

MINUTES OF MEETING OF BOARD OF DIRECTORS  
May 18, 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 May 18, 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 Powell. Also attending all or part of the meeting were Ms. Kristen Scott of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Charles Eastland, Mr. Bobby Adams and Mr. Tony Sarman of TCB, Inc. ("TCB"), engineers for the District; Mr. Steve Webb 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 April 20, 2007, previously distributed to the Board.
2. **Tax Assessor and Collector's Report.** The President recognized Ms. Scott, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of April, a copy of which is attached hereto as Exhibit "B."
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."
4. **Operations Report.** The President recognized Mr. Webb, 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. Webb reported that H2O completed the landscaping, cleaned up the site and leveled areas at the water plant. Mr. Webb reported that

sewer line maintenance on Phase 10 repairs are continuing and that Phase 11 sewer line cleaning and televising is scheduled for next month.

Mr. Webb reported that Deanna Harner emailed Director Struzick regarding the service she received from H2O during her move from one home to another home in the District, a copy of which email is attached to the Operations Report. It was the consensus of the Board to have Ms. Green draft a letter to Ms. Harner acknowledging her concerns.

5. **Approve Consumer Confidence Report.** Mr. Webb requested the Board's approval to send the Water Quality Report with the District's June 8, 2007 water bills. Mr. Webb reported that H2O is waiting on additional information from Jimmie Ray to include with the Water Quality Report before it is complete.

6. **Review Ethics Policy.** Ms. Cogburn reviewed with the Board the District's Ethics Policy.

7. **Renew District Insurance.** This item was deferred.

8. **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."

Mr. Sarman reported that TCB has finalized the Electronic Media Release Agreement with the West Harris County Regional Water Authority ("WHCRWA") to release their shape file for the Copperfield GIS map. Mr. Sarman stated that TCB received the shape files on May 10, 2007 and will begin incorporating the WHCRWA information into the current Copperfield GIS map. Mr. Sarman noted that TCB is preparing a proposal to address updates to the GIS map.

9. **Discuss WHCRWA Surface Water Conversion Costs.** Mr. Sarman reported that TCB has prepared a breakdown of the engineering cost for the surface water conversion for the District into subcategories for design, construction, air gap, and manual vs. automatic controls. Mr. Sarman reported that the WHCRWA recently approved reimbursement for engineering costs in an amount not to exceed 25% of construction costs. Mr. Sarman noted that TCB is still awaiting a response from the WHCRWA to determine if reimbursements for construction items performed by the District Operator or outside sources will be approved.

10. **Discuss update of website and preparation of newsletter.** Director Miller requested ideas for the newsletter. Director Struzick suggested that the newsletter contain conservation tips for summer water usage.

11. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Ms. Cogburn reported that the Board discussed that one of the ponds at the Hearthstone Country Club was in the 100-year flood zone and that the Board requested TCB to notify Hearthstone that the TCEQ's 210 authorization requires that reclaimed water should be protected from 100-flood zones.

12. **Discuss Reclaimed Water System (“RWS”).** Ms. Cogburn reported that Harris County Municipal Utility District No. 188’s (“No. 188”) attorney stated that No. 188’s decision to postpone signing the Reclaimed Water System Agreement until it was approved by Harris County Municipal Utility District No. 163 (“No. 163”) was a policy issue and not a legal issue.

Upon motion by Director Miller, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to:

- (1) Accept the Tax Assessor and Collector’s Report, and authorize payment of check nos. 1224 through 1230 from the Tax Account, in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collectors Report.
- (2) Approve the Investment Report, and the Bookkeeper’s Report, and authorize payment of check nos. 7460 through 7484 from the Operating Account, to the persons, in the amounts, and for the purposes described in the Bookkeeper’s Report.
- (3) Authorize H2O to send the Consumer Confidence Report to customers with the June 8, 2007 water bill.

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

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)