

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

**November 5, 2007**

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

§  
§  
§  
§

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 110 (the "District") met in **special session**, open to the public, at the designated meeting place of the Board in the District on **November 5, 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 David Caramanidis, Executive Facilities Coordinator ("EFC") for the Forest Oaks Swim and Racquet Club ("FOSRC"); Art Gerzak, Project Manager for the District; Deputy Constable Mike Moreno with Harris County Precinct No. 4; Stephen Eustis with RBC Capital Markets, Financial Advisor to the District; Patsy Waldrop with BKD, LLP, the District's Auditor; and Maria S. Parker and Josh J. Kahn 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.

**BOND ANTICIPATION NOTE, SERIES 2007**

The Board discussed the Bond Anticipation Note ("BAN"), Series 2007. The Board recognized Mr. Eustis, who noted that Bank of America has agreed to purchase the BAN at an interest rate of 3.41%. The Board recognized Mr. Kahn, who explained that the BAN will be issued (1) to reimburse Cypress Creek Townoffices Limited ("CCTO") for the construction of water distribution, wastewater collection, and storm drainage facilities to serve Cypress Forest Lakes, Section 1, The Lakes of Cypress Forest, Section 2 and The Lakes of Cypress Forest, Section 3, subdivisions within the District; and (2) pay certain costs of issuing the BAN. Mr. Kahn noted that the BAN is required to be paid off within one year from the date of issuance and will be retired with the proceeds of the District's next bond issue. Mr. Kahn noted that the Commission is currently reviewing such bond application and that such application should be approved within the next year. Mr. Kahn continued that the BAN will be funded on or about November 20, 2007.

Mr. Kahn then explained the documents that the Board must approve in order to sell the BAN. First, Mr. Kahn explained the Resolution Authorizing Harris County Water Control and Improvement District No. 96 Bond Anticipation Note, Series 2007. Second, Mr. Kahn reviewed the General Certificate with the Board and outlined the contents of the General Certificate. Third, Mr. Kahn presented to the Board the Signature Identification and No-Litigation Certificate and explained the contents of that document. Fourth, Mr. Kahn reviewed the Certificate as to Tax-Exemption with the Board. Finally, Mr. Kahn presented to and reviewed with the Board the acknowledgment letter from the purchaser of the BAN, Bank of America.

Upon a motion made by Director Strickland, seconded by Director Stevens and after further discussion, the Board voted unanimously to approve the Resolution Authorizing Harris County Water Control and Improvement District No. 110 Bond Anticipation Note, Series 2007, the General Certificate, the Signature Identification and No-Litigation Certificate, the Certificate as to Tax-Exemption, and the acknowledgment letter from the purchaser of the BAN.

### **ENGAGE AUDITOR**

The Board recognized Ms. Waldrop, who presented a services agreement from BKD, LLP to prepare a developer reimbursement audit in connection with the sale of the BAN.

Upon a motion made by Director Strickland, seconded by Director Dowdy, the Board unanimously voted to engage BKD, LLP to prepare a developer reimbursement audit in connection with the sale of the BAN.

### **APPROVE DEVELOPER REIMBURSEMENT AUDIT**

The Board recognized Ms. Waldrop, who presented the developer reimbursement audit prepared in connection with the BAN prepared by her firm.

Upon a motion made by Director Strickland and seconded by Director Satterwhite, the Board by unanimous vote approved the developer reimbursement audit and authorized the payment to CCTO in the amount contained in such audit upon funding of the BAN and receipt of approval from the Texas Commission on Environmental Quality to purchase the facilities to be funded with the BAN.

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

The Board recognized Mr. Moreno, who reported on the vandalism that occurred at the District's park over the weekend resulting in the destruction of two security cameras and other equipment.

The Board also discussed the possibility of hiring an additional peace officer or hiring off-duty officer(s) to patrol within the District.

### **CLOSED SESSION NO. 1**

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to convene in closed session at 9:55 a.m. to discuss personnel matters.

## **OPEN SESSION**

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 10:50 a.m.

## **PERFORMANCE REVIEW OF EFC**

The Board recognized Mr. Caramanidis, who submitted his resignation as EFC to the Board effective immediately, with the understanding that (i) he would be retained in the capacity as tennis pro for the FOSRC with compensation for such position to be determined, (ii) he is allowed to continue using his current office space, and (iii) he is compensated as EFC through November 30, 2007.

Upon a motion made by Director Strickland and seconded by Director Satterwhite, the Board by unanimous vote accepted the resignation of Mr. Caraminidis as EFC and agreed to the conditions of his resignation.

## **CLOSED SESSION NO. 2**

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to re-convene in closed session at 11:15 a.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 12:15 p.m.

## **TIME CLOCK PROCEDURES**

The Board reviewed and discussed the proposed Time Clock Procedures for the District's employees. The Board noted several changes that needed to be made to such procedures.

Upon a motion made by Director Satterwhite and seconded by Director Stevens, the Board by unanimous vote approved the Time Clock Procedures, as amended, effective at the beginning of the next pay period for purposes of payment and effective on November 6, 2007 for purposes of attendance, with the understanding that all District employees except for the Project Manager are non-exempt employees and must use the time clock.

## **LAKE MANAGEMENT CONTRACT**

The Board next considered approving the renewal of the District's contract with Lake Management Services, LP for monthly maintenance of the District's lakes for the next calendar year.

Upon a motion made by Director Strickland and seconded by Director Dowdy, the Board by unanimous vote approved the renewal of the District's contract with Lake Management Services, LP.

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