

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

November 14, 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 **November 14, 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; Pat Hall of Equi-Tax, Inc. ("Equi-Tax"), Tax Assessor for the District; Kay Divin 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; Sharon Greenwood with BKD, LLP, the District's auditor; members of the public listed on the attached Attendance Sheet; 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 Ms. Hall 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. Ms. Hall noted that (i) 97.7% of the District's 2006 taxes have been collected and (ii) the 2007 tax bills were mailed on November 7, 2007.

Upon motion made by Director Stevens 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.

PEACE OFFICER'S REPORT

The Board recognized Mr. Beck, who updated the Board on the status of the investigation resulting from damage to the security system at the District's park. Mr. Beck noted that one of the four suspects has been identified. Mr. Beck also asked whether the District would like to offer a reward for information that leads to an arrest and conviction of the suspects.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to authorize up to a \$500.00 reward for information leading to the arrest and conviction of the suspects.

The Board next discussed the problems associated with the security cameras/system installed by Gordon Safe & Lock. The Board instructed Director Strickland to discuss the issues with Wendell Case to see if such issues can be resolved by the date of the next District meeting.

AUDIT FOR FISCAL YEAR ENDING JULY 31, 2006

The Board recognized Ms. Greenwood, who presented the Board with a draft of the audit of the District's financial records for the fiscal year ending July 31, 2007. Ms. Greenwood reviewed the audit with the Board, including information that was added this year to the audit in response the Statement of Accounting Standards No. 112.

After further discussion, a motion was made by Director Strickland, seconded by Director Stevens and approved by unanimous vote to approve the audit of the District's financial records for the fiscal year ending July 31, 2007, as presented.

HEAR FROM THE PUBLIC

The Board recognized Mr. Black, who stated that the Enchanted Oaks HOA would be holding its Christmas dinner on Tuesday, December 11, 2007. Mr. Black inquired as to whether the Board would be interested in setting up an information booth at such event. After further discussion, the Board noted that they would like to have an information booth at the event and would be willing to help fund the costs of such event in conjunction with a membership drive for the Forest Oaks Swim and Racquet Club, in an amount not to exceed \$300.00.

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.

The Board also discussed the use of the time clock by the District's employees and ability to use the information from the time clock for payroll

Upon motion made by Director Dowdy 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.

OPERATOR'S REPORT

The Board next recognized Ms. Divin, who presented to the Board the Operator's Report, a copy of which is attached hereto. Ms. Divin reported that the District has 2,144 connections, and a billed to pumped ratio for the prior month of 91.9%. Ms. Divin reported that there were no excursions at the wastewater treatment plant.

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

Ms. Divin next reported that Water Plant No. 2 has a sealed breaker unit that has malfunctioned and that the estimated replacement cost of the breaker is approximately \$14,900.00 plus an additional \$3,000.00 for installation. The Board instructed Mr. Davis to investigate the matter and to take the necessary steps to repair the problem.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to authorize the replacement of the sealed breaker unit at Water Plant No. 2, in an amount not to exceed \$20,000.00, subject to approval of such costs by the District Engineer.

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, Ms. Divin 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 Satterwhite 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.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis who presented the Engineering/Development Report. Mr. Davis noted that the stormwater discharge permit for Cypress Forest Lakes is up for renewal.

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 requested authorization from the Board to advertise for bids for such project.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to authorize the advertisement for bids for the rehabilitation/repainting of Water Plant No. 1.

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.

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.

Haas Detention Pond

Mr. Davis discussed with the Board the continuing issues regarding the maintenance of the Haas detention pond. Mr. Davis presented the Board with several letters from District residents who live near such detention pond requesting that the area be maintained. Mr. Davis reminded the Board that the District owns the property, however, Haas is responsible for the maintenance of the pond.

Mr. Kahn explained that one possible solution to the problem is to have the District maintain the detention pond as part of its maintenance schedule for other District property and then bill the costs of such maintenance pro-rata based on acreage between Fred Haas and Northwood Lincoln Mercury.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to have the District maintain the Haas detention pond and to bill the costs of such maintenance pro-rata based on acreage between Fred Haas and Northwood Lincoln Mercury, subject to Haas and Northwood Lincoln Mercury agreeing to have such costs included as a line-item on their water bills and also agreeing to allow the District to terminate water service if the maintenance portion of such bill is not paid.

The Board also instructed Mr. Davis and Ms. Divin to obtain three written bids for such maintenance.

ATTORNEY'S REPORT

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

Order Canvassing Election Returns

It was noted that the District held a Bond Election on Tuesday, November 6, 2007. Results in the return envelope indicate that the duly qualified resident voters in the District voted 11-4 for the authorization of additional bonds by the District in the amount of \$10,000,000. Mr. Kahn presented for the Board's approval an Order Canvassing Returns of Election, which Order reflects the above stated results of said election.

Upon a motion made by Director Dowdy, seconded by Director Strickland and approved by unanimous vote, the Board approved the Order Canvassing Returns of Election.

Amendment to Notice to Sellers and Purchasers

The Board next considered approving an amendment to Notice to Sellers and Purchasers of Real Estate Located Within the District. Mr. Kahn stated that the Texas Water Code stipulates the form of the Notice and the information the Notice is to contain including the name of the District, the District's tax rate, the amount of bonds authorized, the services provided by the District, a metes and bounds description of the District and a boundary map of the District. Mr. Kahn continued that such Notice is being amended at this time to reflect that increase in the amount of authorized bonds of the District. Mr. Kahn stated that the amended Notice will be filed in the Harris County Real Property Records and with the Texas Commission on Environmental Quality (the "Commission").

Upon a motion made by Director Dowdy, seconded by Director Strickland, the Board by unanimous vote approved the amendment to Notice to Sellers and Purchasers of Real Estate Located Within the District and authorized Mr. Kahn to file said Notice in the Harris County Real Property Records and with the Commission.

Approve Minutes of September 20, 2007, October 10, 2007 and October 18, 2007 Board Meetings

The minutes for the Board meetings of September 20, 2007, October 10, 2007 and October 18, 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 meetings of September 20, 2007, October 10, 2007 and October 18, 2007, as amended.

PROJECT MANAGER'S REPORT

The Board recognized Mr. Gerzak, who presented to and reviewed with the Board the Project Manager's Report. Mr. Gerzak discussed the possibility of adding lighting in certain areas of the park.

CLOSED SESSION

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to convene in closed session at 10:35 p.m. to discuss personnel matters.

OPEN SESSION

Upon motion duly made by Director Stevens and seconded by Director Strickland, the Board voted unanimously to reconvene in open session at 11:05 p.m.

Prior to adjourning the meeting, Director Stevens noted several items that he would like the District to consider in the near future, including, (i) implementing procedures to hire a new manager/facilities coordinator for the District, (ii) purchasing tables, chairs, BBQ pits, etc. to encourage the use of the pavilion, and (iii) planning for a grand opening celebration of the park on Memorial Day weekend in May 2008.

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

APPROVED THIS December 12, 2007.


Secretary, Board of Directors