

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

**FEBRUARY 10, 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 **February 10, 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; Jeff Greene with Davis Development, Inc.; Brandy Larsen, Employee of the District; Phil Halbert with Champions Hydro-Lawn; Deputy Constable George Beck with Harris County Precinct No. 4; Members of the Public listed on the attached Attendance Sheet; and Maria S. Parker and Josh J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn, LLP ("SK Law"), Attorneys 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 69.3% of the District's 2009 taxes have been collected as of January 31, 2010. Mr. Byrd also presented the Board with a request for a waiver of penalties and interest on dealer inventory taxes for Brookside Equipment due to an error made by the Harris County Appraisal District.

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 the request for a waiver of penalties and interest on dealer inventory taxes for Brookside Equipment.

## **HEAR FROM PUBLIC**

The Board recognized Mr. Olesen, who commended the Board on its efforts during Hurricane Ike.

The Board then recognized Mr. Greene, who discussed the District providing water and sewer service for up to 280 Class-A apartments on the site currently owned by Portrait Homes in the estimated amount of 62,000 gallons per day. Mr. Greene noted that an Application for Service has been submitted to the District. The Board authorized Mr. Davis to perform a feasibility study to determine what, if any, improvements need to be made to the District's water and/or sewer system to serve the proposed development.

## **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 91.1% accountability for water pumpage during the current reporting period, bringing the twelve month average to 87.1%.

Mr. Thiry presented to and reviewed with the Board an estimate from Southern Plains Power in the amount of \$5,241.25 to repair a problem with the emergency generator at Water Plant No. 1. The Board noted that they would like to have the costs of such repair billed directly to the District. Mr. Thiry also discussed the installation of two (2) flushing valves near 223 Shannondale where temporary repairs were previously made. Mr. Thiry next requested authorization to perform a survey of the District's water system isolation valves at an estimated cost of \$3,000.00.

Upon motion made by Director Dowdy and seconded by Director Stevens, the Board unanimously voted to (i) approve the Operator's Report, (ii) approve the repair of the emergency generator at Water Plant No. 1 by Southern Plains Power in the amount of \$5,241.25, (iii) approve the installation of two (2) flushing valves near 223 Shannondale, and (iv) authorize the District's Operator to perform a survey of the District's water system isolation valves in an amount not to exceed \$3,000.00.

## **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. 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 Director Dowdy and seconded by Director Stevens, 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. 2 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$38,694.85.

Mr. Davis next presented to and reviewed with the Board a draft of the District's Emergency Preparedness Plan that must be filed with the Texas Commission on Environmental Quality ("TCEQ") prior to March 1, 2010.

Mr. Davis discussed a program offered by Acclaim Energy Solutions ("AES") for lease generators. The Board noted that they would like to hear a presentation from AES at their recreational meeting.

Upon a motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to (i) approve the Engineer's Report, and (ii) approve Pay Estimate No. 2 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$38,694.85, (iii) approve the District's Emergency Preparedness Plan, subject to review and approval by the District's directors and consultants, (iv) approve the Order Approving Emergency Preparedness Plan and authorize the District's Engineer to file such plan with the TCEQ prior to March 1, 2010.

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

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

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report. Ms. Divin informed the Board that there have been several issues recently with the District's trash collection company. Ms. Divin also discussed with the Board the success of the District's recycling program.

Upon motion made by Director Satterwhite and seconded by Director Strickland, the Board unanimously voted to (i) approve the Water and Sewer Operations Manager's Report, and (ii) appoint Director Strickland as the liaison for trash issues in the District.

#### **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 January 13, 2010 and January 21, 2010**

Proposed minutes of the meetings held January 13, 2010 and January 21, 2010, previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Stevens, the Board voted unanimously to approve the minutes from the meetings of January 13, 2010 and January 21, 2010, as amended.

**Resolution Regarding Tax Exemptions for 2010**

The Board deferred action on this agenda item until such time as the District's Financial Advisor is able to run an analysis on the effect of different levels of exemptions on the District's tax rate.

**Hire Delinquent Tax Attorney**

The Board next considered engaging SK Law as delinquent tax attorney for the District.

Upon motion duly made by Director Satterwhite, seconded by Director Stevens, the Board unanimously voted to hire SK Law as the District's delinquent tax attorney.

**Resolution Implementing 20% Penalty on 2009 Delinquent Taxes**

Consideration was then given to a proposed Resolution Authorizing a 20% Penalty on 2009 delinquent taxes.

Upon motion by Director Strickland, seconded by Director Satterwhite, after full discussion, and the question being put to the Board, the Board voted unanimously to authorize a 20% penalty on 2009 real property taxes which are delinquent on July 1, 2010 and thereafter, and a 20% penalty on 2009 personal property taxes which are delinquent on April 1, 2010 and thereafter, and to approve the Resolution evidencing the same. A copy of said Resolution is on file in the District's permanent records.

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

APPROVED THIS April 14, 2010

  
Secretary, Board of Directors