

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 20, 2009

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 20, 2009; 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 AECOM, engineers for the District; Mr. Chris Hoffman of H2O Consulting ("H2O"), operators for the District; Mr. Terry Holland of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Dennis Zehler, representative of Southcreek Village Home Owners Association ("SVHOA"); 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 minutes of the regular meeting of October 16, 2009, previously distributed to the Board. 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 minutes of the regular meeting of October 16, 2009

2. **Consider request for additional sprinklers in Southcreek Village.** Mr. Zehler reviewed with the Board the proposals from Pampered Lawns Central, Inc., Silversand Services and Earth Works Services for installing and programming new clocks on the Southcreek Village sprinkler systems. Mr. Zehler recommended accepting the Pampered Lawns, Inc. bid because it includes installation, programming of clocks, initial set-up and a three-year installation warranty. Mr. Zehler stated that the new clocks advertise a 30% to 40% decrease in water usage. In response to a question from Director Struzick, Mr. Hoffman stated that he would provide the SVHOA's current water usage history for the Board to review. Mr. Zehler requested that the District pay 100% of the costs for installing and programming the new clocks. Discussion ensued regarding having the SVHOA split the cost with the District. Mr. Zehler also requested that the District pay \$2,400 per pool to add a second water meter at each pool so that the SVHOA could eliminate paying sewer fees for the sprinklers, lawns and splashpad.

discussion ensued. Director Moody requested that Mr. Zehler provide the Board a revised proposal which lists only the clocks in the District. Upon motion by Director McCavitt, seconded by Director Miller, the Board voted three in favor, with Directors Moody and Struzick opposed, to pay 100% of the cost of the clock meters that tie-in to the District's areas of irrigation in Southcreek Village, pending the Directors receipt of a revised proposal for review.

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 ending October 31, 2009 and the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. Delinquent Tax Report, copies of which are attached hereto as Exhibit "C." Ms. Scott reported that the District has collected 99.21% of its 2008 taxes. 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 accept the Tax Assessor and Collector's Report and to authorize payment of check nos. 1325 through 1328 from the Tax Account in the amounts, to the persons, and for the purposes described in the Tax Assessor and Collector's Report.

4. **Review Bookkeeper's Report, Investment Report and authorize payment of bills.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's Report for October, 2009, the Investment Report, and the budget for the fiscal year ending February 28, 2010, copies of which are attached hereto as Exhibit "D." The Board discussed the Investment Report and requested that Mr. Holland move \$250,000 from the Tex Pool account into Certificates of Deposits. 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 approve the Investment Report and the Bookkeeper's Report and to authorize payment of check nos. 8363 through 8389 from the Operating Account to the persons, in the amounts, and for the purposes described in the Bookkeeper's Report.

5. **Review Operations Report and authorize necessary repairs.** 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 October, the District pumped 5,395,000 gallons of water and purchased 4,418,000 gallons of water from the West Harris County Regional Water Authority and that the District has 26,654,200 gallons and one month remaining on its Harris Galveston Subsidence District permit. Mr. Hoffman stated that the water accountability for October was 97.8%.

Mr. Hoffman reported on the Programmable Logic Controller ("PLC") options and noted that H2O will provide cost estimates for the Board to review next month.

Mr. Hoffman reported that new flanges were welded onto both of the ground storage tanks when the ground storage tank vents were replaced. Mr. Hoffman reported that the cost to date for the ground storage tanks vents is \$13,390.

Mr. Hoffman reported that he asked David Neil to begin looking at generators sized from 60 to 125 kw.

Mr. Hoffman reported that H2O replaced a tapline at 16906 Peach Forest at a final cost of \$1,965.01.

Mr. Hoffman reported that the manhole at Royal Garden and Highland Farms was repaired at a final cost of \$4,588.

Mr. Hoffman reported that he recommends the Triggered Source Monitoring Plan to comply with the Ground Water Rule, a copy of which is attached to the Operations Report. Mr. Hoffman reported that the plan identifies locations of source water and provides direction to sample source waters in the event of a distribution system positive bacteriological sample.

Mr. Hoffman reported that H2O filed information required in Senate Bill 361 by November 1, 2009, a copy of which is attached to the Operations Report.

Mr. Hoffman reported that FEMA has sent correspondence that \$2,113.35 has been deposited in the District's account for Hurricane Ike relief.

In response to a question from Director Miller, Mr. Hoffman reported that the Water Wise application status is on hold because the annual inspection has not been scheduled by the TCEQ.

6. **Consider and approve Programmable Logic Controller ("PLC") Options.** This item was deferred.

7. **Discuss generator options.** See item 8.

8. **Engineer's Report.** Mr. Sarman reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F." Mr. Sarman reported that AECOM has identified three used generators that may be of interest for the lift station. Director Struzick recommended that David Neil provide a list of five to ten minimum criteria for Mr. Moody to review in order to expedite the District's selection. Mr. Hoffman reported that the estimated cost of the gas line installation is \$10,000.

9. **Discuss Conservation Committee Report.** Director Moody reviewed with the Board the Conservation Committee notes from November 12, 2009. Director Moody stated that the committee did not receive any feedback from its top water users.

Director Moody reported that he did not locate any material on the West Harris County school programs.

Director Moody reported on the water losses in the District and noted that water losses are inherent in metering water.

Director Moody stated that Mr. Hoffman is reviewing possible calculation of a benchmark factor of gallons of water usage per capita per day.

Director Moody reported that the model data entry status and basic entry was completed and a brief presentation was given for the computer model.

10. **Discuss update of website and preparation of newsletter.** Director Moody reported on the updates to the website.

11. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Director Struzick reported that the TCEQ released CJOB from performing a toxicity reduction evaluation and noted that the sewage treatment plant is continuing quarterly biomonitoring samples. Director Struzick reported that CJOB is installing an automatic transfer switch (universally sized). Director Struzick reported that CJOB approved replacing the dechlorination pump and overhauling the sludge belt press #2. Director Struzick stated that big expense repair items will be reviewed by CJOB in 2010.

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 December 18, 2009.

President, Board of Directors

ATTEST:

Secretary, Board of Directors