

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

August 13, 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 **August 13, 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 Karl Skarboszewski of Environmental Development Partners, Operator for the District ("EDP"); Deputy Constable George Beck with Harris County Precinct No. 4; Phil Halbert with Champions Hydro-Lawn; Cindy Englebert with Dickson Partners; Carlisle Aspinall with C&A Foreign Transmission; Bob Sordahl and Emmet Poindexter, 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 98.0% of the District's 2007 taxes have been collected. Mr. Byrd also presented to the Board the authorization forms to allow for credit card processing of taxes collected by the District. Mr. Kahn noted that his firm has reviewed and approved the credit card authorization forms.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, 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 necessary forms to allow for credit card processing of taxes collected by the District.

HEAR FROM THE PUBLIC

Dickson Partners

The Board recognized Ms. Englebert, who discussed with the Board the outstanding reimbursements still due to Dickson Partners in the amount of \$45,000.00. Ms. Parker explained the outstanding issues that still exist between the District and Harris County Municipal Utility District No. 99 ("MUD 99") relating to the drainage improvements in Spring Park Village but noted that such issues were solely between the District and MUD 99 and do not constitute a reason to continue withholding the outstanding reimbursement to Dickson Partners. Ms. Parker also noted that Newmark Homes, L.P., pursuant to an assignment from Dickson Partners, has executed a Release in connection with the reimbursement.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to approve reimbursement to Newmark Homes, L.P. in the amount of \$45,000.00.

The Board next considered authorizing a letter from the District's attorney to MUD 99 regarding the outstanding issues relating to the drainage improvements in Spring Park Village.

Upon motion duly made by Director Stevens and seconded by Director Strickland, the Board unanimously voted to authorize the District's attorney to prepare a letter to MUD 99 regarding the outstanding issues relating to the drainage improvements in Spring Park Village.

Champions Hydro-Lawn

The Board recognized Mr. Halbert, who updated the Board on the erosion control measures that the District may need to perform around the various detention ponds in the District. Mr. Halbert also updated the Board on the status of the repair of the retaining wall between the District's tennis courts and the homes in Cypress Forest Lakes.

Annexation/Service Request

The Board recognized Mr. Aspiwall, the owner of a tract of land outside the boundaries of the District (near the intersection of Louetta and Holzwarth. Mr. Aspiwall requested annexation or out-of-District service to such tract. The Board informed Mr. Aspiwall of the costs involved with either annexation or out-of-District service and noted that if other landowners adjacent to the subject tract would request annexation at the same time it would cut down on his costs.

Mr. Aspiwall stated that he would discuss this matter with the adjacent landowners and report back to the Board.

PEACE OFFICERS REPORT

The Board recognized Mr. Beck, who presented the Peace Officer's Report. Mr. Beck presented the Board with a new quote for a hand-held radar gun for the District.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to approve the purchase of a hand-held radar gun for the District, including a 3-year service warranty, at a cost not to exceed \$4,000.00.

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 need to perform flow testing and paint the fire hydrants in the District.

Mr. Ammel also discussed the repairs to the Control Building at Water Plant No. 1. Mr. Ammel explained that the District may need to replace the roof rather than just make repairs. He will report back to the Board once he has gathered more information.

Mr. Ammel noted that Lift Pump #3 at Lift Station #6 needs to be repaired and that the estimated cost of such repair is \$2,865.00.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the Operator's Report and to authorize the repairs to Lift Pump #3 at Lift Station #6 in the amount of \$2,865.00.

Termination of Water Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. 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 Strickland and seconded by Director Stevens, 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.

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

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 with the low bidder being Neil Technical Services, Corp. ("NTS") in the amount of \$312,350.00. Mr. Davis noted that the pre-construction meeting was held on June 13, 2008.

Lakes of Cypress Forest and Cypress Forest Lakes

The Board recognized Mr. Streeter, who reported on the repair of the retaining wall behind the tennis courts that was damaged by Champions Hydro-Lawn. Mr. Streeter reminded the Board that such property is owned by the Cypress Forest Lakes homeowners' association and stated that Champions Hydro-Lawn will make the necessary repairs to such wall in the next several weeks.

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.

Cheddar's Restaurant

Mr. Davis noted that he has received an application for service and the application fee from Cheddar's Restaurant to be located within the District. Mr. Davis noted that the proposed location for Cheddar's is within the boundaries covered by the District's Strategic Partnership Agreement with the City of Houston.

Chevron Foodmart Store

Mr. Davis stated that he is holding the plans for a new Chevron Foodmart Store and gas station at IH-45 and Cypresswood and will not review such plans until the District receives the required \$2,500.00 refundable application fee.

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 submitted to the Texas Commission on Environmental Quality under a 45-day review.

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 requested approval to purchase (i) the initial inventory that she will need once she moves into her permanent office and (ii) furniture and appliances for the new maintenance/office building.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the purchase of (i) the initial inventory for Ms. Divin, subject to approval of the purchases by Director Satterwhite, not to exceed \$15,000.00, and (ii) furniture and appliances for the new maintenance/office building, subject to approval of the purchases by Director Satterwhite.

Ms. Divin next discussed the current mowing contracts that have been entered into by the District for mowing around the lakes in the District's park area, around several detention facilities in the District and around the District office. Ms. Divin also presented the Board with a proposal from PES for mowing each of these areas under one contract. Ms. Divin noted that the Board would realize a substantial savings by consolidating all of their mowing needs into one contract. After further discussion, the Board instructed Ms. Divin prepare a spreadsheet showing a comparison of the current contracts with the proposed new contract.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to authorize Director Satterwhite to review the comparison prepared by Ms. Divin, to terminate any existing contracts with mowing companies, if necessary, and to enter into a mowing contract with a new mowing company.

Ms. Divin next discussed the need to calibrate the commercial meters in the District and presented a proposal from Accurate Meter for such calibrations, at a cost of \$115.00 per meter plus \$50.00 for testing the backflow preventers. Ms. Divin noted that the total cost to calibrate all commercial meters and to test all backflow preventers is approximately \$15,000.00. The Board instructed Ms. Divin to include such costs in her budget for the fiscal year ending July 31, 2009.

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 (i) stated that the playground equipment will be erected by the end of August and that the pour-in-place rubber pad for the playground will be installed prior to the Grand Opening, (ii) updated the Board on the status of the construction of the maintenance building, which should be complete by September 1, and (iii) discussed his preparations for the Grand Opening.

Mr. Gerczak also requested approval to increase the cost for Project #8058 (Entry to Park) from \$21,500.00 to \$31,000.00 to provide for an electronic access gate at the entry.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve an increase in the cost for Project #8058 (Entry to Park) from \$21,500.00 to \$31,000.00.

ATTORNEY'S REPORT

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

Approve Minutes of July 9, 2008 and July 24, 2008

Proposed minutes of the meetings held July 9, 2008 and July 24, 2008, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the minutes of the meetings held July 9, 2008 and July 24, 2008, as amended.

Review of Investment Policy

Consideration was then given to a Resolution Evidencing Review of Investment Policy and Investment Strategies. Mr. Kahn reminded the Board that the Public Funds Investment Act requires the Board to review the District's Investment Policy annually and consider making any changes thereto. Mr. Kahn recommended that no changes be made to the Investment Policy at this time.

Upon motion made by Director Satterwhite, seconded by Director Strickland, the Board by unanimous vote agreed not to make any changes to the District's Investment Policy and to adopt the Resolution Evidencing Review of Investment Policy and Investment Strategies.

RECREATION REPORT

The Board recognized Ms. Rosenbower, who presented the Recreation Report. Ms. Rosenbower discussed the Grand Opening for the park to be held on September 13, 2008. Ms. Rosenbower presented the Board with a proposed budget for the Grand Opening and also a copy of the flyer that she would like to send to the residents of the District advising them of the Grand Opening. Ms. Rosenbower also discussed with the Board a plaque that she would like to have made to be unveiled at the Grand Opening.

Upon motion made by Director Stevens, seconded by Director Strickland, the Board by unanimous vote approved the proposed budget for the Grand Opening, not to exceed \$38,000.00.

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

APPROVED THIS September 10, 2008


Secretary, Board of Directors