

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

**MARCH 11, 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 **regular session**, open to the public, at the designated meeting place of the Board in the District on **March 11, 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 Strickland, thus constituting a quorum.

Also attending the meeting were Kay Divin, the District's Water and Sewer Operations Manager; 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/Collector for the District; Mike Ammel and Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Deputy Constable George Beck with Harris County Precinct No. 4; Phil Halbert of Champions Hydro-Lawn; Bob Sordahl, Emmett Poindexter, AC Cavazos, Dawn Jones and Peter Black, residents of the District; members of the public listed on the attached Attendance Sheet; 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.

**HEAR FROM THE PUBLIC**

The Board recognized Mr. Cavazos, who inquired about police protection in the Cypresswood Lake subdivision. Sergeant Beck discussed the matter with Mr. Cavazos and presented him with stickers with his direct phone number to pass out to the residents within Cypresswood Lake.

The Board then recognized Ms. Jones, who asked Sergeant Beck if he has received any information on the stolen bikes in Cypresswood Lake.

The Board next recognized Mr. Halbert, who discussed the maintenance that will be performed by his company in the next few weeks in and around the District's park area. Mr. Halbert also discussed the maintenance of the detention ponds in Cypresswood Lake. Mr. Davis presented to and reviewed with the Board a Notice of Violation from the Harris County Health Department regarding such ponds. Mr. Kahn explained that the Cypresswood Lake homeowners association (the "HOA") is obtaining proposals for such maintenance, however, they want the District to pay such costs and then pass through such costs to the residents within Cypresswood Lake on their monthly water bills. The Board instructed Mr. Kahn and Ms. Divin to notify the HOA of the violation and invite them to attend the Board meeting next month to discuss a solution.

The Board recognized Mr. Dundas and his son, Alex, who presented the Board with a proposal to have Alex construct several benches along the jogging trails in the park area as part of his Eagle Scout project. The Board noted that they would be interested in having Alex perform such a project or a similar project but they would like to review the plans for such project. The Board also noted that they be willing to participate in the costs of the materials necessary for such project, subject to approval of legal requirements by the District's Attorney.

#### **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Mr. Byrd, 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 approximately 92.6% of the District's 2008 taxes have been collected as of this meeting date.

Upon motion duly made by Director Stevens and seconded by Director Dowdy, the Board unanimously voted to (i) approve the Tax Assessor/Collector's Report and (ii) authorize the payment of checks listed therein.

#### **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. Ms. Jarmon also noted that the District has received approval from the Texas Commission on Environmental Quality to reimburse its operating account from surplus construction funds in the amount paid to Cypress Creek Townoffices Limited for additional developer interest.

Upon motion made by Director Dowdy and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Bookkeeper's Report, (ii) approve the Investment Report, as presented, and (iii) to approve the checks presented for payment.

#### **ENGINEERING/DEVELOPMENT REPORT**

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

#### **North Harris County Regional Water Authority ("NHCRWA")/Conversion to Surface Water**

Mr. Davis updated the Board on the status of the proposed construction of a surface water transmission line by the NHCRWA along Cypresswood Drive. Mr. Davis reminded the Board that once the NHCRWA's surface water line is installed, the District will have to convert the District's water system to treatment by chloramines rather than chlorine. Mr. Davis continued that he and the District's Attorney are scheduled to meet with representatives of the NHCRWA on March 12, 2009 to discuss the possibility of delaying the delivery of surface water to the District.

#### **Siding /Roof/ Bar Screen For Wastewater Treatment Plant**

Mr. Davis reminded the Board 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.

## **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 issues the District is having with water accountability (currently at 83%) and presented bids from two companies to perform a leak detection survey within the District. Mr. Ammel recommended the use of SAMCO Leak Detection at a cost of \$22,000.00. Mr. Ammel next discussed the on-going meter replacement program within the District and noted that replacement of the old meters should also help increase water accountability.

Mr. Ammel next explained that the auto dialer at Lift Station No. 2 has failed and it is not economically feasible to repair. Mr. Ammel requested authorization to replace such auto dialer with a cellular based auto dialer at a cost of \$3,100.00, plus a 3-year wireless contract at a total cost of \$612.00.

Mr. Ammel also requested that if any of the Board members have any issues or complaints with the work his company is doing or not doing or how they are doing it, that such Board member contact him to discuss such issues. Mr. Ammel reminded the Board that he sends the report and a copy of all invoices to the Board prior to each regular meeting so that the Board members can review and contact him with any issues or concerns.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Operator's Report, (ii) engage SAMCO Leak Detection to perform a leak detection survey within the District, at a cost of \$22,000.00, and (iii) authorize Mr. Ammel replace the auto dialer at Lift Station No. 2 with a cellular based auto dialer at a cost of \$3,100.00, plus a 3-year wireless contract at a total cost of \$612.00.

## **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. Skarboszewski presented to the Board a list of proposed 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 Stevens and seconded by Director Satterwhite, 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.

## **WATER AND SEWER OPERATIONS MANAGER'S REPORT**

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report. Ms. Divin discussed several issues with the trash company not picking up trash in accordance with its contract with the District. Ms. Divin continued that a representative from Republic Waste will attend the District's recreational meeting to discuss such issues.

The Board next discussed several memorandums that they received from the District's Attorney regarding COBRA coverage for District employees, issues concerning the District's Employment Manual, and record keeping for exempt and non-exempt employees. After discussing such memoranda and upon motion made by Director Satterwhite and seconded by Director Dowdy, the Board voted unanimously to convert any non-exempt employees to hourly pay and to require all non-exempt employees to use the time clock in accordance with the District's Time Clock Policy.

## **ATTORNEY'S REPORT**

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

**Minutes of Meetings of January 31, 2009, February 11, 2009 and February 19, 2009**

Proposed minutes of the meetings held January 31, 2009, February 11, 2009 and February 19, 2009, previously distributed to the Board were presented for consideration and approval.

The Board deferred approval of such minutes.

**CLOSED SESSION**

Upon motion duly made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to convene in closed session at 9:00 p.m. to discuss personnel matters.

**OPEN SESSION**

Upon motion duly made by Director Satterwhite and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 9:40 p.m.

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

APPROVED THIS April 8, 2009

  
Secretary, Board of Directors