

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

June 11, 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 **June 11, 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 Ken Streeter with Cypress Creek Townoffices, Limited, a Developer of property within the District; 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 Eric Thiery of Environmental Development Partners, Operator for the District ("EDP"); Deputy Constable George Beck 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 (i) 96.6% of the District's 2007 taxes have been collected and (ii) letters notifying delinquent taxpayers of the additional 20% penalty as of July 1 have been mailed.

Mr. Byrd then presented a request for a payment plan from Sean Lynch to pay his delinquent 2007 taxes in installments through October 2008 (approximately \$250.00 per month).

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to (i) approve the Tax Assessor/Collector's Report, (ii) authorize the payment of checks listed therein and (iii) approve the payment plan with Sean Lynch to pay his delinquent 2007 taxes in installments through October 2008

HEAR FROM THE PUBLIC

The Board noted that there were no members of the public present who wished to address the Board.

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.

The Board questioned the invoice from Southwest Water Company ("SWWC") for billing labeled as "May 2008" as SWWC was terminated by the District effective May 1, 2008. The Board instructed Mr. Ammel and Ms. Divin to investigate the matter and report their findings to Director Satterwhite and for Ms. Jarmon to release the check to SWWC only upon the approval of Director Satterwhite.

Ms. Jarmon next reminded the Board that budgets for the July 31, 2009 fiscal year end must be adopted by July 31, 2008. The Board requested that Mr. Gerczak, Ms. Divin and Ms. Rosenbower prepare draft budgets for their areas and send such budgets to the District's Attorney and Bookkeeper for distribution to the Board by the first week in July.

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

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.

Upon motion made by Director Satterwhite 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 Satterwhite 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.

ENGINEERING/DEVELOPMENT REPORT

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

Advanced Auto Parts

Mr. Davis presented to and reviewed with the Board a letter from the engineer for Advanced Auto Parts ("AAP") requesting a variance to the District's requirements to (i) install a grease trap and (ii) install a sample well. Mr. Davis stated that it was his opinion that both a grease trap and sample well were necessary, as required of all other similar commercial establishments in the District.

Upon motion made by Director Stevens and seconded by Director Strickland, the Board unanimously voted to deny the variance requests from AAP for both the grease trap and the sample well.

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. Mr. Davis presented the Board with the construction contract documents for execution and noted that a pre-construction meeting is scheduled for Friday, June 13 at 10:00 a.m.

Portrait Homes/Parkside

Mr. Davis noted that he is still holding the plans for the Portrait Homes project and will not approve them until the First Amendment to the Development and Financing Agreement with Portrait Homes is finalized.

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.

Shipley's

Mr. Davis presented to and reviewed with the Board a water and sanitary sewer availability letter for a Shipley's Donuts in the District.

Kings Village

The Board noted that construction of Kings Village is underway.

Fence for Wastewater Treatment Plant

No action was taken on this item.

United Methodist Foundation ("UMF")

Mr. Davis noted that he has been contacted by UMF regarding possible out-of-District service to a tract owned by UMF adjacent to the District. The Board noted that they would be willing to consider such request once more information is obtained.

North Harris County Regional Water Authority ("NHCRWA")

Mr. Davis reminded the Board that the District has until June 30, 2008 to decide if they are going to make a capital contribution for their proportionate share of the NHCRWA's upcoming bond issue 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.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to authorize the District's engineer to prepare the District's bond application necessary to make capital contribution for their proportionate share of the NHCRWA's upcoming bond issue.

Application to Texas Commission on Environmental Quality for Approval of Bonds

Mr. Kahn next presented to the Board an Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds in connection with the bond application for the NHCRWA capital contribution. Mr. Kahn stated that the projected bond amount is \$3,300,000.

Upon a motion made by Director Strickland, seconded by Director Satterwhite, the Board by unanimous vote approved the Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds.

Resolution of Intent to Make Capital Contribution to NHCRWA

Mr. Kahn then presented to the Board a Resolution of Intent to Make Capital Contribution in Lieu of Participating in Bonds Issued by North Harris County Regional Water Authority (Bond Issue No.3, Series 2008), which evidences the District's intent to make a capital contribution to the NHCRWA. Mr. Kahn noted that this Resolution is non-binding on the District and that the District will have to approve a Capital Contribution Contract with the NHCRWA before July 31, 2008 in order to make a binding commitment to make such capital contribution.

Upon a motion made by Director Strickland, seconded by Director Dowdy, the Board by unanimous vote approved the Resolution of Intent to Make Capital Contribution in Lieu of Participating in Bonds Issued by North Harris County Regional Water Authority (Bond Issue No.3, Series 2008).

Starbucks at Spring Park Village

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

ATTORNEY'S REPORT

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

Approve Minutes of May 13, 2008 and May 29, 2008

Proposed minutes of the meeting held May 13, 2008 and May 29, 2008, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to approve the minutes from the meetings of May 13, 2008, as presented.

The Board deferred action on the approval of the minutes from the May 29, 2008 meeting.

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

APPROVED THIS July 24, 2008.


Secretary, Board of Directors