

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

January 9, 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 **January 9, 2008**, 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; Ken Streeter with Cypress Creek Town Offices, Ltd. ("CCTO") Developer of Land in 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, Chris Zilko and Bill Wright of Aqua Services, LP, Operator for the District ("Aqua Services"); Deputy Constables George Beck, Larry Finley and Gabriel Moore with Harris County Precinct No. 4; Bob Sordahl, Emmet Poindexter, Peter Black, Therese Wilson, Ronnie Kwok and Jason Kwok, residents of the District; 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 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 11.1% of the District's 2007 taxes have been collected. The Board reviewed a report from the District's delinquent tax attorney regarding the status of collection of the delinquent taxes for 2006 and prior years. The Board also reminded Ms. Hall that the District would like to review a list of the business personal property accounts that need to be written-off by the District.

Upon motion made by Director Stevens and seconded by Director Strickland, 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 Mr. Jason Kwok, who explained to the Board the problems he has been having with his water bill and also locating the water meter at his residence. Mr. Zilko noted that the meter was located earlier in the week and this problem was caused because the homebuilder buried the meter during construction. The Board noted that Mr. Kwok would receive the minimum water bill from the date he moved into his home until the date the meter was located and would thereafter be charged in accordance with the District's Rate Order.

The Board next recognized Ms. Wilson, who inquired with the Board again about the possibility of adding recycling to the current trash collection. The Board discussed the possibility and then instructed the District's attorney to solicit quotes on recycling from Republic Waste and Residential Recycling of Texas. Once the quotes are received, the Board will perform some type of survey to determine if a majority of residents would be interested in recycling and in paying an extra fee for such service each month.

The Board then recognized Mr. Black, who inquired as to whether the Enchanted Oaks homeowners association could post notices of its annual meetings and other special events on the marquee outside the District office. The Board instructed the District's attorneys to prepare a policy on such issue. Mr. Black also inquired about the dog leash policy at the District's park. The Board noted that the District has adopted the same policy as Harris County.

PEACE OFFICER'S REPORT

The Board recognized Mr. Finley and Mr. Beck, who discussed with the Board the possibility of hiring an additional peace officer for the District or increasing the amount of overtime authorized per month for the current peace officers. The Constables presented statistics showing that the overwhelming majority of calls within the District originate in the commercial areas of the District. The Board noted that they would be in favor of hiring an additional peace officer if the District's Rate Order could be revised to increase rates/fees to commercial customers in an amount sufficient to pay for such additional officer. The District's Attorneys noted that they would research the matter and report back to the Board at their next meeting.

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.

Upon motion made by Director Strickland and seconded by Director Dowdy, 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 2,145 connections, and a billed to pumped ratio for the prior month of 92.1%. Ms. Divin reported that there were no excursions at the wastewater treatment plant.

Ms. Divin, Mr. Zilko and Mr. Wright next reported on the resolution of the issue with the sealed breaker at Water Plant No. 2. A timeline of events associated with such issue was also presented to the Board.

Ms. Divin also discussed the new phone system that the District's residents will now use as a result of the name change to Southwest Water Company.

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

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 no 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.

Haas Detention Pond

Mr. Davis discussed with the Board the continuing issues regarding the maintenance of the Haas detention pond. Mr. Davis reminded the Board that at their meeting on December 12, 2007, the Board authorized Mr. Davis to negotiate with Champion Hydro-Lawn ("Champion") on a contract for mowing the detention pond 3-4 times a year. Mr. Davis noted that Champions has agreed to reduce its bid to provide for

a mowing every other month, including fertilizing once/year, for an annual fee of \$8,207.60, plus a one-time fee to clean-up the detention pond of \$8,500.00. Mr. Davis reminded the Board that the costs of such mowing would be passed through to Haas and Northwood Lincoln-Mercury pro-rata based on acreage (as found on the recorded plats for each tract) and would be included on the monthly water bills each.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to approve the maintenance contract with Champions and to authorize the District's engineer, operator and attorney to take steps necessary to have the costs of such mowing on the monthly water bills of Haas and Northwood Lincoln-Mercury.

Conn's Appliances

Mr. Davis noted that Conn's Appliances was under construction in the old Albertson's location.

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

Inspection of Storm Sewer System

Mr. Davis next presented to and reviewed with the Board a video inspection report prepared by SourcePoint Solutions on the inspection of a portion of the District's storm sewer system in Enchanted Oaks. Mr. Davis noted that he would present such report to Harris County for them to include the necessary repairs on the County's maintenance schedule.

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

Repainting of Tanks at Water Plant No. 1

Mr. Davis noted that bids for the repainting of the tanks at Water Plant No. 1 would be received on January 15, 2008.

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

Annexation Request

Mr. Davis presented to and reviewed with the Board a request from the developer of the commercial property at the corner of Cypresswood and Hickory Twig to purchase a strip of land owned by the District and adjacent to the District's lift station. The Board noted that they were not interested in selling such land at this time.

ATTORNEY'S REPORT

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

Approve Minutes of November 29, 2007 and December 12, 2007 Board Meetings

The minutes for the Board meetings of November 29, 2007 and December 12, 2007 previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board voted unanimously to approve the minutes from the meetings of November 29, 2007, as amended, and the minutes of December 12, 2007, as presented.

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

APPROVED THIS February 13, 2007.


Secretary, Board of Directors