

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

**September 20, 2007**

<b>THE STATE OF TEXAS</b>	§
<b>COUNTY OF HARRIS</b>	§
<b>HARRIS COUNTY WATER CONTROL AND</b>	§
<b>IMPROVEMENT DISTRICT NO. 110</b>	§

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 **September 20, 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 Directors Stevens who entered the meeting in progress, thus constituting a quorum.

Also attending the meeting were Stephen Eustis with RBC Capital Markets, Financial Advisor to the District; Rebecca Marcucci with The Legacy Group, Inc.; David Caramanidis, Executive Facilities Coordinator (“EFC”) for the Forest Oaks Swim and Racquet Club (“FOSRC”); Art Gerzak, Project Manager for the District; John Davis of Langford Engineering, Inc. (“Langford”), Engineers for the District; Deputy Constables George Beck and Gabriel Moore with Harris County Precinct No. 4; Bob Surdah; Peter Black and Emmett Poindexter, residents of the District; 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.

**2007 TAX RATE**

The President recognized Mr. Eustis, who submitted and reviewed with the Board the recommendation for a 2007 tax rate of \$0.50 per \$100.00 assessed valuation, with \$0.35 being allocated toward debt service and \$0.15 towards operations and maintenance, a copy of which is attached hereto.

Upon motion duly made and seconded, the Board voted unanimously to (1) establish its intent to set a 2007 tax rate of \$0.50 per \$100 assessed value comprised of \$0.35 for debt service and \$0.15 for operation

and maintenance; (2) call a public hearing for October 18, 2007 on the proposed tax rate, and (3) authorize the Tax Assessor and Collector to publish notice of the public hearing and proposed tax rate as required by law.

### **ELECTRICAL REPORTING**

House Bill 3693 recently enacted requires political subdivisions to take certain actions with regard to electrical conservation. Section 8 of the Bill requires political subdivisions that are responsible for payments for electricity, water, or natural gas, to record in an electronic repository (any electronic storage method) the governmental entity's metered amount of electricity, water, or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services. The entity shall report the recorded information on publicly accessible Internet website or at another publicly accessible location, including the court house, administrative office or within the District, to name a few. The Board noted that the District is required to post information as to its electrical usage and agreed that at the end of each fiscal year a report indicating the District's annual electrical usage and cost will be posted on the District's web site.

Section 12 of the Bill applies to political subdivisions that: (a) are located in a non-attainment area and (b) have a total annual electricity expense of more than \$200,000. Non-attainment areas are areas that have failed to meet federal standards for ambient air quality. Houston is classified as a severe non-attainment area. If both these requirements are satisfied, the political subdivision must: (a) implement the energy contracting procedures under Section 302.004(b), Local Government Code; (b) establish a goal to reduce the electric consumption of the District by five (5) percent each state fiscal year for six years beginning September 1, 2007; and (c) annually report to the State Energy Conservation Office regarding the entity's efforts and progress on its plan. There is no penalty for non-compliance with this Section. The Board noted that their annual electrical payments exceed \$200,000 and accordingly, the District is required to establish an electrical conservation plan. The President recognized Ms. Marcucci, who submitted to and reviewed with the Board a proposal to draft an Electrical Plan for consideration by the Board.

Upon motion duly made and seconded, the Board voted unanimously to authorize The Legacy Group to draft an Electrical Plan for the District.

### **ELECTRICAL CONTRACT**

The Board recognized Ms. Marcucci, who reminded the Board that the District's current electrical contract expires on April 10, 2008, and suggested that the Board consider entering into an electrical contract now while market conditions are favorable. Ms. Marcucci then reviewed with the Board a summary of bids for electrical service.

Upon motion duly made and seconded, the Board voted unanimously to authorize Director Dowdy to work with The Legacy Group on obtaining an electrical contract for the period beginning April 11, 2008 with a term of 1 to 5 years (depending on the best possible rate) and at price not higher than \$0.079 per kilowatt hour.

### **REVIEW OF INVESTMENT POLICY**

Consideration was then given to approving a Resolution Evidencing Review of Investment Policy and Investment Strategies. Ms. Parker reminded the Board that the Public Funds Investment Act requires the Board

to review the District's Investment Policy annually and consider making any changes thereto. Ms. Parker noted that the Investment Policy did not need to be changed at this time.

Upon motion duly made and seconded, the Board by unanimous vote approved the Resolution Evidencing Review of Investment Policy and Investment Strategies, a copy of which is attached hereto.

## **EXECUTIVE FACILITIES COORDINATOR'S REPORT**

The Board recognized Mr. Caramanidis, who presented the EFC's Report, a copy of which is attached hereto. Mr. Caramanidis reported among other items, an update on the current membership of the FOSRC, club rentals, repairs/maintenance items performed in the last month, and tennis lessons given by the EFC, and the summer camp.

Mr. Caramanidis reported that:

Security issues - The camera above the entrance to the office has been replaced. One of the cameras in the fitness center has also been replaced. The camera in the parking lot will be checked next. Regarding the camera system in the lakes:

- a. the first camera station has no power going to it,
- b. the third station does not have a consistent power source, and
- c. the wireless system which gives the information to the DVR does not work properly, and the company that supplies the equipment is working on how to replace it.

Equipment Failures, Repairs. - The Board asked Mr. Caramanidis to request that Gordon Safe & Lock submit a report on the surveillance cameras and proposed action to make them functional.

- a. The urinal in the men's bathroom in the fitness center has been fixed.
- b. The fitness center condensation issue has been solved.
- c. The tennis light poles on courts 1-4 have been painted.
- d. A new tennis net on court 1 was installed.
- e. New gate levers were installed on all of the tennis court doors.
- f. Tennis courts 5-8 were resurfaced.
- g. Windscreens were added in front of courts 1-4.
- h. New lights were put on courts 5-8.
- i. Two ballasts were replaced, one on court 8, and one between courts 3 and 4.
- j. The lights fixtures on courts 1-8 were aimed to properly light the court surface.
- k. The carpets in the facility have been professionally cleaned.

Member complaint - There was an issue with the temperature of the fitness center. Some members thought it was too warm. The temperature has been lowered two degrees. There have been no complaints since.

Club expenditures - Receipts have been mailed to Mary Jarmon.

Updates to Web Site - The Fall tennis schedule has been sent to the webmaster to be posted.

Promotion of facility - The next tennis social is 9/21.

Lakes Management - Champions Hydrolawn cut the grass around the lakes on August 28, 2007. Lakes Management performed normal maintenance on September 10, 2007.

Tools and equipment - Art has prepared the quarterly inventory. Vehicles are up to schedule for maintenance.

Insurance claims - Nothing to report.

Personnel - Maintenance crew have been given a log to monitor their work. Two new maintenance workers have been hired. For two weeks maintenance workers will be paid \$9.50 per hour, after two

weeks the hourly rate will be \$11.00 per hour. The life guards have not showed for the majority of the weekend shifts due to conflicts with school. Therefore the pool has been closed for the season.

Upon motion duly made and, seconded, the Board voted unanimously to approve the EFC's Report and to approve the fee schedule for the maintenance workers.

### **PEACE OFFICER'S REPORT**

The Board recognized Mr. Beck, who introduced Gabriel Moore as the new night shift officer for the District.

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

### **BUDGET FOR PARKS AND RECREATIONAL FACILITIES FISCAL YEAR ENDING JULY 31, 2008**

The Board noted that the budget for parks and recreational facilities fiscal year ending July 31, 2008, was adopted at a prior meeting, but that the Project Manager was not authorized to proceed with the capital projects totaling \$815,561 listed in said budget.

Upon motion duly made and seconded, the Board voted unanimously to authorize the Project Manager to proceed with the capital projects listed totaling \$815,561 in the budget for parks and recreational facilities fiscal year ending July 31, 2008.

### **PROJECT MANAGER'S REPORT**

The Board recognized Mr. Gerzak, who presented to and reviewed with the Board the Project Manager's Report.

Mr. Gerzak reported as follows:

1. the fence around the park is complete except for a couple of gates;
2. the water fall and bridge in Oak Lake is complete;
3. the flapper valve is complete;
4. there has been vandalism on the lakes, several 4-wheelers hooked a cable to the fence and removed the fence to allow access on the lakes;
5. steps at the pool need to be repaired; and
6. necessary permits are being obtained for the building to be constructed at the wastewater treatment plant.

Upon motion duly made and seconded, the Board voted unanimously to approve the Project Manager's Report.

### **CLOSED SESSION**

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to convene in closed session at 8:35 p.m. to discuss personnel matters and conduct the performance review of the EFC.



**OPEN SESSION**

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 9:15 p.m.

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

APPROVED THIS \_\_\_\_\_.

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Secretary, Board of Directors