

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 11, 2008

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 special session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney Street, Houston, Texas, at noon on July 11, 2008; 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 McCavitt. 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 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; Mr. David L. Merritt, P.C., auditor 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 June 13, 2008, previously distributed to the Board. Upon motion by Director Moody, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of June 13, 2008, as presented.

2. **Approve audit for the fiscal year ending February 29, 2008.** The President recognized Mr. Merritt, who presented to and reviewed with the Board a draft of the audit for the fiscal year ending February 29, 2008, a copy of which is attached hereto as Exhibit "B." Mr. Merritt noted that the last paragraph in the MD&A will be revised. In response to a question from Director Moody, Mr. Merritt responded that the Board authorized sufficient funds to pay for the audit. Upon motion by Director Moody, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board approved the audit for the fiscal year ending February 29, 2008.

3. **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 June, a copy of which is attached hereto as Exhibit "C." Ms. Scott reported that

the District has collected 98.4% of its 2007 taxes. Upon motion by Director Huhn, seconded by Director Moody, 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. 1275 through 1280 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

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 "D." Upon motion by Director Huhn, seconded by Director Moody, 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. 7879 through 7907 from the Operating Account to the persons, in the amounts, and for the purposes described in the Bookkeeper's Report.

5. **Consider and approve Texas State Bank notification of transfer of safekeeping custodian.** Ms. Hogue stated that Texas State Bank and Compass Bank are merging. Upon motion by Director Huhn, seconded by Director Moody, after full discussion and the question being put to the Board, the Board voted unanimously to authorize execution of the Texas State Bank notification of transfer of safekeeping custodian, thereby acknowledging receipt thereof.

6. **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 "E." Mr. Hoffman reported that in June the District pumped 17,964,000 gallons of water and purchased 4,441,000 gallons of water from the West Harris County Regional Water Authority and that the District has 84,311,200 gallons and five months remaining on its Harris Galveston County Subsidence District ("HGCS D") permit. Mr. Hoffman stated that the water accountability for June was 92.9%.

Mr. Hoffman reviewed with the Board the report summary. Mr. Hoffman reported on maintenance items and stated that the centrifugal clutch for the booster pump engine is on order.

Mr. Hoffman reported that the exhaust fan #4 in the booster pump room at the water plant was repaired at a final cost \$1,058.88.

Mr. Hoffman reported that H2O installed the concrete drainage swale at ground storage tank #2 to stop erosion and improve drainage at a final cost of \$2,270.70.

Mr. Hoffman reported that the fire hydrant painting is complete at a final cost of \$4,316.41.

Mr. Hoffman reported that the asset report is in progress and H2O hopes to have a draft report for the Board's review at the next meeting.

In response to a question from Director Moody, Mr. Hoffman reported that the District was not on the Superior Water Smart rating schedule through August and he is not sure when the rating will be scheduled.

7. **Consider and approve HGCSO Interlocal Agreement (IA).** Director Struzick noted that the District's cost for the Water Wise groundwater sponsorship will increase from \$32.75 to \$34.50 per student. Upon motion by Director Moody, seconded by Director Huhn, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the HGCSO IA, a copy of which is attached hereto as Exhibit "F."

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 "G."

Mr. Sarman reported on the GIS updates for Sanitary Sewer Repairs and noted that TCB has entered the sanitary sewer repair information into the GIS files. Mr. Sarman stated that TCB is performing a final review and once complete, will submit the files to H2O for review and comment.

9. **Discuss update of website and preparation of newsletter.** No action was taken.

10. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Director Struzick reported no new activities at CJOB.

Director Struzick requested that the Board reschedule the August meeting from August 15, 2008 to August 22, 2008 due to conflicts in attendance. Ms. Green stated that she would contact the Board and determine their availability on August 22, 2008 and would notify the District's Directors and consultants of the rescheduled meeting date.

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:

Secretary, Board of Directors

(DISTRICT SEAL)