

DENTON COUNTY RECLAMATION AND ROAD DISTRICT

Management Report

August 11, 2009

The main item for discussion at the Meeting will be the Pump Repair matter. It appears that from a practical standpoint if a suitable Agreement with adequate protection for the District can be made with REVAK, this may be preferable to terminating their Contract. If an agreement cannot be worked out with REVAK, get a qualified pump repair company to do the work and afterwards determine the financial consequences. If litigation ensues by or against the District, those proceedings would be in Denton County (the District can only sue or be sued in Denton County). We will discuss and take action on this at the Meeting.

TPC Controls will have a Pay Request at the Meeting. They are practically complete with their work except for some minor items and the six (6) hours of Training that must be provided us for the new controls. Amid all the inconveniences caused by the Pump Matters, they have done a good job without complaint. As soon as TPC is finished, it is time to get back on the Pump Station painting and site improvements.

I will make a report on the Tax Collection transition which is going smoothly. It cannot proceed much further until a 2009 Tax rate is set at a subsequent meeting. They have transferred the Tax Roll to their Quick Books+ program.

Ray Jones' situation probably eliminates him from Board Meetings until January due to his extensive school athletic commitments, including the honor of being an official for some H.S. games at the new Texas Stadium. Consequently, if Tuesday evenings still work for you, I suggest keeping the 2nd Tuesday for Regular Board Meetings.

Terri Hornberger has agreed to do the monthly 2008-09 Financial Report.

Paul