

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119
Minutes of Board of Directors Meeting
September 22, 2010

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 119 met at 9711 Landry Boulevard, Spring, Harris County, Texas, on September 22, 2010, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

William E. Eckert, President
Andrew R. Phelps, Vice President
John Soileau, Secretary
Robert Williams, Treasurer
William Manning, Asst. Secretary

and all of said members were present, thus constituting a quorum.

Also present were David Rowe of Water District Management Co.; Lisa Hernandez of Municipal Accounts & Consulting, L.P.; Troy Bordelon of A&S Engineers, Inc.; Lauren Matson with Wheeler & Associates, Inc.; and David Marks of Marks Richardson PC ("MRPC").

The President called the meeting to order and declared it open for such business as might regularly come before it.

As the first order of business, the Board considered adoption of an amendment to the District's Rate Order. In connection therewith, Mr. Rowe presented and discussed the attached proposed NHCRWA expense scenarios. After discussion on the matter, Director Williams moved that the water rates be increased by \$0.45 per 1,000 gallons (including the base rates). Director Manning seconded said motion, which unanimously carried.

The Board next reviewed the Financial Advisor's recommendation concerning the establishment of the District's 2010 tax rate. The Board reviewed a Tax Rate Analysis, a copy of which is attached hereto, prepared by the District's financial advisor, Mr. Craig Rathmann, which included the financial advisor's recommendation that the District levy a 2010 debt service tax rate of \$0.51 per \$100 of valuation and a 2010 maintenance tax rate of \$0.04 per \$100 of valuation. After discussion on the matter, Director Soileau made a motion authorizing the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2010 debt service tax rate of

\$0.51 per \$100 of valuation and a 2010 maintenance tax rate of \$0.04 per \$100 of valuation to be held at the District's next regular meeting. Director Phelps seconded said motion, which unanimously carried.

The Board next deferred the adoption of an amendment to the District's operating budget.

There being no further business to come before the Board, the meeting was adjourned.

/s/ John Soileau

John Soileau
Secretary

ATTACHMENTS

1. Proposed NHCRWA Expense Scenarios
2. Tax Rate Recommendation;
3. Budget.