

MINUTES OF MEETING OF BOARD OF DIRECTORS  
March 19, 2010

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 208

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 208 (the "District") met in regular session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney Street, Houston, Texas, at noon on March 19, 2010; whereupon the roll was called of the members of the Board, to wit:

Gary Struzick, President  
Jon F. Moody, Vice President  
Richard Huhn, Secretary  
Brock E. Miller, Assistant Secretary  
Bob McCavitt, Assistant Secretary

All members of the Board were present except Directors Miller and Moody. Also attending all or parts of the meeting were Ms. Kristen Scott of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Tony Sarman of AECOM, engineers for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operators for the District; Mr. Terry Holland of Myrtle Cruz, Inc., bookkeeper for the District; and Ms. Jana Cogburn and Ms. Carla Christensen of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of the Certificates of Posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes.** Consideration was given to the minutes of the regular meeting of February 19, 2010 and the special meeting of March 9, 2010, previously distributed to the Board. Upon motion by Director Huhn, seconded by Director McCavitt, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of February 19, 2010 and the special meeting of March 9, 2010, as presented.

2. **Tax Assessor and Collector's Report.** Ms. Scott presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month ending February 28, 2010, a copy of which is attached hereto as Exhibit "B." Ms. Scott reported that the District has collected 95.86% of its 2009 taxes.

Ms. Scott reviewed with the Board a letter from Karen Kaetzel requesting a waiver of penalty and interest ("P&I") on her property taxes for February 2010 (due to her tax statements being mailed to the former owner), a copy of which is attached to the Tax Assessor and Collector's Report. Discussion ensued. The Board concluded that the District has no legal basis to waive the P&I and asked Ms. Scott to advise Ms. Kaetzel to make such a request to the title company. Upon motion by Director McCavitt, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to accept the

Tax Assessor and Collector's Report and to authorize payment of check nos. 1336 through 1339 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Review Bookkeeper's Report, Investment Report and authorize payment of bills.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report, the budget for the fiscal year ending February 28, 2010 and the proposed budget for the fiscal year ending February 28, 2011, copies of which are attached hereto as Exhibit "C." Upon motion by Director Huhn, seconded by Director McCavitt, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Investment Report and the Bookkeeper's Report and to authorize payment of check nos. 8477 through 8506 from the Operating Account to the persons, in the amounts, and for the purposes described in the Bookkeeper's Report.

4. **Review Operations Report and authorize necessary repairs.** The President recognized Mr. Hoffman, who presented to and reviewed with the Board the Operations Report and an Operations Report Summary, copies of which are attached hereto as Exhibit "D."

Mr. Hoffman reported on the Programmable Logic Controller ("PLC") options and noted that the Control Microsystems Scada Pack System has arrived and is being programmed. Mr. Hoffman estimated that the installation should be complete this month at an estimated cost of \$10,000.

Mr. Hoffman reported that the booster pump #1 is still in the repair shop and should be repaired in the near future at an estimated cost of \$4,000.

Mr. Hoffman reported that the Texas Commission on Environmental Quality ("TCEQ") completed the water system inspection on March 9, 2010. Mr. Hoffman reported that a recommendation will be submitted to the TCEQ in Austin to evaluate the request for the Superior Water System. Mr. Hoffman stated that no deficiencies were noted during the inspection. Mr. Hoffman reported that he will coordinate with F&J to try to obtain a letter signed by the West Harris County Regional Water Authority ("WHCRWA") stating that pursuant to the WHCRWA Rate Order, the District is "contracting" with WHCRWA (through the Rate Order).

Mr. Hoffman reported on the CenterPoint damages and noted that CenterPoint only paid \$2,236.19 (half of the damage amount) to the District. The Board requested that Mr. Hoffman respond to CenterPoint via letter and sent by certified mail and request payment in full for the damages. Ms. Cogburn noted that F&J would run a conflicts check on CenterPoint.

Mr. Hoffman reported on an email from Ransom Daily of the Homeowner Management Co. requesting that the District replace a sidewalk. The Board advised Mr. Hoffman to respond to Mr. Daily that the sidewalk replacement is not the responsibility of the District.

Mr. Hoffman reported that the 60 kw lift station generator is on order at an estimated cost of \$35,000.

Mr. Hoffman reported that a fire hydrant at 17002 Lazy Elm was opened by vandals overnight and H2O estimates that the District lost 120,00 gallons of water.

Mr. Hoffman reported that in February, the District pumped 4,204,000 gallons of water and purchased 325,000 gallons of water from the WHCRWA and that the District has 178,378,700 gallons and nine months remaining on its Harris Galveston Subsidence District permit. Mr. Hoffman stated that the water accountability for February was 97%.

5. **Discuss generator options.** This item was discussed in the Operations Report.

6. **Engineer's Report.** Mr. Sarman reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "E." Mr. Sarman reported that the Emergency Preparedness Plan ("EPP") was submitted to the TCEQ in February and noted that AECOM would keep the Board up-to-date on any responses from the TCEQ.

Mr. Sarman requested the Board's approval to assign the engineering services contract from AECOM USA, Inc. dba AECOM USA Group, Inc. to AECOM Technical Services, Inc., a copy of which approval is attached to the Engineer's Report. Upon motion by Director McCavitt, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to approve assigning the engineering services contract from AECOM USA, Inc. dba AECOM USA Group, Inc. to AECOM Technical Services, Inc.

7. **Discuss Conservation Committee Report.** There was no discussion.

8. **Discuss Rate Order Amendments.** Director McCavitt stated that Director Moody is working with Mr. Hoffman on the Rate Order amendments.

9. **Discuss update of website and preparation of newsletter.** Director McCavitt reported that there were no updates.

10. **Adopt Order Declaring Unopposed Candidates Elected to Office.** Upon motion by Director McCavitt, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as Exhibit "F."

11. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Mr. Hoffman and Director Struzick reported that CJOB discussions included the generator purchases and the shared fuel distribution center at CJOB.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on April 16, 2010.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors