

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 14, 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 December 14, 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; 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 November 16, 2007, previously distributed to the Board. Director Moody requested that Director Huhn be changed to Director Moody in the fourth sentence under item 7 (Report on Copperfield Joint Operations Board meeting). Director Struzick requested that "contingent on assessment of practicality from the operator and engineer" be added to the last sentence under item 8 (Discuss Reclaim Water System). Upon motion by Director McCavitt, 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 meeting of November 16, 2007, as revised.

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 November, a copy of which is attached hereto as Exhibit "B." Ms. Scott reported that the District has collect 6.387% of its 2007 taxes and 98.844% of its 2006 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. 1252 through 1254 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 Ms. Hogue, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C." 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. 7676 through 7710 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 November the District pumped 7,184,000 gallons of water and purchased 5,884,000 gallons of water from the West Harris County Regional Water Authority and that the District has 54,127,800 gallons and zero months 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 100 gallons per minute ("gpm") since the last test. Mr. Hoffman noted that H2O is monitoring the gpm closely and that retests have been scheduled for 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 H2O recommends replacing the existing 20-year old wooden fence gate at the water plant with a tubular rolling gate to improve security at an estimated cost of \$3,500. Upon motion by Director McCavitt, seconded by Director Moody, after full discussion and the question being put to the Board, the Board voted unanimously to approve replacing the wooden fence gate at the water plant with a tubular rolling gate at an estimated cost of \$3,500.

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

Mr. Hoffman reported that Phase 11 sanitary sewer line repairs are scheduled and that Phase 12 cleaning and televising has begun.

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

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 noted that the manhole at Brooks Springs and Logenbaugh has settlement problems and that the District shares the line to the manhole with Harris County Municipal Utility District Nos. 186, 162 and 163. Mr. Hoffman stated that repair costs would be based on percentage ownership under the shared line agreement. Mr. Hoffman reported that H2O is obtaining estimates for the repair.

Director McCavitt thanked Mr. Hoffman for the tour of the District's facilities.

Mr. Hoffman stated that the newsletter was sent with the District's bills.

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 is updating the digital files with the missing materials and ID names for the GIS map file. Mr. Sarman noted that TCB will continue to update the Board on the status of this project.

Mr. Sarman reported that TCB is performing the final review of the Phase 11 sanitary sewer plans. Mr. Sarman noted that TCB anticipates submitting the final set of plans to H2O by the end of December.

6. **Discuss update of website and preparation of newsletter.** Director Moody suggested including water conservation articles in the newsletter.

7. **Report on Copperfield Joint Operations Board ("CJOB") meeting.** Director Struzick stated that CJOB approved the repair of blower #5 because the historical data for the Cinco Ranch variable rate blower would not be available for 18 months. Director Struzick reported that CJOB also discussed the bar screen bypass for the headworks. Director Struzick noted that the TCEQ annual inspection went well. Mr. Hoffman noted that repairs are needed for the sewage treatment plant. Director Struzick requested that TCB provide updated repair costs in January. Discussion ensued on life expectancies of various areas and operations of the Plant.

8. **Discuss Reclaimed Water System.** Director Struzick reported that Julie Tysor, a representative from Harris County Municipal Utility District No. 188, attended Harris County Municipal Utility District No. 163's November meeting to discuss the Reclaimed Water System ("RWS"). Director Struzick reported that No. 163 will be revising the letter of "no objection" to present to the participants of the RWS agreement.

Mr. Sarman reported that as requested by the Board, a copy of the RWS line distribution is attached to the Engineer's Report.

Mr. Sarman reviewed with the Board a revised cost analysis for the RWS design, a copy of which is attached hereto as Exhibit "F." Extensive discussion ensued regarding the revised costs for the system. Director Struzick requested that Mr. Sarman provide new cost estimates for the project which include jacking and boring instead of trenchless work. Director Struzick requested that Mr. Sarman provide the Board the payback period and revised cost analysis for the system at the January meeting and also requested that Mr. Sarman telephone Director Folmar of Harris County Municipal Utility District No. 162 regarding the current cost analysis and forthcoming cost revisions.

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)