

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

**MARCH 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 **March 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, except Director Dowdy, 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; Carl Sandin of Perdue Brandon Fielder Collins & Mott LLP ("PBFCM"), the District's Delinquent Tax Attorney; Mike Ammel and Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Dave Holom with Big Tex Tree Nursery; Brandy Larsen, Employee of the District; Phil Halbert with Champions Hydro-Lawn; Deputy Constable George Beck and Dianne Hill 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 93.4% of the District's 2009 taxes have been collected as of February 28, 2010. Mr. Byrd also presented the Board with a request for a waiver of penalties and interest from Monica Miley, who accidentally paid her taxes to EDP with her water bill. Mr. Byrd continued that Ms. Miley has since paid her taxes (including penalties and interest) to the tax office and is now requesting a refund of the duplicate payment as well as the penalties and interest paid.

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 refund of the duplicate payment and a waiver of penalties and interest from Monica Miley.

The Board then recognized Mr. Sandin, who discussed with the Board their recent decision to terminate PBFCM as the District's Delinquent Tax Attorney. After further discussion, the Board noted that they would place an item on the April regular meeting agenda to consider which firm to hire as the District's Delinquent Tax Attorney.

**HEAR FROM PUBLIC**

The Board recognized Mr. Halbert, who presented to and reviewed with the Board a report on the condition of the Haas and Cypresswood Lake detention ponds. The Board instructed the District's attorney to make certain that the necessary signage is in place around the detention pond to provide notice that no all-terrain vehicles are allowed in such areas.

The Board then recognized Mr. Holom, who noted that his company will be opening a retail nursery in the District on a portion of the property owned by DeMontrond. Mr. Davis explained that DeMontrond has submitted an application for service for the nursery requesting water capacity in the amount of 15,000 gallons per day ("gpd") (the original commitment to DeMontrond was for approximately 1,200 gpd). Mr. Davis continued that the District currently has sufficient water supply capacity to serve the nursery, however, he does have a concern about what will happen during a severe drought. Ms. Parker noted that the District's Drought Contingency Plan does not cover commercial customers of the District.

Upon motion duly made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to approve the request for service from DeMontrond for the Big Tex Tree Nursery, subject to final approval of the District's Attorney, Engineer and Operator.

**PEACE OFFICER'S REPORT**

The Board recognized Mr. Beck, who presented the Peace Officer's Report. Mr. Beck explained that the Harris County Fire Marshal's office would like to use some of the extra space in the District's maintenance building as an office. In exchange for use of the office, the Fire Marshals would be agreeable to patrolling the park areas. The use of the office by the Fire Marshals would not cost the District any money, except for providing access to the office (a sidewalk and an access door) and carpet for the office.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to authorize the use of the extra space in the District's maintenance building by the Harris County Fire Marshal's Office, subject to final approval of such an arrangement by the District's Attorney, Parks and Recreation Manager and Water and Sewer Operations Manager. Ms. Parker noted that she would contact the District's insurance provider to make certain that the Fire Marshals would be covered under the District's insurance during the times they are patrolling in the park areas.

**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 Satterwhite, the Board unanimously voted to approve (i) the Bookkeeper's Report and (ii) the checks presented for payment. The Board deferred approval of the Investment Report.

## **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. 3 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$118,754.32. The Board also discussed the timeline for conversion to chloramines.

Mr. Davis stated that (i) the District's Emergency Preparedness Plan was timely filed with the Texas Commission on Environmental Quality ("TCEQ"), and (ii) he is working on the feasibility study for Davis Development and for State Farm Insurance.

Upon a motion made by Director Satterwhite and seconded by Director Strickland, the Board unanimously voted to (i) approve the Engineer's Report, and (ii) approve Pay Estimate No. 3 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$118,754.32.

## **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 she has received an application for service for a restaurant from Property Commerce. Ms. Divin also requested authorization to purchase 200 additional water meters for the District's meter replacement program, at a cost of approximately \$10,000.00.

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) authorize Ms. Divin to purchase 200 additional water meters.

## **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 93.0% accountability for water pumpage during the current reporting period, bringing the twelve month average to 88.0%.

Mr. Ammel presented to and reviewed with the Board an estimate from Neil Technical Services ("NTS") in the amount of \$3,767.50 to repair Lift Pump No. 1 at Lift Station No. 2 (the cost for a new pump is approximately \$9,025.50).

Upon motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to (i) approve the Operator's Report, and (ii) approve the repair of Lift Pump No. 1 at Lift Station No. 2 by NTS in the amount of \$3,767.50.

### **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 Strickland 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.

**Addendum to Operator's Contract**

The Board next considered approving an Addendum to the District's Operator's Contract with EDP to clarify several issues that have occurred since the original Contract with EDP was approved.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to approve the Addendum to the District's Operator's Contract with EDP.

**PARKS AND RECREATION MANAGER'S REPORT**

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

Mr. Dellinger next discussed the repairs needed to the fitness center in order to solve the continuing condensation problem. Director Stevens requested that the District find a contractor that will warranty the work done against condensation following the repairs.

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 February 10, 2010 and February 18, 2010**

The Board deferred approval of the minutes of the meetings held February 10, 2010 and February 18, 2010.

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