

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110
MINUTES OF MEETING OF BOARD OF DIRECTORS**

April 11, 2007

**THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

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The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 110 (the "District") met in **regular session**, open to the public, at the designated meeting place of the Board in the District on **April 11, 2007**, whereupon the roll was called of the duly constituted officers and members of the Board, to-wit:

James N. Williams	-	President
Jeannie Satterwhite	-	First Vice President
Jerry A. Strickland	-	Second Vice President
Texas H. Stevens	-	Secretary
Tom Dowdy	-	Treasurer/Investment Officer

All members of the Board were present, except Director Satterwhite, thus constituting a quorum.

Also attending the meeting were John Davis of Langford Engineering, Inc. ("Langford"), Engineer for the District; David Caramanidis, Executive Facilities Coordinator; Chris Zilko with AquaServices, L.P., Operator of the District; Sean Albin with Portrait Homes; Emmitt Poindexter and Bob Surdahl, residents of the District; Mary Jarmon of Myrtle Cruz, Inc. ("Myrtle Cruz"), Bookkeeper for the District; Ken Byrd of Equi-Tax, Inc. ("Equi-Tax"), Tax Assessor/Collector for the District; Mac McCune with Lake Management Services, LP; and Josh J. Kahn and Maria Salinas Parker of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats-Rose"), Attorneys for the District.

The meeting was called to order and the following business was conducted.

HEAR FROM THE PUBLIC

The Board noted there were no members of the public present who wished to address the Board.

TAX ASSESSOR/COLLECTOR'S REPORT

The President recognized Mr. Byrd of Equi-Tax who presented the Tax Assessor/Collectors' Report and checks for payment from the District's Tax Account. The Board noted that 95.1% of the District's 2006 taxes have been collected.

Upon motion duly made by Director Stevens and seconded by Director Dowdy, the Board voted unanimously to approve the Tax Assessor/Collector's Report and to authorize payment of the checks listed therein.

ENGINEERING/DEVELOPMENT REPORT

The President recognized Mr. Davis who presented the Engineer's Report.

Straight Line Development ("Straight Line")

The Board noted there was nothing new to report on this project.

Portrait Homes

The President recognized Mr. Albin, who discussed with the Board the drainage issues with the tract that Portrait Homes is developing within the District. Mr. Albin noted that the current drainage plans for the project have the drainage from the tract flowing through the detention facilities of Harris County Municipal Utility District No. 104 ("MUD 104"). Mr. Albin explained that the current plan provides for the construction of an outfall line from the Portrait Homes tract to the MUD 104 detention pond, with such line being partially in the District and partially in MUD 104. The drainage from the Portrait Homes tract would not be detained in the MUD 104 detention pond but would just flow through such pond on its way to Seals Gully.

Ms. Parker noted that the attorney for MUD 104 is of the opinion that the Board of Directors of such district would be agreeable to such an arrangement. Ms. Parker continued that Portrait Homes would have to obtain a temporary construction easement from MUD 104 and there would need to be an agreement between the District and MUD 104 allowing drainage from the Portrait Homes tract to flow through the MUD 104 detention pond and also regarding cost sharing of the future maintenance of the outfall line.

The Board expressed concern over such an arrangement and noted that they would not approve such an agreement until their concerns are addressed.

Kings Village

The Board noted that at their meeting on January 11, 2006, they approved the award of the contract for the construction of the water, sanitary and drainage facilities to serve Kings Village North to SLC Construction in the amount of \$342,332.50.

The Board noted there was nothing new to report on this project.

Water Distribution, Wastewater Collection and Storm Drainage Improvements to Serve Lakes of Cypress Forest, Section Two

The Board noted that at their meeting on May 10, 2006, they awarded the contract for the water distribution, wastewater collection and storm drainage improvements to serve Lakes of Cypress Forest, Section Two to Craven Partners, Ltd, ("Cravens Project 1") in the amount of \$252,741.20.

The Board noted there was nothing new to report on this project.

Water Distribution, Wastewater Collection and Storm Drainage Improvements to Serve Lakes of Cypress Forest, Section Three

The Board noted that at their meeting on November 9, 2007, they approved the contract for the construction of the the water distribution, wastewater collection and storm drainage improvements to serve Lakes of Cypress Forest, Section Three to Cravens Partners, Ltd. (the "Cravens Project 2").

The Board noted there was nothing new to report on this project.

Detention Pond/Amenity Lake to Serve Lakes of Cypress Forest, Section Two

The Board noted that at their meeting on January 11, 2006, they approved the award of a contract for the construction of the detention pond/amenity lake to serve Lakes of Cypress Forest, Section Two to Lecon in the amount of \$1,101,255.00 (the "Lecon Project").

The Board noted there was nothing new to report on this project.

Water Distribution, Wastewater Collection and Storm Drainage Improvements to Serve Cypress Forest Lakes

The Board noted that at their meeting on October 12, 2005, they awarded the contract for the water distribution, wastewater collection and storm drainage improvements to serve Cypress Forest Lakes to Pace Services, L.P., in the amount of \$268,979.60.

The Board noted there was no action to be taken on this item.

Lake Irrigation System/Contract with Millis Construction

The Board noted that at their meeting on April 14, 2006, they awarded the contract for the lake irrigation system to Millis Development and Construction, Inc. ("Millis").

Mr. Davis submitted to and reviewed with the Board Pay Estimate No. 8 and Pay Estimate No. 9 and Final to Millis in the amounts of \$2,815.65 and \$35,745.12, respectively. Mr. Davis also noted that the 1-year warranty period for the Millis project began on March 1, 2007.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to approve Pay Estimate No. 8 and Pay Estimate No. 9 and Final for the Millis project.

LAKE MANAGEMENT

The President recognized Mr. McCune, who discussed with the Board the process for obtaining water clarity in the three detention ponds/amenity lakes adjacent to Cypress Forest Lakes. Mr. McCune also discussed with the Board his recommendations on the types of fish to be stocked in such lakes and the timing for doing so.

The Board requested that Mr. McCune prepare a time line of events with estimated costs for the Board to review at their recreational meeting on April 19, 2007.

BOOKKEEPER'S REPORT AND INVESTMENT REPORT

The President recognized Ms. Jarmon, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto, and certain invoices for payment by the Board.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to approve the Bookkeeper's Report, the checks presented for payment and the Investment Report.

OPERATOR'S REPORT

The Board recognized Mr. Zilko, who presented to the Board the Operator's Report, a copy of which is attached hereto. Mr. Zilko reported that the District has 2,087 connections and the pumped to billed ratio for last month was 89.1%.

Mr. Zilko also presented a quote from All Pump & Equipment for installation of an air line and air drop in the chlorine contact basin at the District's wastewater treatment plant in the amount of \$2,875.00.

Mr. Zilko next requested authorization from the Board for the District's Engineer and Operator to begin working on the renewal of the District's waste discharge permit which expires on February 1, 2008 and needs to be filed with the Texas Commission on Environmental Quality by August 1, 2007.

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to (i) approve the Operator's Report, (ii) approve the quote from All Pump & Equipment for installation of an air line and air drop in the chlorine contact basin at the District's wastewater treatment plant, and (iii) authorize the District's Engineer and Operator to begin working on the renewal of the District's waste discharge permit.

Termination of Water Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. At this time, Mr. Zilko presented to the Board a list of terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the termination report, a copy of which is attached hereto.

Consumer Confidence Report

The Board recognized Mr. Zilko, who presented the 2006 Consumer Confidence Report to the Board for review and approval. Mr. Zilko noted that the District is required to provide this report to the District's customers by July 1, 2007 and explained that the report shows the results of various tests performed on the water being produced by the District. Mr. Zilko stated that the results of such tests show that there are no materials in the District's water that exceeded the Environmental Protection Agency guidelines.

After further discussion and upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously approved the 2006 Consumer Confidence Report and authorized Mr. Zilko to forward to the District's customers.

ATTORNEY'S REPORT

The Board recognized Ms. Parker, who presented the Attorney's Report. Ms. Parker reviewed with the Board the surplus funds that the District has on hand. Ms. Parker and Mr. Davis explained the projects that the District has already funded or will need to fund in the near future that could be paid for with surplus funds.

Approval of Minutes

Proposed minutes of the meetings of the Board held on March 6, 2007, March 14, 2007 and March 22, 2007, previously distributed to the Board, were presented for consideration and approval. The President recognized Director Stevens, who noted certain corrections to the March 6, 2007 and March 14, 2007 minutes.

Upon motion duly made by Director Stevens and seconded by Director Strickland, the Board voted unanimously to approve the minutes of the meetings of the Board held on March 6, 2007 and March 14, 2007, as corrected, and March 22, 2007, as presented.

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned.

APPROVED THIS

June 28, 2007


Secretary, Board of Directors