

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

September 17, 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 **September 17, 2009 at 8:30 a.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 Manager for the District; Jan Bartholomew of RBC Capital Markets Corporation, the District's Financial Advisor; Deputy Constable George Beck with Harris County Precinct No. 4; Bob Sordahl and Emmett Poindexter, residents of the District; and Maria Salinas Parker of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats/Rose"), Attorneys for the District.

The meeting was called to order and the following business was conducted.

DISCUSS 2009 TAX RATE

The Board recognized Ms. Bartholomew, who discussed the 2008 tax rate recommendation. Ms. Bartholomew explained the procedures that the District must follow prior to adopting its 2009 Tax Rate. These procedures involve publishing notice of the proposed tax and tax rate hearing in a newspaper of general circulation within the District at least 7 days prior to such hearing or mailing notice of the District's tax rate hearing to all landowners within the District at least 10 days prior to such hearing.

In view of the reduction in the district's tax roll, the Board discussed costs-cutting measures and the transfer of funds from the Operating Account to the Debt Service Account.

Upon a motion by Director Dowdy, seconded by Director Strickland, the Board by majority vote, with Director Stevens voting nay, vote to (1) propose a 2009 tax rate of \$0.38 per \$100 of assessed valuation for debt service purposes and a maintenance tax of \$0.15 per \$100 of assessed valuation for a total 2008 tax rate of \$0.53 per \$100 assessed valuation, (ii) called a public hearing to be held on Wednesday, October 14, 2009 at 6:00 p.m. to receive public comment on the proposed tax rate, (iii) authorized the District's Tax Assessor/Collector to publish notice of the District's Tax Rate Hearing and proposed tax rate, (iv) to transfer

\$300,000 from the Operating Account to the Debt Service Account in the third quarter of 2010, if necessary, (v) to reduce operating costs for the parks by \$75,000, (vi) to reduce capital costs for the parks by \$300,000, and (vii) to reduce repairs by \$200,000.

PEACE OFFICER REPORT

The Board recognized Mr. Beck, who presented the Peace Officer's Report.

PARKS/RECREATION REPORT

The Board recognized Mr. Dellinger, who submitted to and reviewed with the Board the Parks and Recreation Report, a copy of which is attached hereto.

Mr. Dellinger discussed the use of the District's black truck by Brandon Fenn to drive to and from the District.

Upon motion duly made and seconded, the Board approved the use of the District's black truck by Brandon Fenn for the purposes of driving to and from work on the understanding that the vehicle is not to be used for personal business.

With regard to employees, Brandon Fenn and Hector Garcia, request to rollover their vacation, the Board noted that the Employees Manual sets forth the rules for vacation time.

Mr. Dellinger discussed with the Board purchasing a small mower for mowing small areas where the large mower is too large.

Upon motion duly made and seconded, the Board voted unanimously to authorize the purchase of a small mower.

CREDIT CARD

Mr. Dellinger discussed with the Board obtaining a credit card to purchase items and supplies.

Upon motion duly made and seconded, the Board voted unanimously to approve acquiring a credit card (State of Texas Charge Card Program, JPMorgan Chase) solely for the use of the Parks and Recreation Manger in the maximum amount of \$3,000 for the purchase of items for the park and recreational facilities.

SENIOR AGE FOR PARK RECREATIONAL FACILITIES

The Board discussed the age for seniors for purposes of fees associated with the parks and recreational facilities.

A motion was made by Director Dowdy to set the age for seniors at 62, the motion was seconded by Director Strickland, but failed by a vote of two in favor (Directors Strickland and Dowdy) and three against (Directors Williams, Satterwhite and Stevens).

Upon motion by Director Stevens and seconded by Director Strickland, the Board by majority vote (with Director Dowdy voting nay) approved setting the senior age at 65.

OUT OF DISTRICT FEES FOR VARIOUS ACTIVITIES

The Board asked Mr. Dellinger to submit a proposal at the October meeting for membership as it relates to only a single activity.

Upon motion duly made and seconded, the Board voted unanimously to approve an out-of-District tennis only membership at \$25 per month. The Board noted that such membership is only valid for a single person.

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

APPROVED THIS November 11, 2009.


Secretary, Board of Directors