

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 16, 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 November 16, 2007; 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 part 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; Mr. Terry Holland 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 October 19, 2007, previously distributed to the Board. Upon motion by Director McCavitt, 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 October 19, 2007, as presented.

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 October, a copy of which is attached hereto as Exhibit "B." Ms. Scott reported that the District has collected 0.807% of its 2007 taxes and 98.666% of its 2006 taxes. 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 accept the Tax Assessor and Collector's Report and to authorize payment of check nos. 1249 through 1251 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 Mr. Holland, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached

hereto as Exhibit "C." In response to a question from Director Miller, Mr. Holland reported that Alexander Internet Services charges a website registration fee once per year. 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 approve the Investment Report and the Bookkeeper's Report, and to authorize payment of check nos. 7645 through 7675 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 in October the District pumped 7,452,000 gallons of water and purchased 8,420,000 gallons of water from the West Harris County Regional Water Authority and that the District has 67,196,300 gallons and one month remaining on its Harris Galveston County Subsidence District ("HGCSO") permit.

Mr. Hoffman reviewed with the Board the maintenance items for the water plant, lift station, and water lines. Mr. Hoffman reported that water well #1 has lost approximately 110 gallons per minute ("gpm") since the last test. Mr. Hoffman noted that H2O is monitoring the gpm closely and retests have been scheduled for December and March.

Mr. Hoffman reported that the ammonia building power sources have been connected to the proper power source so that it can operate under generator power.

Mr. Hoffman reported that check valve no. 2 has been replaced at the lift station.

Mr. Hoffman noted that the fire hydrant repair is complete at 16926 Poplar Hill.

Mr. Hoffman reported that Phase 11 sanitary sewer line repairs are scheduled and the Phase 12 cleaning and televising will be scheduled for December.

Mr. Hoffman stated that the manhole repairs on Royal Garden and Forest Heights are continuing.

Mr. Hoffman reported on administrative items and noted that the District is still waiting on the response from the TCEQ regarding the Superior Water System Application.

Mr. Hoffman stated that draft newsletter articles are attached to the Operations Report for the Board's approval. Mr. Hoffman noted that the draft articles would be revised to include sidewalk repairs as they relate to manhole repairs and that the tax rate would reflect the 2008 tax rate.

5. **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 stated that TCB met with H2O to discuss the information and forms for the GIS update. Mr. Sarman reported that TCB has begun updating the digital files with the missing materials and ID names. Mr. Sarman noted that TCB will continue to update the Board on the status of this project.

Mr. Sarman reported that TCB submitted the Emergency Response Plan (“ERP”) to the West Harris County Regional Water Authority consultant.

Mr. Sarman reported that TCB is preparing Phase 11 final sanitary sewer plans for H2O. Mr. Sarman noted that once completed, two copies will be submitted to H2O.

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

7. **Report on Copperfield Joint Operations Board (“CJOB”) meeting.** Director Struzick stated that meeting topics included siphon cleaning, lift station cleaning and developing the bar screen bypass for the headworks. Director Struzick noted that CJOB voted to approve the regular meeting time on the second Monday of each month. Director Struzick reported that H2O suggested installing a second meter at the lift station to measure the KVA and to keep the peaking factor down. Director Huhn noted that it would be beneficial to investigate peaking factor differences between the day and night.

8. **Discuss Reclaimed Water System.** Director Struzick reported that Julie Tysor, a representative from Harris County Municipal Utility District No. 188, has agreed to attend the Harris County Municipal Utility District No. 163’s November meeting to discuss the Reclaimed Water System. Discussion ensued regarding the District’s desire to proceed with the system. Director Struzick requested that Mr. Sarman bring copies of the line distribution to the December meeting. 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 move forward with the design of the Reclaimed Water System.

9. **Discuss and approve action authorizing electronic document recording, director access and establishing an extranet for CJOB directors and consultants.** Director Struzick noted that CJOB requested that the District include important CJOB documents on the District’s electronic database. Ms. Cogburn requested that Mr. Hoffman identify the CJOB documents and submit the list to F&J for inclusion in the District’s electronic records.

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)