

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 23, 2007

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 23, 2007 whereupon the roll was called of the members of the Board, to wit:

Gary Struzick, President
John F. Moody, Vice President
Richard Huhn, Secretary
R. Brent Powell, Assistant Secretary
Brock E. Miller, Assistant Secretary

All members of the Board were present. Also attending all or part of the meeting were Ms. Brenda McLaughlin of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Anthony Sarman of TCB, Inc. ("TCB"), engineers for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operator for the District; Ms. Lori Hogue of Myrtle Cruz, Inc., bookkeeper for the District; and Ms. Heather Kubiak and Ms. Nancy Green 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 approval of the minutes of the meeting of February 16, 2007, previously distributed to the Board. Upon motion by Director Moody, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting February 16, 2007, as presented.

2. **Tax Assessor and Collector's Report.** The President recognized Ms. McLaughlin, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of February, a copy of which is attached hereto as Exhibit "B." Ms. McLaughlin reported that she will no longer be attending the District's meetings due to other meeting conflicts and that Kristen Scott of BLI will be attending the District meetings in her place. Ms. McLaughlin noted that she would be available for consultation at the District's request. Upon motion by Director Powell, seconded by Director Moody, after full consideration 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. 1216 through 1218 from the Tax Account, in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Bookkeeper's Report.** The President recognized Ms. Hogue, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C." Upon motion by Director Miller, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Investment Report, to approve the Bookkeeper's Report, and to authorize payment of check nos. 7406 through 7432 from the Operating Account, to the persons, in the amounts, and for the purposes described in the Bookkeeper's Report.

4. **Operations Report.** 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 that the low water accountability previously reported to the Board resulted from the use of 925,000 gallons of water on February 13, 2007 to flush high levels of ammonia. Mr. Hoffman reported that chlorine and ammonia residual levels from the West Harris County Regional Water Authority ("WHCRWA") water supply have been fluctuating. Director Struzick requested that Mr. Hoffman email Scott Barr and Rick VanDyke of ECO Resources and notify them in writing of the challenges the District has incurred in maintaining the residual levels.

Mr. Hoffman reported that the TCEQ requires the inside of the hydrotank to be inspected every five years. Since it has been approximately five years since the tank was painted, Mr. Hoffman requested the Board's authorization to remove the tank from service and inspect the tank wall thickness. Upon motion by Director Moody, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted unanimously to authorize H2O to remove the hydrotank from service and inspect the tank wall thickness.

Mr. Hoffman reported on the sewer line maintenance and requested the Board's authorization to make the Phase 10, priority 1 and 2 repairs, as noted by TCB. Upon motion by Director Huhn, seconded by Director Miller, after full discussion and the question being put to the Board, the Board voted unanimously to authorize such repairs at an estimated cost of \$21,750.

Mr. Hoffman reported on the Phase 11 and Phase 12 cleaning and televising. Mr. Hoffman requested the Board's authorization to proceed with the Phase 11 cleaning and televising and 5,233 feet of Phase 12 cleaning and televising at a cost of \$15,000. Upon motion by Director Powell, seconded by Director Moody, after full consideration and the question being put to the Board, the Board voted unanimously to authorize the Phase 11 cleaning and televising, and 5,233 feet of Phase 12 cleaning and televising at a cost of \$15,000.

Mr. Hoffman reported that the District exceeded the withdrawal level on its Harris Galveston County Subsidence District ("HGCS D") Permit and has proposed a settlement of \$1,870 for the 62,000,000 gallons pumped in excess of the permit amount for the 2004 to 2005 calendar year. Upon motion by Director Moody, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the settlement in the amount of \$1,870 and to authorize the Bookkeeper to pay the amount to the HGCS D for the 62,000,000 gallons pumped in excess of the permit amount for the 2004 to 2005 calendar year.

Mr. Hoffman reported on the Superior Water System application. Mr. Hoffman recommended the District apply for the Superior water rating with the TCEQ since it has now completed the construction work at the District's water plant as well as the surface water connection and generator projects. The Board directed H2O to begin the Superior Water System application process at an estimated cost of \$2,000.

Mr. Hoffman reported that a customer, Ms. Cormier, has requested a two week extension for her water payment due to an illness. It was the consensus of the Board to grant Ms. Cormier a two week extension to pay her water bill.

5. **Discuss and take action to finalize contract with R&B Group.** The President recognized Ms. Kubiak who updated the Board on a telephone conversation with Mr. Morrison of R&B Group.

6. **Engineer's Report.** The President recognized Mr. Sarman, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "E."

7. **Discuss WHCRWA Surface Water Conversion Costs.** Mr. Eastland reported that TCB has prepared an additional request to the WHCRWA for reimbursement of construction items performed by the District operator or other outside sources. Mr. Eastland reported that the letter was mailed to WHCRWA on March 6, 2007, a copy of which is attached to the Engineer's Report, and that TCB has not received a response. Director Struzick reported that Jerry Folmar is coordinating a joint meeting with directors from the Copperfield districts to discuss their individual issues with the WHCRWA reimbursement allowances.

8. **Discuss update of website and preparation of newsletter.** Director Miller reported that he would provide an update of the website and newsletter to the Board on an as-needed basis or when specific comments or questions arose from the Board. Director Huhn requested that Director Miller post a notice to residents in the website requesting that sprinkler systems be turned off during rainy periods. The Board requested that the newsletter include the 2519 Notice of Value of Taxes.

9. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Director Struzick reported that the CJOB Sewage Treatment Plant is 22 years old and that the Board is reviewing options for replacing the blower. Director Struzick stated that the Board approved replacing the valve press and pipes at the lift station.

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

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)