

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

**May 12, 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 **May 12, 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; 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 and Emmett Poindexter, Jr. and David Patterson, residents of the District; Fred Hazel with Davis Development; Phil Halbert with Champions Hydro-Lawn, Inc.; and Maria S. Parker and Joshua 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 noted that there were no members of the public present at the meeting who wished to address the Board.

**ORDER CANVASSING DIRECTORS ELECTION**

Consideration was given to a proposed Order Canvassing Directors Election. The President having been provided the result of the election stated that there were cast one hundred and four (104) ballots for the election of three (3) Directors of the District, with fourteen (14) of such ballots being cast as early ballots, and that said ballots were cast for the following persons in the numbers indicated:

Tom Dowdy	72 votes
Jerry A. Strickland	70 votes
James N. Williams	68 votes

Upon motion duly made and seconded, the Board voted unanimously to adopt the Order Canvassing Directors Election thereby found and declared that Tom Dowdy, Jerry A. Strickland and James N. Williams have been elected Directors of the District to serve until the Directors Election in 2014, or until their successors have been duly elected or appointed and have qualified.

**QUALIFICATION OF DIRECTORS**

At this time, Directors Dowdy, Strickland and Williams executed their Oaths of Office and Statements of Elected Officials.

Upon motion duly made and seconded, the Board voted unanimously to accept Directors Dowdy, Strickland and Williams executed Oaths of Office and Statements of Elected Officials.

**ELECTION OF OFFICERS**

Consideration was then given to electing officers of the Board.

Upon motion duly made and seconded, the Board voted unanimously to elect the following slate of officers:

- |                     |   |                              |
|---------------------|---|------------------------------|
| James N. Williams   | - | President                    |
| Jeannie Satterwhite | - | First Vice President         |
| Jerry A. Strickland | - | Second Vice President        |
| Texas H. Stevens    | - | Secretary                    |
| Tom Dowdy           | - | Treasurer/Investment Officer |

**UTILITY AND FINANCING AGREEMENT WITH DAVIS DEVELOPMENT (Holzworth Partners, LLC ("Holzworth Partner"))/LETTER OF COMMITMENT**

Consideration was given to a proposed Utility and Financing Agreement with Holzworth Partners (the "Utility Agreement") and Letter of Commitment. With regard to the Utility Agreement, the Board recognized Mr. Hazel who asked Mr. Davis to confirm that it will not be necessary to obtain any easements in connection with the project to be undertaken under the Utility Agreement. Mr. Davis confirmed that no easements are required for the Sanitary Sewer Project (as defined in the Utility Agreement), but there may be other issues relating to easements for internal facilities serving the Holzworth Partner's tract.

Upon motion by Director Strickland, seconded by Director Satterwhite, the Board voted unanimously to approve the Utility Agreement and Letter of Commitment, copies of which are on file in the official records of the District.

**LETTER OF COMMITMENT FOR PROPERTY COMMERCE**

Consideration was given to a written request from Property Commerce ("PC") to renew its Letter of Commitment with the District. A copy of such request is attached hereto. PC is the owner of 12.5 acres of land in the District at the southwest corner of I-45 and Louetta Road (the "Subject Tract"). The District issued a Letter of Commitment on June 9, 2006 reserving 60,000 gallons per day ("gpd") of water capacity and 50,655 gpd of wastewater capacity ("Original Capacity Commitment"). A portion of the Original Capacity Commitment was assigned to Cheddars Restaurant, Furr's Buffet, and Juan & Lefties.

PC is in the process of negotiating the sale of another portion of the Subject Tract and requested that the District issue a one year extension on the remaining Original Capacity Commitment.

Upon motion duly made and seconded, the Board voted unanimously to approve extending the Letter of Commitment to PC, but reducing the Original Commitment to account for the assignment to the above restaurants.

### **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 97.3% of the District's 2009 taxes have been collected as of April 30, 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.

### **PEACE OFFICER'S REPORT**

There was no Peace Officer's Report.

### **ENGINEERING/DEVELOPMENT REPORT**

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

**Chloramines Conversion Project** – Mr. Davis noted that there was no pay estimate from JTR Constructors for the District's Chloramines Conversion Project. The Board also discussed the timeline for conversion to chloramines. The Board asked Mr. Davis whether JTR Constructors has exceeded the contract time to complete the chloramines project, and if so, whether there were any additional costs to the District as a result. Mr. Davis confirmed that JTR Constructors are beyond the contract time, and as a result the District has incurred additional engineering fees. The Board agreed that JTR Constructors should be held accountable for the additional costs, and asked the Attorney and Engineer to look into the matter.

**Emergency Preparedness Plan** – Mr. Davis stated that the additional information requested by Texas Commission on Environmental Quality ("TCEQ") on the District's Emergency Preparedness Plan ("EPP") was provided. It is anticipated that the District will receive approval of the EPP within the next week.

**Spring Park Detention Pond** - Mr. Davis informed the Board that the storm water permit for the Spring Park detention pond was not renewed. Metro National, owner of the Tract, indicated that they would take care of the permit. Mr. Davis forwarded the information concerning the expired permit to Metro National.

**Insurance** – Mr. Davis stated that he and Mr. Dellinger will provide the values of the District facilities to the insurance agent.

**Harris County Water Control and Improvement District No. 99 ("HC99")** – Mr. Davis informed the Board that HC99 has requested information concerning the District's water facilities. HC99 will be undertaking repairs to its water well and may need a source of water while repairs are underway.

The Board agreed that if HC99 needs an interim source of water, the request should be in writing to the District.

Upon a motion made by Director Strickland and seconded by Director Stevens, the Board unanimously to approve the Engineer's report.

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

### **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 reported as follows:

1. the District has a total connection count of 2,215;
2. the billed to pumped ratio for April was 90.8%;
3. conversion to chloramines system is scheduled for mid-June pending completion of the chloramines conversion project;
4. of the 688 meters that were identified in the 2008 Meter Replacement Report, 437 meters have been replaced to date;
5. the leak at 614 Cypresswood is still sufacing at a rate of approximately ¼ gallon per minutes. EDP excavated the taps in the area and determined that they are not the cause of the leak, EDP will seek the assistance of the North Harris County Regional Water Authority ("RWA") to conduct an investigation into the leak.
6. a draft of the Consumer Confidence Report ("CCR") was presented. The CCR will be finalized when the TCEQ provides its template.
7. EDP requests authorization to located and repair 65 isolation valves at an estimated cost of \$11,230.
8. there was an ammonia violation at the wastewater treatment plant. The TCEQ has been notified.
9. the second retest of the first quarter 2010 biomonitoring testing failed. Consequently, a Toxicity Reduction Evaluation ("TRE") must be initiated. EDP obtained bids from PBS&J (\$16,450) and Bio-Aquatic (\$8,400) to perform the TRE.
10. EDP presented proposals for reserving emergency generators during the hurricane season. The Board agreed that it may be more prudent to purchase a generator, and agreed to look at purchasing a generator.

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 CCR, (iii) to accept the proposal from Bio-Aquatic (\$8,400) to perform the TRE. No action was taken on the valve survey.

**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. Ms, Divin reported that (i) recycling is at 45% and (ii) Furr’s Buffet has submitted an Application for Service, as well as a Mexican Restaurant, (iii) Loggins has his tap letter as well as Big Trees.

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**

Proposed minutes of the meetings held April 14, 2010 and April 22, 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 April 14, 2010 and April 22, 2010, as amended.

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

APPROVED THIS July 14, 2010.

  
Secretary, Board of Directors