

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 20, 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 April 20, 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 except Directors Moody and Miller. Also attending all or part of the meeting were Ms. Brenda McLaughlin and Ms. Kristen Scott of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Charles Eastland 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. Jana Cogburn 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 March 23, 2007, previously distributed to the Board. Upon motion by Director Huhn, 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 March 23, 2007, as presented.

2. **Tax Assessor and Collector's Report.** The President recognized Ms. McLaughlin and Ms. Scott, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of March, a copy of which is attached hereto as Exhibit "B." Upon motion by Director Powell, seconded by Director Huhn, 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. 1219 through 1223 from the Tax Account, in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

3. **Authorize additional 20% penalty on taxes, penalty and interest remaining delinquent on July 1, 2007.** Upon motion by Director Powell, seconded by Director

Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Perdue, Brandon, Fielder, Collins & Mott, L.L.P. to collect delinquent 2006 taxes and to authorize an additional 20% penalty on taxes, penalty and interest remaining delinquent on July 1, 2007.

4. **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 Huhn, 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. 7434 through 7458 from the Operating Account, to the persons, in the amounts, and for the purposes described in the Bookkeeper's Report.

5. **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 H2O found a cable through the saddle at the sewer main while performing Phase 10 sewer line repairs. Mr. Hoffman stated that H2O is attempting to determine the owner of the cable so that the back charges for the repairs can be billed appropriately.

Mr. Hoffman requested the Board's approval to verify the District's pumping capacity on its booster pumps to determine that the District meets the requirements for the Superior Water System Application.

Mr. Hoffman reported that the West Harris County Regional Water Authority ("WHCRWA") has contracted with Kimmons Security Services, Inc. ("Kimmons") to prepare the Emergency Response Plan for the WHCRWA and that Kimmons has requested information on the District's Emergency Response Procedures ("ERP"). Mr. Hoffman stated that a copy of the Kimmon's questionnaire is attached to the Operations Report. The Board directed Mr. Hoffman to provide the District's ERP to Kimmons, but not to otherwise spend any time completing the questionnaire.

Mr. Hoffman reported that newsletter articles need to be approved by the end of the month so that H2O can distribute the newsletters with the May 6, 2007 water bills. Mr. Hoffman noted that a copy of newsletter articles are attached the Operations Report for the Board to review.

Mr. Hoffman reported that Mr. Stronach is requesting an adjustment to his water bill after he repaired a leak on his water line. It was the consensus of the Board to deny the request in accordance with District policy and to notify the resident of the policy.

Mr. Hoffman reported that he emailed and attended a meeting with ECO Resources regarding the WHCRWA's high chlorine and ammonia residual levels which have caused the District's water supply to fluctuate.

The Board directed Mr. Hoffman to purchase new signs for the District's facilities.

6. **Engineer's Report.** The President recognized Mr. Eastland, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "E." Mr. Eastland reported that Mr. Ahrens submitted an Electronic Media Release Agreement to TCB for signature prior to providing TCB with the WHCRWA GIS files of their surface water lines in the Copperfield area. Mr. Eastland reported that once TCB receives the shape file, TCB will incorporate the file into the District's GIS map. Mr. Eastland stated that it has been approximately one year since any updates have been made on the District's utility lines in the GIS map. Mr. Eastland recommended that TCB and H2O update the District's lines at the same time the WHCRWA lines are added. Mr. Hoffman stated that the updated information would include maintenance records and manhole numbering. Mr. Eastland agreed to bring a proposal for such work at the next meeting.

7. **Discuss WHCRWA Surface Water Conversion Costs.** Mr. Eastland reported that TCB participated in a joint special meeting involving the Copperfield Municipal Utility Districts and Skipper Rush from the WHCRWA on April 5, 2007. Mr. Eastland reported that TCB is preparing a breakdown of the engineering cost for each district into subcategories for design, construction, air gap, and manual vs. automatic controls. Mr. Eastland reported that the WHCRWA recently approved 25% reimbursement for engineering costs and that TCB is awaiting a response from the WHCRWA next week to determine if reimbursements for construction items performed by the District Operator or outside sources will be approved.

8. **Renew Contract for Aggregation of Electrical Purchases.** Upon motion by Director Powell, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to authorize execution of the Renewal and Extension Agreement for Aggregation of Electrical Purchases, a copy of which is attached hereto as Exhibit "F."

9. **Discuss update of website and preparation of newsletter.** This item was discussed in the Operations Report.

10. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Director Struzick reported that the Reclaimed Water System ("RWS") topic and the presentation by Legacy Energy Management Solutions comprised the majority of the meeting.

11. **Discuss RWS.** There was nothing new to discuss.

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)