

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

June 10, 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 **June 10, 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, thus constituting a quorum.

Also attending the meeting were Kay Divin, the District's Water and Sewer Operations Manager; Jody Dellinger, Parks and Recreation Manager for the District; Brandy Larsen, District employee; 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; Emmett Poindexter and Dawn Jones, residents of the District; 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, 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) approximately 97.4% of the District's 2008 taxes have been collected as of May 31, 2009, (ii) 20% penalty notices have been mailed to all remaining delinquent taxpayers and (iii) the 2009 preliminary assessed valuation for the District is \$522,246,222 (an increase of approximately \$12,000,000 over the 2008 certified assessed valuation for the District).

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.

ENGINEERING/DEVELOPMENT REPORT

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

Siding /Roof/Bar Screen For Wastewater Treatment Plant

Mr. Davis noted that NTS has completed the installation of the automatic bar screen at the wastewater treatment plant. Mr. Davis presented the Board with a letter to the Texas Commission on Environmental Quality notifying them that such project is complete.

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 also noted that the plans for the District's chloramine conversion are approximately 90% complete.

Irrigation System in Park Area

Mr. Davis then discussed with the Board the problems with the irrigation system in the park area.

After further discussion and upon a motion by Director Strickland, seconded by Director Dowdy, the Board voted unanimously to authorize Mr. Dellinger and Director Satterwhite to contact an outside company to make the necessary repairs at a reasonable cost.

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 Stevens and seconded by Director Dowdy, 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.

HEAR FROM THE PUBLIC

The Board recognized Ms. Jones, who discussed the District's maintenance of the three detention ponds in Cypresswood Lake ("CWL"). Ms. Jones clarified with the Board that the residents of CWL prefer a one-year payback period for the costs of the initial clean-up of such ponds.

Ms. Divin then presented to and reviewed with the Board the final cost estimate from Champions Hydro-Lawn for such work.

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 presented the Board with several options from NTS for surge protection for Water Plant No. 1 and the Wastewater Treatment Plant. The Board instructed Mr. Ammel to consult with Mr. Davis and then present his recommendations to the Board.

Upon motion made by Director Satterwhite and seconded by Director Dowdy, the Board unanimously voted to (1) approve the Operator's Report, (2) authorize replacement of the Lift Station No. 1 auto dialer in the amount of \$3,500.00, and (3) authorize the write-offs presented by the Operator in the amount of \$26,160.86.

Consumer Confidence Report

Mr. Ammel next presented the 2008 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, 2009 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 a motion made by Director Satterwhite and duly seconded by Director Dowdy, the Board unanimously approved the 2008 Consumer Confidence Report and authorized Mr. Ammel to forward to the District's customers.

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 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 Satterwhite and seconded by Director Dowdy, 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 the possibility of relocating her office to the office above the pool.

ATTORNEY'S REPORT

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

Minutes of Meetings of May 5, 2009, May 13, 2009 and May 21, 2009

Proposed minutes of the meetings held May 5, 2009, May 13, 2009 and May 21, 2009, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Stevens and seconded by Director Strickland, the Board voted unanimously to approve the minutes from the meetings of May 5, 2009 and May 21, 2009, as presented, and the minutes from the meeting of May 13, 2009, as amended.

Resolution Regarding Use of Surplus Funds Without Further Approval of the Texas Commission on Environmental Quality

The Board recognized Mr. Kahn, who presented to and reviewed with the Board a Resolution Regarding Use of Surplus Funds Without Further Approval of the Texas Commission on Environmental Quality. Mr. Kahn explained that such Resolution authorizes the use of surplus funds from the District's Capital Projects Fund to reimburse the District's Operating Fund in the amount of \$116,148.78 for the costs associated with the repair/maintenance of various District facilities.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to approve the Resolution Regarding Use of Surplus Funds Without Further Approval of the Texas Commission on Environmental Quality.

Issues with Republic Waste

The Board next discussed the continuing trash collection issues they are having with Republic Waste. After further discussion about such issues, the Board directed Mr. Kahn to send a letter to Republic Waste with a list of expectations of the District and advising Republic Waste that if such conditions are not met then the District will commence termination proceedings in accordance with its contract with Republic Waste.

AMENDED FACILITIES USE AGREEMENT

The Board recognized Mr. Dellinger and Mr. Kahn, who discussed the proposed amendments to the District's Facilities Use Agreement. The Board noted that they would like additional time to review the proposed amendments.

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

APPROVED THIS July 8, 2009.


Secretary, Board of Directors