

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

May 9, 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 **May 9, 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, 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 for the District; Chris Zilko and Kay Divin of AquaServices, L.P., Operator for the District ("Aqua Services"); 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; Floyd Meckler of AquaSurance and Dan McDonald of ANCO-McDonald Waterworks Insurance Services, L.L.C. ("Anco-McDonald"); and Josh J. Kahn and Lauren M. Gray 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 96.2% of the District's 2006 taxes have been collected.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, 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

Mr. Davis noted that he met with representatives of Portrait Homes to discuss drainage issues with Portrait's Development.

Tiremax

Mr. Davis reported that the District's engineers are still working with Tiremax on Tiremax's request for wastewater and water services.

Kings Village

Mr. Davis updated the Board on the status of construction on water, sanitary and drainage facilities and presented the Board with Pay Estimate No. 3 and final in the amount of \$45,464.97, a copy of which is attached hereto.

Upon a motion duly made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to approve Pay Estimate No. 3 and Final in the above stated amount.

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

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

Mr. Davis noted that he reviewed the irrigation plans for Lakes of Cypress Forest, Section 3 and found them to be satisfactory.

Upon a motion duly made by Director Dowdy and seconded by Director Satterwhite, the Board voted unanimously to approve the irrigation system installation for Lakes of Cypress Forest, Section 3.

Mr. Davis also noted that the paving work for Section 3 is almost complete.

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

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 there was no action to be taken on this item.

Lake Irrigation System/Contract with Millis Construction

The Board noted that this project has been completed.

Demontrond Storm Sewer

Mr. Davis noted that the storm sewer line to serve the Demontrond tract has been accepted by the Harris County Flood Control District. The Board instructed the District's attorney to prepare the documents necessary to transfer such facilities to the District.

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 Satterwhite, the Board voted unanimously to approve the Bookkeeper's Report, the checks presented for payment and the Investment Report, as presented.

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 discussed sanitary sewer connections and asked for approval on the installation of 12 sewer service connection for lots on Lost Mine Trail not to exceed \$24,000.

Mr. Zilko presented performance testing by G-M Services for Water Well Nos. 1, 2 and 3 and reported that all of them are operating at excellent, good or satisfactory levels.

Mr. Zilko next requested authorization from the Board for a man hole study. The Board questioned whether surplus funds could be used for the study.

Upon motion duly made by Director Satterwhite and seconded by Director Dowdy, the Board unanimously voted to (i) approve the Operator's Report, (ii) authorize the installation of 12 sewer service connections for lots on Lost Mine Trail at a cost not to exceed \$24,000, and (iii) authorize the manhole study at a cost not to exceed \$16,000.

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.

ATTORNEY'S REPORT

The Board recognized Ms. Gray and Mr. Kahn, who presented the Attorney's Report.

Approval of Minutes

Approval of minutes of the meetings of the Board held on April 11, 2007, April 19, 2007, April 27, 2007, and May 3, 2007 was deferred by the Board.

Approve Resolutions Authorizing Use of Surplus Funds

Approval on this matter was deferred by the Board.

Approve Resolutions Requesting Approval of Use of Surplus Funds and Change in Plans and Specifications

Approval on this matter was deferred by the Board.

Approve Agreement with Tiremax for Service and Annexation

Approval on this matter was deferred by the Board.

APPROVE PROPOSAL TO RENEW INSURANCE

Mr. Mechler and Mr. McDonald separately presented their proposals on insurance coverage for the District for the 2007-2008 year, including a proposal by Mr. Mechler for insurance for the Summer Camp. Copies of such proposals are attached hereto.

The Board noted that it would consider the proposals and then make a decision on the proposals at the next meeting.

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

APPROVED THIS _____.

(SEAL)


Secretary, Board of Directors