

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

APRIL 14, 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 **April 14, 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; Carl Sandin of Perdue Brandon Fielder Collins & Mott LLP ("PBFCM"), the District's Delinquent Tax Attorney; Mike Ammel, Eric Thiry and Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Deputy Constable George Beck with Harris County Precinct No. 4; Dean Hensley and James Bolton with Harris County Fire Marshal's Office; Bob Sordahl, Emmett Poindexter, Jr. and David Patterson, residents of the District; 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.

HEAR FROM PUBLIC

The Board recognized Mr. Poindexter, who noted that he recently attended a speech by Al Rendl of the North Harris County Regional Water Authority ("NHCRWA") regarding surface water conversion. Mr. Poindexter presented the Board with information distributed at such speech.

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 96.2% of the District's 2009 taxes have been collected as of March 31, 2010.

Upon motion duly made by Director Dowdy 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.

The Board then recognized Mr. Sandin, who discussed with the Board their recent decision to terminate PBFCM as the District's Delinquent Tax Attorney.

PEACE OFFICER'S REPORT

The Board recognized Mr. Beck, who presented the Peace Officer's Report. Ms. Parker then discussed with the Board the proposed Lease Agreement with Harris County in connection with the lease of space in the District's maintenance building by the Harris County Fire Marshal's Office.

Upon motion duly made by Director Satterwhite and seconded by Director Strickland, the Board unanimously voted to (i) approve the Peace Officer's Report and (ii) approve the Lease Agreement with Harris County in connection with the lease of space in the District's maintenance building by the Harris County Fire Marshal's Office.

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. 4 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$73,312.07. The Board also discussed the timeline for conversion to chloramines.

Mr. Davis stated that the Texas Commission on Environmental Quality ("TCEQ") has requested additional information on the District's Emergency Preparedness Plan.

Mr. Davis presented to and reviewed with the Board a draft of the Water and Sewer Availability Letter for Big Tex Tree Nursery. Mr. Davis noted that such letter would be held pending approval of the Customer Service Inspection to be performed by EDP.

Upon a motion made by Director Strickland and seconded by Director Stevens, the Board unanimously voted to (i) approve the Engineer's Report and (ii) approve Pay Estimate No. 4 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$73,312.07.

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 Stevens, the Board unanimously voted to approve (i) the Bookkeeper's Report, (ii) the checks presented for payment, and (iii) the Investment Report, as presented.

Amended Budget for Fiscal Year Ending July 31, 2010

The Board next considered amending the District's budget for the fiscal year ending July 31, 2010. After further discussion, the Board noted that amending the budget this late in the fiscal year is not necessary for items other than the election expenses, which were not previously budgeted.

Upon motion made by Director Dowdy and seconded by Director Satterwhite, the Board voted unanimously to approve the amended budget for the fiscal year ending July 31, 2010 to include election expenses in the amount of \$15,000.

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 71.5% accountability for water pumpage during the current reporting period, bringing the twelve month average to 86.8%.

Mr. Ammel also discussed with the Board the timeline for conversion to chloramines and presented to and reviewed with the Board the form of notice that will be mailed out to all District customers prior to the conversion.

Mr. Ammel also presented the Board with two customer service requests: (1) from Norma Johnson at 203 Leaflet Lane for reimbursement from the District for the costs to clean out a portion of the District's sewer line and (2) from Cypress Oaks CO for a refund due to overpayment.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Operator's Report and (ii) approve the reimbursement request from Norma Johnson. The Board denied the request for an overpayment from Cypress Creek CO and noted that such account is still active and has no deposit on file, therefore only a credit should be given on the next bill.

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.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report.

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

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 February 10, 2010, February 18, 2010 and March 10, 2010

Proposed minutes of the meetings held February 10, 2010, February 18, 2010 and March 10, 2010, 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 meetings of February 10, 2010, February 18, 2010 and March 10, 2010, as amended.

Renew District Insurance

The Board next considered renewing the District's insurance. The Board recognized Mr. Kahn, who reviewed with the Board a proposal from the District's current insurance provider, ANCO McDonald Waterworks Insurance.

Upon motion duly made by Director Satterwhite, seconded by Director Dowdy, the Board voted unanimously to approve the proposal for the renewal of the District's insurance from ANCO McDonald Waterworks Insurance, subject to review and updating of the District's Property Schedule by the District's Engineer and Parks and Recreation Manager.

Commitment Letter to Davis Development

The Board deferred action on this agenda item.

Resolution Adopting Policies for Capitalization and Depreciation of District Assets

The Board next considered a approving a Resolution Adopting Policies for Capitalization and Depreciation of District Assets. Mr. Kahn explained that this resolution sets a capitalization and depreciation threshold for the District's assets and that the District's auditor will use the capitalization and depreciation schedules attached to the resolution when depreciating the District's assets in the yearly audit.

Upon motion duly made by Director Satterwhite, seconded by Director Dowdy, the Board voted unanimously to approve the Resolution Adopting Policies for Capitalization and Depreciation of District Assets.

Delinquent Tax Collection Attorney

The Board noted that they would like to continue with PBFCM as the District's delinquent tax attorney through June 30, 2010 and will have SK Law take over the delinquent tax collection for the District beginning on July 1, 2010.

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

APPROVED THIS

May 12, 2010

Jerry H. Stevens
Secretary, Board of Directors