

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

November 12, 2008

**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 12, 2008 at 6:00 p.m.**, 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 Director Williams, thus constituting a quorum.

Also attending the meeting were Kay Divin, the District's Water and Sewer Operations Manager; Art Gerzak, Construction Projects 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; Michael J. Ammel and Karl Skarboszewski of Environmental Development Partners, Operator for the District ("EDP"); Ronny Hecht with Urban Meridian Group, Inc.; Jerry Betts and Jim Cartwright of Lippke Cartwright & Roberts, Inc., engineers for Urban Meridian Group, Inc.; Deputy Constable George Beck with Harris County Precinct No. 4; Bob Sordahl and Emmett Poindexter, residents of the District; 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.

HEAR FROM THE PUBLIC

The Board recognized Mr. Hecht with Urban Meridian Group, Inc., the owners of property at the northwest corner of Louetta and IH-45. Mr. Hecht noted that 3.993 acres of the property owned by his company were already within the boundaries of the District, however, there are two additional tracts owned by his company (a 2.090 acre tract and a 1.089 acre tract) that are not currently within the boundaries of the District but that Urban Meridian Group, Inc. would like to be annexed into the District. Mr. Hecht continued that all three tracts will be part of the same development and would require approximately 75 equivalent single family connections to serve the tract currently within the District and approximately 75 equivalent single family connections to serve the two tracts currently outside the boundaries of the District. Mr. Davis and Ms. Parker noted that they would need to review the original commitment letter issued to the previous owner of the subject tract to determine if any additional capacity is available. The Board instructed Mr. Davis and Ms. Parker to evaluate the proposed development to see what, if any, improvements would need to be made to District facilities to accommodate the proposed development and the estimated costs of such improvements. The Board informed Mr. Hecht that they are generally in favor of the annexation if the capacity issues can be worked out.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Byrd, 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 (i) 99.0% of the District's 2007 taxes have been collected and (ii) 2008 tax statements have been mailed.

Upon motion duly made by Director Stevens and seconded by Director Dowdy, the Board unanimously voted to (i) approve the Tax Assessor/Collector's Report and (ii) authorize the payment of checks listed therein.

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.

Ms. Jarmon also inquired as to whether the District would consider amending its list of authorized brokers to include Third Coast Bank, who is offering a 4.00% certificate of deposit for six months.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to (i) approve the Bookkeeper's Report, (ii) approve the Investment Report, as presented, (iii) to approve the checks presented for payment, and (iv) amend the District's list of authorized brokers to include Third Coast Bank.

OPERATOR'S REPORT

The Board next recognized Mr. Ammel, who presented to the Board the Operator's Report, a copy of which is attached hereto. Mr. Ammel discussed with the Board (i) the recent FEMA workshop that was held to discuss possible reimbursement for damage caused by Hurricane Ike and (ii) the waterline offset for the Kensinger tract.

Mr. Ammel noted that the contractor, MagnaFlow, performing the cleaning of the digester at the District's wastewater treatment plant agreed to perform the work based on actual time, therefore the cost of the cleaning was \$7,750.00 rather than the estimated \$10,000.00.

Mr. Ammel then presented to and reviewed with the Board a quote from All-Pump & Equip. Co. in the amount of \$4,994.30 for the replacement of eleven air drops and twenty-one diffusers at the District's wastewater treatment plant.

Mr. Ammel reviewed with the Board the results of the survey and flow testing of the approximately 320 fire hydrants in the District. Mr. Ammel explained that three hydrants need to be replaced (at a cost of approximately \$3,000.00 each) and two hydrants need to be repaired (at a cost of approximately \$1,000.00 each).

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to (i) approve the Operator's Report, (ii) approve the replacement of eleven air drops and twenty-one diffusers at the District's wastewater treatment by All-Pump & Equip. Co. in the amount of \$4,994.30, and (iii) approve the fire hydrant maintenance in the amount of \$11,000.00 (replacement of three hydrants and repair of 2 hydrants).

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. Ammel presented to the Board a list of proposed 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.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis who presented the Engineering/Development Report.

Siding /Roof/ Bar Screen For Wastewater Treatment Plant

Mr. Davis reminded the Board that bids were received on May 2, 2008 for the installation of the automatic bar screen at the wastewater treatment plant with the low bidder being Neil Technical Services, Corp. ("NTS") in the amount of \$312,350.00. Mr. Davis noted that there was no pay estimate to be approved for the project this month, however, the automatic bar screen is scheduled to be delivered in December 2008 and installed in January 2009.

Lakes of Cypress Forest and Cypress Forest Lakes

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

Cheddar's Restaurant

Mr. Davis noted that he has received plans from Property Commerce for the proposed Cheddar's Restaurant in the District.

Repainting of Tanks at Water Plant No. 1

Mr. Davis reminded the Board that at the meeting of January 17, 2008 that the Board awarded the contract for the Rehabilitation Project for Water Plant No. 1 to L.C. United Painting ("LC") in the amount of \$232,000.00. Mr. Davis updated the Board on the status of this project. Mr. Davis then presented to and reviewed with the Board, Pay Estimate No. 1 and Final to LC in the amount of \$239,000.00. Mr. Davis also presented the Certificate of Completion, Certificate of Acceptance and One-Year Warranty Letter (from 11/12/08 to 11/12/09) for such project.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve Pay Estimate No. 1 and Final to LC in the amount of \$239,000.00, as well as the Certificate of Completion, Certificate of Acceptance and One-Year Warranty Letter for such project.

Fence for Wastewater Treatment Plant

No action was taken on this item.

Kensinger/Easterling Tract

Mr. Davis discussed with the Board the proposed utility commitment letters for (1) a 98-room hotel on a portion of the Kensinger/Easterling tract in the amount of 16,000 gallons per day ("gpd") and (2) a restaurant on a 1.30 acre tract in the amount of 10,000 gpd. Mr. Davis noted that the unused capacity the District owns in the Harris County Municipal Utility District No. 249 is sufficient to serve said tract. Ms. Parker noted that the commitment letters will provide that (i) if the user exceeds the amount of their committed capacity the user will be responsible for paying any and all costs necessary to direct flows to the District's wastewater treatment plant, and (ii) the property owners association for such tract will be solely responsible for the maintenance of the detention pond serving such tracts and that such maintenance requirements are to be a covenant running with the land.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the utility commitment letters to Comfort Suite and the proposed restaurant, subject to approval of such letters by the District's Engineer and Attorneys, and to authorize Director Williams to execute such letters once approved.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

The Board recognized Ms. Divin, who presented to and reviewed with the Board a report from Accurate Meter & Backflow, LLC on the testing of the commercial meters in the District. Ms. Divin stated that such report provides that there are six commercial meters in the District that are in need of repair at a cost of approximately \$4,190.00.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to approve the repairs to the commercial meters as provided in the report from Accurate Meter & Backflow, LLC, subject to review of such report by the District's Operator.

ATTORNEY'S REPORT

The Board recognized Ms. Parker and Mr. Kahn, who presented the Attorney's Report. Mr. Kahn informed the Board that he received a letter of resignation from Lori Rosenbower as the District's Parks and Recreation Manager, effective November 13, 2008.

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to authorize Director Dowdy to begin the search for a replacement Parks and Recreation Manager, including placing an ad on monster.com.

Approve Minutes of Meetings of September 3, 2008, September 18, 2008, September 26, 2008, October 6, 2008, October 8, 2008, October 21, 2008 and November 6, 2008

Proposed minutes of the meetings held September 3, 2008, September 18, 2008, September 26, 2008, October 6, 2008, October 8, 2008, October 21, 2008 and November 6, 2008, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to approve the minutes from the meetings of September 3, 2008, September 18, 2008, September 26, 2008, October 6, 2008, October 8, 2008 and October 21, 2008, as presented.

The Board deferred action on the approval of the minutes from the November 6, 2008 meeting.

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

APPROVED THIS December 10, 2008.


Secretary, Board of Directors