

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

October 8, 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 **October 8, 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, thus constituting a quorum.

Also attending the meeting were Lori Rosenbower, Parks and Recreation Manager for the District; 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"); Deputy Constable George Beck with Harris County Precinct No. 4; Bob Sordahl, Emmett Poindexter and Peter Black, 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.

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 98.7% of the District's 2007 taxes have been collected. Mr. Byrd also noted that the District has received a certified taxable value for 2008 of \$516,784,294, which included \$73,805,118 in owner's opinion of value.

Upon motion duly 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 Delores McSherry, who addressed the Board concerning her daughter's employment at the District. The Board explained that they have received several written complaints from District employees and that Director Stevens, the park liaison, has been instructed to investigate the circumstances that led to such complaints and to report back to the Board by January 1, 2009. Various other members of the public voiced concerns over park operations and voiced support for the employees and the jobs that they are doing.

Director Stevens then read a statement, a copy of which is attached hereto, of the issues that he is aware of regarding the District employees.

The Board next recognized Therese Wilson, who discussed District participation in clearing three (3) detention ponds in the Cypresswood Lake subdivision. Ms. Divin explained that the ponds are owned by the Cypresswood Lake Homeowners Association, however, Ms. Wilson has inquired as to the possibility of having the District clear such ponds of trees and overgrown vegetation with the District billing the costs for such project to the residents of the Cypresswood Lake subdivision. Ms. Divin and Ms. Wilson next presented to and reviewed with the Board several bids for the clean-up of such ponds, with the low bidder being Champions Hydro-Lawn in the amount of approximately \$100,000. The Board raised several concerns with the proposed arrangement. After further discussion, the Board authorized Ms. Divin and Ms. Wilson to look into the matter further, including obtaining more precise estimates for the costs of the project, and report back to the Board.

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 the response to Hurricane Ike and the possible purchase of an emergency generator for the District's wastewater treatment plant. Ms. Parker noted that the District's Operator and Attorney are filing paperwork with the State and with FEMA for potential reimbursement for storm related costs.

Mr. Ammel next presented a request from a customer in the District for a payment plan to pay his water bill in four (4) monthly installments. The Board informed Mr. Ammel that his office has authority to enter into such arrangements if they are reasonable.

Mr. Ammel then presented to and reviewed with the Board a quote from MagnaFlow to clean sand from the digester at the District's wastewater treatment plant in the amount of \$10,000. The Board approved the project but noted that they would like to use surplus funds to pay for such project.

Upon motion made by Director Dowdy and seconded by Director Strickland, 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. Ammel 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 Dowdy and seconded by Director Strickland, 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.

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. Director Dowdy discussed amendments to the budget for the fiscal year ending July 31, 2009 that would need to be made once he finalizes, and the Board approves, the budgets for the Parks and Recreation Manager, the Water and Sewer Operations Manager, and the Construction Projects Manager.

Ms. Jarmon next presented to and reviewed with the Board correspondence from the Cypress Creek Flood Control Coalition.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to approve the Bookkeeper's Report, Investment Report, as amended, and the checks presented for payment.

CONSTRUCTION PROJECTS MANAGER'S REPORT

The Board recognized Mr. Gerczak, who presented to and reviewed with the Board the Construction Projects Manager's Report. Mr. Gerczak discussed the status of the clean-up of the parks area following Hurricane Ike. Mr. Gerczak also requested approval to add Project No. 9062 in the amount of \$29,800 for the extension of the Forest Lake north water feature.

Upon motion made by Director Dowdy and seconded by Director Strickland, the Board unanimously voted to authorize Project No. 9062 for the extension of the Forest Lake north water feature in the amount of \$29,800.

Maintenance Building

Mr. Gerczak discussed the construction of the maintenance barn and updated the Board on the status of obtaining the permit necessary for Ms. Divin and the constables to occupy such building. The Board next discussed authorizing Ms. Divin to purchase furniture for such building, including alarm system, appliances, computer, phone system and furniture.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to authorize Ms. Divin to spend up to \$25,000 for furnishing the maintenance building.

PEACE OFFICERS REPORT

The Board recognized Mr. Beck, who presented the Peace Officer's Report.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis, who presented the Engineering/Development Report. Mr. Davis updated the Board on the status of the annexation of various tracts into the District. Mr. Davis presented to and reviewed with the Board a copy of the Stormwater Quality Plan for the lakes in the park.

Siding /Roof/ Bar Screen For Wastewater Treatment Plant

Mr. Davis noted 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.

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 noted that he has received a pay request from LC and he will review and recommend payment at the District's next regular meeting.

Kings Village

The Board noted that construction of Kings Village is underway.

Fence for Wastewater Treatment Plant

No action was taken on this item.

North Harris County Regional Water Authority ("NHCRWA")

Mr. Davis stated that the District's bond application necessary to make capital contribution for their proportionate share of the NHCRWA's upcoming bond issue has been approved by the Texas Commission on Environmental Quality.

Annexation/Service Request

Mr. Davis next discussed the possible annexation of the tract owned by Mr. Aspinall into the District. Mr. Davis noted that the adjacent tract owned by Mr. Bennett has decided not to go forward with annexation. Ms. Divin explained that the usual fee for annexation is \$5,000, however, because Mr. Aspinall and Mr. Bennett were going to be annexed at the same time, each landowner was to put of \$2,500. Mr. Aspinall has made his \$2,500 deposit, however, since Mr. Bennett is not proceeding with annexation, Ms. Divin inquired as to whether Mr. Aspinall would have to deposit an additional \$2,500. The Board noted that the \$2,500 deposit would be sufficient, so long as Mr. Aspinall understood that additional funds may be necessary in the future.

The Board next discussed the installation of a sewer line to serve Mr. Aspinall's tract. After further discussion about the best alternative for the installation of such line, the Board noted that they may consider paying for the installation of such line in exchange for Mr. Aspinall granting the District an easement across the rear of his property. The District's Engineer and Operator noted that they would discuss this possibility with Mr. Aspinall and report back to the Board.

RECREATION REPORT

The Board recognized Ms. Rosenbower, who presented the Recreation Report. Ms. Rosenbower addressed the concerns that were raised at the District's October 6, 2008 meeting regarding security at the pool. Ms. Rosenbower noted that her staff is required to make certain that the access gates to the pool are locked each day prior to leaving work.

Director Satterwhite noted that the District needs to verify social security numbers on all District employees as soon as possible. The Board instructed the District's Attorney to obtain the necessary information from the various Managers in order to verify social security numbers. Mr. Kahn then noted that his firm has set up an account, on behalf of the District, with a company to perform criminal background checks on all District employees. The Board instructed Mr. Kahn to perform a preliminary search on the Texas Department of Public Safety website and/or on publicdata.com before having an official criminal background check performed.


The Board also discussed the Grand Opening for the park that was to be held on Saturday, October 11, 2008. The Board noted that the event has been cancelled due to the damage caused to the parks area by Hurricane Ike.

ATTORNEY'S REPORT

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

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