

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 19, 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 regular session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney Street, Houston, Texas, at noon on September 19, 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. 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; Ms. Donice Hoffman of H2O Consulting ("H2O"), operator for the District; Mr. Terry Holland of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Carlin Short, financial advisor 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. **Bookkeeper's Report.** Mr. Holland reported that Myrtle Cruz, Inc. was closed due to the power outage from Hurricane Ike and noted that the September Bookkeeper's Report would be provided to the Board at a later date. Upon motion by Director Moody, seconded by Director McCavitt, after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment of check nos. 7939 through 7956 from the Operating Account.

2. **Minutes.** Consideration was given to the approval of the minutes of the special meeting of August 22, 2008, previously distributed to the Board. Director McCavitt requested that the \$7,250 estimate be corrected to \$3,500 in the seventh paragraph under the Operations Report. Upon motion by Director Moody, seconded by Director Miller, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the special meeting of August 22, 2008, as revised.

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 August, a copy of which is attached hereto as Exhibit "B." Ms. Scott reported

that the District has collected 98.68% of its 2007 taxes. 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 accept the Tax Assessor and Collector's Report and to authorize payment of check nos. 1283 through 1285 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. **Consider the Financial Advisor's recommendation for the 2008 Tax Rate and Authorize Publication.** The President recognized Mr. Short, who presented to the Board his recommendations for the District's 2008 Tax Levy, a copy of which is attached hereto as Exhibit "C." Mr. Short recommended that the Board levy \$0.45 per \$100 assessed valuation for debt service and \$0.15 per \$100 valuation for operations and maintenance. Upon motion by Director Moody, seconded by Director Miller, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Designating Officer to Calculate and Publish Tax Rate, a copy of which is attached hereto as Exhibit "D," thereby indicating its intent to set a tax rate of \$0.60 per \$100 assessed valuation (\$0.45 per \$100 assessed valuation to pay principal and interest to service the District's debts and \$0.15 per \$100 assessed valuation to fund maintenance and operating expenditures) and to designate Bob Leared as the District's officer to publish the proposed tax rate in the Houston Chronicle.

5. **Operations Report.** The President recognized Ms. 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." Ms. Hoffman reported that in August the District pumped 8,844,000 gallons of water and purchased 8,714,000 gallons of water from the West Harris County Regional Water Authority and that the District has 43,799,000 gallons and three months remaining on its Harris Galveston County Subsidence District ("HGCS D") permit. Ms. Hoffman stated that the water accountability for August was 98%.

Ms. Hoffman reviewed with the Board the Operations Report Summary. Ms. Hoffman reported on maintenance items and activities related to Hurricane Ike. Ms. Hoffman reported that the water plant is still operating under generator power and that the WHCRWA line was placed back into service on September 18, 2008. Ms. Hoffman reported that the District did not lose water pressure at any time during the hurricane. Ms. Hoffman reported that the lift station was operated using a portable generator. Ms. Hoffman stated that the Copperfield Joint Operations Board ("CJOB") generator experienced problems and that another generator was acquired for backup. Ms. Hoffman reported that the power to the lift station was restored on Monday evening.

Ms. Hoffman reported that a chip in the impeller of the submersible pump on lift pump #1 was discovered during the maintenance inspection. Ms. Hoffman stated that the pump was pulled and H2O is waiting to receive the tear down report and cost estimate for the repair.

Ms. Hoffman reported that wear in the wearing for the submersible pump on lift station pump #2 was discovered during the maintenance inspection. Ms. Hoffman stated that pump #2 will be pulled after the pump #1 repair is complete.

Ms. Hoffman reported that H2O investigated a sinkhole at 15915 Ridge Park and determined that the problem was on the Church sewer line and that the repair was turned over to the Church. Ms. Hoffman stated that the estimated cost of the investigation is \$3,500.

Ms. Hoffman reported that H2O repaired a sewer line at 7527 Shangrilla at an estimated cost of \$7,250.

Ms. Hoffman reported that H2O monitored the water usage at 7715 View Park and determined that the meter H2O replaced was faulty. Ms. Hoffman recommended that H2O adjust and credit the resident's water bill by 10,000 gallons per month for a five-month time period. 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 adjust and credit the resident's water bill by 10,000 gallons per month for a five-month time period.

Ms. Hoffman reported that H2O is still working on the asset history and updating the asset table with input from TCB.

Director Moody recommended that the District consider placing a cell tower in the District because of the poor cell phone reception that occurred during and after Hurricane Ike.

Director Struzick reported that Mr. Hoffman observed a resident trying to plug an electrical cord into the generator at the lift station following Hurricane Ike and notified the man to leave the property. Discussion ensued regarding how to prevent future incidents of this nature.

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 "F."

Mr. Sarman reported on the GIS updates for Sanitary Sewer Repairs and noted that TCB is coordinating with H2O to provide the updated files for review and comment.

Mr. Sarman stated that TCB received the draft asset table from H2O and has performed an initial review of the table. Mr. Sarman reported that the comments will be submitted to H2O after the final review.

Director Struzick requested that TCB include the actual versus budget amounts on their billing reports to the District so that the District can better track the engineering fees.

7. **Discuss the HCWCID 145 proposed walkway/trail system.** This item was deferred.

8. **Discuss update of website and preparation of newsletter.** The Board discussed adding information to the website explaining the District's preparation for Hurricane Ike.

9. **Report on Copperfield Joint Operations Board (“CJOB”) meeting.**

Director Struzick reported that CJOB has rented a generator three times during the 2008 hurricane season and has directed Mr. Hoffman to gather information on purchasing a generator due to the increased difficulty in leasing a generator.

Director Struzick reported that H2O obtained E-coli samples at the Sewage Treatment Plant and discharge points in the CJOB service area and noted that E-coli was undetectable in the tests.

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)