

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

SEPTEMBER 9, 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 **September 9, 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; 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; Todd Casselman and Terri League of Republic Waste Services; Bob Sordahl, Emmett Poindexter and Davette Harris, residents of the District; Phil Halbert with Champions Hydro-Lawn; 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 Ms. Harris, who discussed with the Board her recent high water bills. The Board discussed with Ms. Harris the possible causes of water leaks at her residence and ways she could test for leaks. Ms. Harris explained that she did have a broken sprinkler head on her irrigation system and such problem has been repaired. Ms. Harris requested a one-time adjustment to her water bill pursuant to the District's Rate Order (based on the average usage for the previous two months).

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to approve the one-time adjustment to the water bill for Ms. Harris pursuant to the District's Rate Order (based on the average usage for the previous two months).

The Board next recognized Mr. Halbert, who updated the Board on the status of maintenance in the park and of the three detention ponds in the Cypresswood Lake subdivision. Mr. Halbert then presented to and reviewed with the Board a proposal to increase the frequency of mowing the areas inside the walking trails, which would increase the cost from the current contract amount of \$26,450 to \$42,955. Mr. Halbert also explained that due to the expansion of the park, the area mowed by his company has increased from approximately 10 acres to approximately 17 acres. The Board noted that they needed more time to consider this request.

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 98.5% of the District's 2008 taxes have been collected as of August 31, 2009.

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 and (ii) authorize the payment of checks listed therein.

TERMINATION OF CONTRACT WITH REPUBLIC WASTE

The Board recognized Mr. Kahn, who reminded the Board that on August 12, 2009 the District sent Republic Waste notice that the District's contract for trash collection services with Republic Waste would be terminated on October 1, 2009. Such letter also provided that, pursuant to the contract, Republic Waste would have an opportunity to appear before the Board at this meeting to discuss their performance and explain any actions taken or to be taken to improve its performance.

The Board then recognized Ms. League and Mr. Casselman, who discussed the issues the District has had with Republic Waste and the steps that have been taken to ensure that the issues do not occur in the future.

After further discussion, Director Satterwhite made a motion to terminate the District's contract with Republic Waste due to repeated issues with the trash collection services provided by Republic Waste, effective September 30, 2009. Such motion died for lack of a second.

Director Strickland explained that the District needs to provide Republic Waste with specific instances where the issues occurred. Director Strickland then made a motion to advise Republic Waste that from now until October 1, 2009 the District will document specific instances of issues with the trash collection service and e-mail such information to Ms. League as well as call Republic Waste's customer service line, and if the problems within the District are not resolved prior to November 1, 2009 the contract with Republic Waste will be terminated on such date. The motion was seconded by Director Dowdy and approved by a vote of 4 to 1, with Director Satterwhite voting against the motion.

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 noted that there was 86.7% accountability for water pumpage during the current reporting period, bringing the twelve month average to 86.0%.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board unanimously voted to approve the Operator's Report.

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 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.

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 presented the Board with an updated list of Authorized Brokers for the District, which now includes Icon Bank and Spirit of Texas Bank.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to (i) approve the Bookkeeper's Report, (ii) approve the Investment Report, as presented, (iii) to approve the checks presented for payment and (iv) approve the updated list of Authorized Brokers for the District.

ENGINEERING/DEVELOPMENT REPORT

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

Mr. Davis presented to and reviewed with the Board (i) the approval letter from the Texas Commission on Environmental Quality ("TCEQ") of the plans and specifications for the sanitary sewer system rehabilitation project to serve the northern properties in the District and (ii) the approval letter from the TCEQ of the plans and specifications for the chloramine conversion system at Water Plant Nos. 1 and 2.

Mr. Davis next discussed with the Board the request from Spring West Municipal Utility District ("SWMUD") for an emergency water interconnect agreement. Mr. Davis noted that he recently discussed the proposed interconnect with the engineer for SWMUD. Mr. Davis continued that there the District only has an 8-inch water line serving the northern properties in the District and that the point of connection with SWMUD would be on such line. Mr. Davis stated that it was his opinion that if the interconnect was ever used by SWMUD that it would cause very low water pressure that would be a concern to both SWMUD and the District.

Upon a motion made by Director Dowdy and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Engineer's Report and (ii) decline the request from SWMUD for an emergency water interconnect agreement.

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 connection with the Water and Sewer Operations Manager's Report.

ATTORNEY'S REPORT

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

Minutes of Meetings of August 12, 2009, August 25, 2009 and September 3, 2009

Proposed minutes of the meetings held August 12, 2009, August 25, 2009 and September 3, 2009, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board voted unanimously to approve the minutes from the meeting of August 12, 2009, as amended. The Board deferred approval of the minutes of the meetings of August 25, 2009 and September 3, 2009.

Terminate Agreement with Lake Management Services, L.P.

Consideration was then given to terminating the District's agreement with Lake Management Services, L.P.

Upon motion made by Director Dowdy, seconded by Director Stevens, the Board by unanimous vote approved the termination of the District's agreement with Lake Management Services, L.P.

Amend Rate Order

The Board next discussed amending the District's Rate Order in an effort to have the District recover its cost to produce water and treat sewer. After further discussion, the Board deferred action on this agenda item in order to allow Director Dowdy to research the matter and come back to the Board with a recommendation.

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

APPROVED THIS October 14, 2009.


Secretary, Board of Directors