

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

October 10, 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 **October 10, 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 Art Gerzak, Project Manager for the District; John Davis of Langford Engineering, Inc. ("Langford"), Engineers for the District; Mary Jarmon of Myrtle Cruz, Inc. ("Myrtle Cruz"), Bookkeeper for the District; Kenneth Byrd of Equi-Tax, Inc. ("Equi-Tax"), Tax Assessor for the District; Chris Zilko of Aqua Services, LP, Operator for the District ("Aqua Services"); Deputy Constable George Beck with Harris County Precinct No. 4; Bob Sordahl, Emmet Poindexter and Peter Black, residents of the District; Steve Uzactegul with Saber Construction; members of the public listed on the attached Attendance Sheet; and Maria S. Parker and Josh J. Kahn of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats-Rose"), Attorney for the District.

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

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Byrd of Equi-Tax, who presented the Board with the Tax Assessor/Collector's Report, a copy of which is attached hereto and checks for payment from the District's Tax Account. Mr. Byrd noted that 97.4% of the District's 2006 taxes have been collected.

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

HEAR FROM THE PUBLIC

The Board recognized Mr. Uzcategul with Saber Construction, who noted that his company is in the process of remodeling the former Albertson's store for a Conn's Appliances. Mr. Uzcategul requested a waiver of the District's water and sewer application fee since Conn's will be using the same meter that was formerly used by Albertson's. The Board explained the reasoning behind charging an application fee and also noted that any unused portion of the fee would be returned to the applicant.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to accept the application and \$2500 deposit from Saber Construction, with the understanding that any unused portion of such fee would be returned to the applicant once the District's Engineer and Attorney have approved the necessary plans for the project.

The Board next recognized Mr. Black, who inquired as to whether the Board would be interested in constructing some type of central notice board where residents could post notices about garage sales, lost pets, etc. rather than having such notices stapled to telephone poles, tress, etc. throughout the subdivision. The Board noted that if the homeowners' association built such a notice board, the District would be willing to purchase a spot on such board to post notices related to the District and/or the Forest Oaks Swim and Racquet Club. The Board requested that Mr. Black research the matter further and report back to the Board when he had more information on the type of sign and a proposed location.

The Board then recognized Ms. Wilson, who noted that several residents in Cypresswood Lake are interested in curbside recycling. The Board explained to Ms. Wilson that it has considered this matter in the past but it was never implemented because it would cost each customer approximately \$4.00/month but would only be used by 35-40% of those customers. Director Satterwhite stated that she would look into the matter and report back to the Board at a later date.

OPERATOR'S REPORT

The Board next 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 2,145 connections, and a billed to pumped ratio for the prior month of 88.8%. Mr. Zilko reported that there were no excursions at the wastewater treatment plant.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the Operator's Report.

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 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.

PUBLIC HEARING ON GOODS IN TRANSIT

The Board recognized Ms. Parker, who explained that during the 2007 regular session, the Texas Legislature passed House Bill 621 which exempts goods from taxation, principally inventory, that are stored in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days. Ms. Parker noted that such a facility is not currently located within the District, however, this may change as manufacturers look for locations that have not acted to tax such goods. Ms. Parker continued that in order to tax goods in transit, the Board must hold a public hearing on the question of whether to tax them or to let them become exempt. Following such hearing, the Board can adopt a resolution documenting its decision to tax such goods. Ms. Parker noted that HB 621 only requires that any taxing jurisdiction that desires to tax such goods must act to tax the goods before the end of 2007.

The Board then open the public hearing on the question of whether to tax goods in transit or to let them become exempt. Following several questions from the public the Board closed the public hearing and resumed its regular meeting.

BOOKKEEPER'S REPORT/INVESTMENT REPORT

The Board next 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 made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to approve the Bookkeeper's Report, Investment Report, as presented, and the checks presented for payment.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis who presented the Engineering/Development Report. Mr. Davis noted that (1) the District has received an application for service from Shipley's Donuts and the District has utilities available to the subject site, (ii) the backflow prevention valves for the lakes have been approved by the Harris County Flood Control District, and (iii) the District's next bond application will be submitted to the Texas Commission on Environmental Quality (the "TCEQ") on October 11, 2007.

Water Plant No. 1

Mr. Davis noted that the plans and specifications for the rehabilitation/repainting of Water Plant No. 1 have been approved by the TCEQ. Mr. Davis noted that he will seek authorization from the Board to advertise for bids for such project at the November meeting.

Portrait Homes/Parkside

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

Lakes of Cypress Forest, Detention Pond Phase II

The Board noted there was not action to be taken on this item.

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, 2006, 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. ("Cravens").

The Board noted there was not action to be taken on this item.

Spring Park Retail Center

Mr. Davis presented to and reviewed with the Board plans for the development of the Spring Park Retail Center by MetroNational. Mr. Davis reminded the Board that MetroNational previously submitted an Application for Service and that there is adequate water and wastewater capacity available to serve the subject site.

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

Waste Discharge Permit Renewal

Mr. Davis noted that the application for renewal of the District's waste discharge permit has been submitted to the TCEQ.

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

ATTORNEY'S REPORT

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

Approve Minutes of September 12, 2007 and September 20, 2007 Board Meetings

The minutes for the Board meetings of September 12, 2007 and September 20, 2007 previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Stevens and seconded by Director Strickland, the Board voted unanimously to approve the minutes from the meeting of September 12, 2007, as amended.

The Board deferred approval of the minutes from the meeting of September 20, 2007.

Resolution Regarding Goods in Transit

Consideration was then given to approving a Resolution Regarding Goods in Transit. Mr. Kahn explained that such resolution documents the Board's decision to tax goods in transit beginning in 2008.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to approve the Resolution Regarding Goods in Transit.

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 that the District has purchased a Bobcat utility tractor for \$12,800.00. Mr. Gerzak also presented to and reviewed with the Board a preliminary sketch of the maintenance building that is to be constructed within the wastewater treatment plant site.

Mr. Gerzak next requested approval to increase the cost of Job # 6006 to \$32,821.

Upon motion made by Director Satterwhite and seconded by Director Strickland, the Board voted unanimously to approve (i) the Project Manager's Report, and (ii) the increase the cost of Job # 6006 to \$32,821.

CLOSED SESSION

Upon motion duly made by Director Satterwhite and seconded by Director Strickland, the Board voted unanimously to convene in closed session at 9:20 p.m. to discuss personnel matters.

OPEN SESSION

Upon motion duly made by Director Satterwhite and seconded by Director Strickland, the Board voted unanimously to reconvene in open session at 9:55 p.m.

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

APPROVED THIS November 14, 2007.


Secretary, Board of Directors