

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

January 22, 2009

**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 **special session**, open to the public, at the designated meeting place of the Board in the District on **January 22, 2009 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, except Director Stevens, thus constituting a quorum.

Also attending the meeting were Ken Streeter with Cypress Creek Townoffices Limited ("CCTO"), a Developer within the District; Kay Divin, the District's Water and Sewer Operations Manager; Art Gerczak, Construction Projects Manager for the District; Deputy Constables George Beck and Dianne Hill with Harris County Precinct No. 4; Denise Simples, District employee; Emmett Poindexter and JoAnn Wycoff, residents of the District; 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.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report.

The Board noted that no action is needed in conjunction with the Water and Sewer Operations Manager's Report.

HEAR FROM PUBLIC

The Board discussed with the public the use of the District's facilities for classes such as yoga, fitness, etc. The Board noted that they approve the use of the District's facilities for such classes so long as the classes are for members only and if the instructor of such classes pays a fee for the use of the facility.

The Board next recognized Mr. Streeter, who reminded the Board that CCTO is still owed approximately \$265,772.66 in developer interest on projects included in the District's Series 2008 Bonds. Mr. Streeter noted that the total amount due to CCTO, once you subtract out the \$91,975.00 in Bond Anticipation Note issuance costs that CCTO agreed to pay and \$7,634.16 in engineering and legal fees due from CCTO to the District, the total amount due to CCTO for developer interest is \$166,343.50. Mr. Streeter also requested that the District pay CCTO such amount now from its Operating Account and then seek reimbursement to the Operating Account from surplus construction funds.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to approve payment of the remaining developer interest due to CCTO in the amount of \$166,343.50 from sales tax revenues in the District's Operating Account and to seek approval from the Texas Commission on Environmental Quality to use surplus construction funds to reimburse such amount to the District's Operating Account.

CLOSED SESSION

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to convene in closed session at 6:30 p.m. to discuss personnel matters.

OPEN SESSION

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 7:45 p.m.

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) presented the Board with a cost breakdown for the construction of the District's recently constructed office/maintenance building, (ii) updated the Board on the projects that have been worked on in the last month, and (iii) presented to and reviewed with the Board a breakdown of all projects completed to date with a comparison of actual costs of such projects to the costs if such projects would have been publicly bid.

Mr. Gerczak next presented to and reviewed with the Board a list of remaining projects and an estimated time frame for completion of such projects, including an "optional list" of other projects. Mr. Gerczak explained that the existing projects will take until the end of March 2009 to complete and that he would need until the end of June 2009 to complete the "optional list" projects. The Board instructed Mr. Gerczak to concentrate his efforts on completing all of the existing projects by the end of March 2009 and the Board would review its budgets to determine if any or all of the "wish list" projects can then be completed.

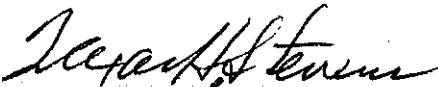
PEACE OFFICER'S REPORT

The Board recognized Sergeant Beck, who presented the Peace Officers Report.

The Board noted that no action is needed in conjunction with the Peace Officer's Report.

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

APPROVED THIS February 11, 2009.


Secretary, Board of Directors