

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

JANUARY 13, 2010

**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 **January 13, 2010 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; Eric Thiry and Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Johnny Smith of Waste Connections of Texas ("WCT"); Phil Halbert with Champions Hydro-Lawn; Bob Sordahl, Vicky Sordahl, Danna Stevens and Emmett Poindexter, 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 approximately 98.9% of the District's 2008 taxes and 17.7% of the District's 2009 taxes have been collected as of December 31, 2009. Mr. Byrd also requested approval to add the 20% delinquent tax collection fee to those personal property accounts that remain delinquent as of April 1, 2010.

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, (ii) authorize the payment of checks listed therein, and (iii) approve a 20% delinquent tax collection fee on personal property accounts that remain delinquent as of April 1, 2010 (a change from the previous date of July 1).

HEAR FROM PUBLIC

The Board recognized Mr. Smith, who inquired as to whether there are any trash collection issues of which the District is aware since WCT has begun collecting trash within the District. The Board requested clarification as to whether trash cans, once emptied, are to be left up or down. The Board noted that the District's contract with WCT should be followed in this regard. Mr. Smith stated that he would check the language of the District's contract with WCT and report back to the Board. The Board also discussed an issue with cars blocking the cul-de-sac on Enchanted Lane that prevents the garbage trucks from collecting trash on such street. The Board instructed Mr. Smith to send a letter to the residents on such street stating that their trash will not be collected in the future if cars are blocking the street.

OPERATOR'S REPORT

The Board next recognized Mr. Thiry, who presented to the Board the Operator's Report, a copy of which is attached hereto. Mr. Thiry noted that there was 86.0% accountability for water pumpage during the current reporting period, bringing the twelve month average to 86.3%.

Mr. Thiry noted that a pamphlet prepared by the North Harris County Regional Water Authority titled the "Rising Cost of Water" will be included in the District's next water bill. Mr. Thiry next discussed the customer at 19475 Enchanted Stream who has tampered with and made an illegal connection to the District's system. The Board asked the District's attorney to investigate the matter and determine if any civil and/or criminal charges can be brought against such customer.

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. Thiry 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 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.

ENGINEERING/DEVELOPMENT REPORT

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

Mr. Davis presented to and reviewed with the Board Pay Estimate No. 1 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$16,648.76.

Mr. Davis also noted that Design Tech Homes has inquired as to whether the District would allow them to construct a water line under IH-45 to connect to the District's system. The Board stated that they have no objection and would serve such tract as an out-of-District customer.

Mr. Davis stated that he has received a request for service from Dorstener Wire Tech for out-of-District sewer service only. The Board noted that they would not be interested in serving such tract with sewer service only.

Mr. Davis next discussed the District's Emergency Preparedness Plan, which must be submitted to the Texas Commission on Environmental Quality ("TCEQ") prior to March 1, 2010. The Board noted that they would like the District's Operator to be appointed as the District Spokesperson and First Contact under such plan.

Upon a motion made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Engineer's Report, and (ii) approve Pay Estimate No. 1 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$16,648.76.

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 requested authorization to increase the District's deposits at ICON Bank to a maximum of \$500,000. Ms. Jarmon explained that such funds will be placed in a money market account at ICON Bank and will accrue interest at 2.50% if the District agrees to leave such funds at ICON Bank until April 1, 2010.

Upon motion made by Director Dowdy and seconded by Director Stevens, the Board unanimously voted to approve (i) the Bookkeeper's Report, (ii) the Investment Report, as presented, (iii) the checks presented for payment, and (iv) increasing the District's deposits at ICON Bank to a maximum of \$500,000.

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 with the Board the renewal proposals for the employee health insurance. Ms. Divin and Mr. Dellinger noted that the price for the same coverage will increase 15% from last year and recommended an alternative policy that will be more of a benefit to the District's employees but will cost approximately \$8,000 more annually for all employees. Mr. Dellinger next noted amendments to the District's park and recreation budget that will be made to accommodate the increased cost of the insurance.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to approve (i) the Water and Sewer Operations Manager's Report, (ii) the renewal of the employee health insurance (Blue Cross Blue Shield PPO Plan S02), and (ii) the amendments to the District's park and recreation budget, as presented.

PARKS AND RECREATION MANAGER'S REPORT

The Board recognized Mr. Dellinger, who presented the Parks and Recreation Manager's Report.

The Board noted that no action is needed in connection with the Parks and Recreation Manager's Report.

ATTORNEY'S REPORT

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

Minutes of Meetings of December 9, 2009

Proposed minutes of the meeting held December 9, 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 meeting of December 9, 2009, as amended.

CLOSED SESSION

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to convene in closed session at 8:40 p.m. to conduct a private consultation with its attorney to discuss legal matters.

OPEN SESSION

Upon motion duly made by Director Dowdy and seconded by Director Stevens, the Board voted unanimously to reconvene in open session at 8:55 p.m.

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

APPROVED THIS February 10, 2010.


Secretary, Board of Directors