the contractors concerning billings for sales tax. Mr. Russell is working with the contractors to resolve problems with the billings.

Mr. Russell reported that a consultant, the Legacy Group, has expressed a desire to work with the District to perform an energy audit for the previous four years of electric billings. The Legacy Group would report to the Board and advise of any savings that could be

recovered because of over-billing. The consultant also would be available to assist the District in future contracts for electric power. There was discussion, and upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to invite the Legacy Group to attend the Board's next regular meeting to discuss services that may be provided to the District. Bill Russell will contact the consultant.

The Board reviewed a budget comparison report and noted that the District has net revenues above expenses of \$34,258.15 for eight months of the fiscal year-to-date. There was discussion of the District's budget, and Herman Little reported that Director Vallery had requested that a budget workshop meeting be scheduled prior to the regular meeting in May. After discussion, upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to schedule a budget workshop meeting for Monday, April 30, 2007 at the regular meeting place and time. Upon motion by Director Venema, seconded by Director Burrell, the Board voted unanimously to approve the bookkeeper's report and authorized payment of bills listed thereon.

7. Jason Hadjuk presented an engineer's report. The engineers met at Water Plant No. 2 and listened to the booster pump. It is still not possible to determine the source of the noise. The engineers and operator are discussing balancing the pump and will continue looking into the problem. The bid opening for the Rayford Road improvements is set for April 18, 2007, and the work should commence in 90 days. The Robinson Road project is still being delayed because of AT&T delay in relocation of utilities.

There was discussion of the Imperial Oaks, Sections One and Two drainage project. Herman Little advised the Board that he met with an attorney representing one of the property owners from whom an easement is required, and a form of agreement is being prepared to identify the District's commitments with respect to protection of the owner's property. The agreement will include a commitment by the District to provide a survey of the property prior to construction and following construction; a geotechnical inspection including the foundation of the home before the work and after the work; relocation of any personal property within the easement area or that would be affected by the work at the District's expense; the replacement of trees that are lost or damaged; the presence of an on-site inspector during the progress of the work; insurance coverage for the benefit of the property owner during construction, and payment by the District for all damage and repair costs that are related to or caused by the District's construction project. There was discussion, and upon motion duly made, seconded and unanimously carried, the Board approved the engineer's report as presented.

8. Jim Holcomb presented a developer's report. Connections for the Kroger center are being made to the water line along Rayford Road. The Kroger project is coming along, and the store opening is expected in November, 2007. The feasibility of the Kroger store and center is very good. It is likely one or more banks will locate in the center. The center should be built out by the end of the year. There has been no action on the CVS store. The County Commissioner is looking for a location for an office for the County Sheriff in South Montgomery County. The Rayford Road paving project will take 18 months. Aldine Westfield Road is not open yet, but when it is opened, there will be a traffic light at the intersection. There are fewer than 200 lots left in the District for home construction.

9. Sergeant Jeff Brown presented a law enforcement report. Activity during the month included 3 assaults, 6 family violence calls, one burglary of a habitation, 8 burglaries of vehicles, 21 disturbances, 10 motorist assists, 4 thefts, 8 accidents and 200 traffic contacts. There was one DWI, 257 MUD checks and a total of 406 calls. 8 arrests were made. Sergeant Brown noted that the number of traffic contacts is low. This is due to the fact that only one radar unit was working at the end of the month. Three units have been installed now. Deputy Allison has been ill, and there were 190.5 hours of leave during the month. One officer is still in field training, so the staff has been short.

Director Agans requested a copy of the patrol zones, and Sergeant Brown will provide those as requested. There followed a discussion of law enforcement services that may be available to MUD 99 and MUD 115. Director Venema stated his desire to communicate with those districts about sharing law enforcement services with the District. It was mentioned that Fox Run may be requested to participate, also. There was discussion, and it was mentioned that the constable would be interested in providing service in other areas, but the financial feasibility of the proposal would need to be studied. It was noted that conditions may exist that would make it infeasible to work in the Fox Run area. The Board will review all aspects of any proposal that is developed.

10. There were no developer comments. It was mentioned that the Board will have the budget workshop meeting as previously discussed.

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

Secretary 