

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

May 14, 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 **May 14, 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, Park 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 Constables George Beck and Dianne Hill with Harris County Precinct No. 4; Bob Sordahl and Emmet Poindexter, residents of the District; Brian Armstrong, Field Superintendent for Steiner Construction Services, LLC; 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 96.0% of the District's 2007 taxes have been collected.

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, 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. Armstrong, who noted that his company is the contractor building out the space for the Regency Beauty School. Mr. Armstrong requested a variance on behalf of the beauty school to allow them to not have to install a grease trap. Mr. Armstrong noted that there was no food preparation area and no garbage disposal inside the school. Mr. Davis stated that it was his opinion that a grease trap would not be necessary. Mr. Davis also explained that the school is installing a sampling well to test for chemicals, that the plans for the water and sewer taps have been approved by his company, and that an inspection of the taps will be made following installation but prior to such taps being covered with dirt.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to approve a variance for Regency Beauty School to allow them to not have to install a grease trap.

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 reported on the transition of the operations of the District. Mr. Ammel requested authorization to repair Lift Pump No. 1 at the Wastewater Treatment Plant Lift Station in the amount of \$4,695.00.

Mr. Ammel also presented a request from a customer requesting an adjustment to their water bill for filling their pool. The denied such request, as they have done in the past when receiving similar requests.

Upon motion made by Director Satterwhite and seconded by Director Satterwhite, the Board unanimously voted to approve the Operator's Report and to authorize the repair of Lift Pump No. 1 at the Wastewater Treatment Plant Lift Station in the amount of \$4,695.00.

Termination of Water Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. Due to issues that EDP is having obtaining billing information and histories from the District's previous operator, the Board decided that there would be no water terminations this month. Once EDP has had an opportunity to input all of the necessary information, water terminations will resume pursuant to the District's Rate Order.

Amendments to Rate Order

The Board recognized Mr. Ammel and Ms. Divin, who noted that they are compiling a list of several changes that they would like to see made to the District's Rate Order. The Board noted that they would consider such changes at their next meeting.

Consumer Confidence Report

The Board recognized Mr. Ammel, who presented the 2007 Consumer Confidence Report to the Board for review and approval. Mr. Ammel noted that the District is required to provide this report to the District's customers by July 1, 2008 and explained that the report shows the results of various tests performed on the water being produced by the District. Mr. Ammel stated that the results of such tests show that there are no materials in the District's water that exceeded the Environmental Protection Agency guidelines.

After further discussion and upon motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously approved the 2007 Consumer Confidence Report and authorized Mr. Ammel to forward to the District's customers.

PEACE OFFICER'S REPORT

The Board recognized Mr. Beck, who discussed the use of a hand-held radar gun in the District over the past several days and inquired as to whether the District would be interested in purchasing such a radar gun for exclusive use within the District. The Board took no action on this request.

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 Dowdy and seconded by Director Satterwhite, the Board unanimously voted to approve the Bookkeeper's Report, Investment Report, and the checks presented for payment.

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 and Cypress Forest Lakes

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

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.

Kings Village

The Board noted that construction of Kings Village is underway.

Fence for Wastewater Treatment Plant

No action was taken on this item.

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. Mr. Davis noted that Neil Technical Services, Corp. ("NTS") was the low bidder in the amount of \$312,350.00.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to award the contract for the installation of the automatic bar screen at the wastewater treatment plant to NTS in the amount of \$312,350.00.

Maintenance Building

Mr. Davis noted that the District has received approval of the dirt work/fill plans from Harris County for the maintenance building. Mr. Gerczak then discussed the timing on construction of the maintenance building.

North Harris County Regional Water Authority ("NHCRWA")

Mr. Davis presented to and reviewed with the Board a letter from the NHCRWA regarding the NHCRWA's proposed bond issue. Mr. Davis noted that the District has until June 30, 2008 to decide if they are going to make a capital contribution for their proportionate share or if the District was going to continue paying pumpage fees. Mr. Davis explained that if the District elects to make a capital contribution, such contribution is due to the NHCRWA by October 1, 2008. The Board noted that they would like for the District's financial advisor to prepare an analysis relating to proposed NHCRWA bond issue to show whether it would be more beneficial to the District to make a capital contribution or to continue to pay the pumpage fees.

Starbucks at Spring Park Village

Starbucks is proceeding with construction of its facility at Spring Park Village.

REPORT FROM WATER AND SEWER OPERATIONS MANAGER

The Board recognized Ms. Divin, who noted that the Houston Garden Center is requesting a refund/adjustment to their water bill on water lost when their backflow preventer was recently stolen. The Board instructed Ms. Divin to research the matter and provide a one-time adjustment, if necessary.

Ms. Divin also presented updates to the District's website for review by the District's directors and consultants.

ATTORNEY'S REPORT

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

Approve Minutes of February 21, 2008, February 28, 2008, March 7, 2008 and March 12, 2008

The Board deferred action on this agenda item.

Election of Officers

The Board next considered reconstituting the officers of the Board following the May 10, 2008 directors election.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted that the officers remain the same.

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

APPROVED THIS June 11, 2008.


Secretary, Board of Directors