

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

JANUARY 20, 2011

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
HARRIS COUNTY WATER CONTROL AND	§
IMPROVEMENT DISTRICT NO. 110	§

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 20, 2011 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 Sebastian	-	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 Sebastian, thus constituting a quorum.

Also attending the meeting were Jody Dellinger, Parks and Recreation Manager for the District; Kay Divin, the District's Water and Sewer Operations Manager; Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Todd Gunnels with ANCO McDonald Insurance, the District's insurance provider; Bob Sordahl and Emmett Poindexter, Jr., residents of the District; members of the public listed on the attached Attendance Sheet; 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.

PARKS AND RECREATION MANAGER'S REPORT

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

Mr. Dellinger reminded the Board that the employees' medical and dental insurance is up for renewal on February 1, 2011. The Board next recognized Mr. Gunnels, who presented to and reviewed with the Board various options for the renewal of such insurance. Mr. Gunnels noted that a renewal of the current employees' medical and dental insurance would result in a premium increase of approximately 23%. Mr. Dellinger recommended that the District continue the same coverage and also inquired about the possibility of adding disability coverage for the employees.

Upon a motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to approve the renewal of the District's current medical and dental insurance for the District's employees with Blue Cross/Blue Shield. The Board deferred action on adding disability coverage for the District's employees until such time as the entire Board is present to discuss.

Mr. Dellinger next presented to and reviewed with the Board a quote for a new entrance sign to the park.

Upon a motion made by Director Stevens and seconded by Director Strickland, the Board unanimously voted to authorize Mr. Dellinger to purchase the new entrance sign to the park at a cost not to exceed \$4,000.00.

The Board next discussed purchasing additional tables for the Board meeting room.

Upon a motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to authorize Mr. Dellinger to purchase additional tables for the Board meeting room at a cost not to exceed \$2,500.00.

Mr. Dellinger noted that he recently purchased new chairs for the large meeting room at the District office. The Board discussed disposing of the old chairs that are old and worn and have no value.

Upon a motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to declare the old chairs from the large meeting room at the District office as surplus property of the District with no value and to authorize Mr. Dellinger to dispose of such surplus property as he deems appropriate.

Mr. Dellinger noted that he is in the process of purchasing updated rules signs for the park, pool, tennis courts, fitness center and clubhouse.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

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

Lost Mines Trail – The Board discussed the issues with sewer backing up at the residence of Ronnie Kwok on Lost Mines Trail. Ms. Divin noted that the District will excavate around the line tomorrow and begin the process of repairing the District's existing line. Ms. Divin also presented the Board with (i) copies of invoices from AB Plumbing relating to this matter that were sent to the District for payment and (ii) a copy of the check in the amount of \$150.00 paid by Mr. Kwok to AB Plumbing. The Board noted that they are still gathering information and will consider whether the invoices from AB Plumbing should be paid by the District once all the necessary information is received and reviewed by the Board and District consultants.

Shannondale/Enchanted River – The Board next discussed an issue with the sewer lines serving 218 Shannondale and 219 Enchanted River. Ms. Divin explained that the private service line serving 218 Shannondale was recently replaced by ARS Rescue Rooter ("ARS"). When the new service line was installed, the old service line serving 218 Shannondale was abandoned, however, such line also serves 219 Enchanted River so when the line was abandoned, there was no longer sewer service to the property at 219 Enchanted River. ARS has attempted to repair the line serving 219 Enchanted River but such line continues to crack so it will also need to be replaced. The Board noted that the owner of 219 Enchanted River should not have to pay for the repair since he had no issues prior to ARS replacing the line serving 218 Shannondale. The Board instructed the District's attorney to look into the matter and determine an appropriate solution at no cost to the owner of 219 Enchanted River.

Amend Rate Order – Ms. Divin next presented to and reviewed with the Board the latest water/sewer rate analysis. The Board, after reviewing such analysis, asked Ms. Divin to prepare a few additional comparisons and to present such information to the Board at a future meeting.

ATTORNEY'S REPORT

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

Minutes of Meetings

Proposed minutes of the meeting held December 7, 2010 previously distributed to the Board were presented for consideration and approval.

Upon motion made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to approve the minutes from the meeting of December 7, 2010, as presented.

CLOSED SESSION

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to convene in closed session at 8:40 p.m. to discuss personnel matters.

OPEN SESSION

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board voted unanimously to reconvene in open session at 9:05 p.m.

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

APPROVED THIS March 9, 2011.


Secretary, Board of Directors