

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

September 26, 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 **special session**, open to the public, at the designated meeting place of the Board in the District on **September 26, 2008 at 9:00 a.m.**, whereupon the roll was called of the duly constituted officers and members of the Board, to-wit:

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|---------------------|---|------------------------------|
| 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 Kay Divin, the District's Water and Sewer Operations Manager; Art Gerzak, Construction Projects Manager for the District; Jan Bartholomew of RBC Capital Markets Corporation, the District's Financial Advisor; Deputy Constable Dianne Hill with Harris County Precinct No. 4; Bob Sordahl and Emmett Poindexter, residents of the District; and Maria Salinas 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.

DISCUSS 2008 TAX RATE

The Board recognized Ms. Bartholomew, who discussed the 2008 tax rate recommendation. Ms. Bartholomew explained the procedures that the District must follow prior to adopting its 2008 Tax Rate. These procedures involve publishing notice of the District's tax rate hearing in a newspaper of general circulation within the District at least 7 days prior to such hearing or mailing notice of the District's tax rate hearing to all landowners within the District at least 10 days prior to such hearing.

Upon a motion by Director Strickland, seconded by Director Dowdy, the Board by unanimous vote authorized the District's Tax Assessor/Collector to publish notice of the District's Tax Rate Hearing on the proposed 2008 tax rate to be held on Thursday, October 16, 2008 at 6:00 p.m., consisting of \$0.35 per \$100 of assessed valuation for debt service purposes and a maintenance tax of \$0.15 per \$100 of assessed valuation for a total 2008 tax rate of \$0.50 per \$100 assessed valuation.

FINANCIAL ADVISOR'S REPORT

The Board recognized Ms. Bartholomew, who discussed matters related to the District's \$8,040,000 Unlimited Tax and Revenue Bonds, Series 2008 (the "Bonds"). Ms. Bartholomew noted that the District has received the staff memorandums from the Texas Commission on Environmental Quality (the "Commission") in connection with the District's two bond applications so the District can now proceed with planning for the sale of the Bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT

The Board recognized Ms. Bartholomew, who presented a draft of the Preliminary Official Statement ("POS") related to the sale of the Bonds, as prepared by her firm. Ms. Bartholomew reviewed the contents of the POS with the Board. Ms. Bartholomew stated that the POS is the disclosure document which informs any potential purchaser of the Bonds, among other information, of the risks associated with the purchase. Ms. Bartholomew stated that copies of the POS will be provided to all prospective purchasers of the Bonds.

After further discussion, Director Strickland moved the Board: (1) approve an Order Adopting Official Notice of Sale and Bid Form; (2) authorize the distribution of the Official Notice of Sale and Bid Form; (3) authorize the distribution of the Preliminary Official Statement, subject to any changes being made by the District's directors and consultants; and (4) authorize the publication of the Notice of Sale of the Bonds. The motion was seconded by Director Satterwhite and approved by unanimous vote of the Board.

AUTHORIZE FINANCIAL ADVISOR TO BID ON BONDS

The Board next considered authorizing RBC Capital Markets Corporation to bid on the Bonds.

Upon a motion by Director Dowdy, seconded by Director Satterwhite, and approved by unanimous vote, the Board authorized RBC Capital Markets Corporation to bid on the Bonds, and approved the Resolution evidencing same.

CLOSED SESSION

Upon motion duly made by Director Dowdy and seconded by Director Satterwhite, the Board voted unanimously to convene in closed session at 9:40 a.m. to discuss personnel matters.

OPEN SESSION

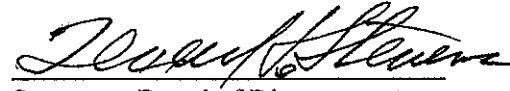
Upon motion duly made by Director Stevens and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 12:15 p.m.

Upon a motion by Director Dowdy, seconded by Director Strickland, and approved by a vote of 3-2, with Directors Satterwhite and Williams voting against, the Board authorized the District's Attorney to send an e-mail to Lori Rosenbower informing her that she is expected to return to work for the District on Monday, September 29, 2008 and her failure to do so will be deemed by the Board as her voluntary resignation from her position as Parks and Recreation Manager.

The Board next discussed the remaining projects to be completed by the Construction Projects Manager.

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

APPROVED THIS November 12, 2008.


Secretary, Board of Directors