

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 17, 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 August 17, 2007; whereupon the roll was called of the members of the Board, to wit:

Gary Struzick, President  
John F. Moody, Vice President  
Richard Huhn, Secretary  
R. Brent Powell, Assistant Secretary  
Brock E. Miller, 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. Bobby Adams and 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; Mr. Bob McCavitt, a potential new director; Mr. Jack Banahan; 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 July 20, 2007, previously distributed to the Board. Upon motion by Director Moody, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of July 20, 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 July and the Delinquent Roll, copies of which are attached hereto as Exhibit "B." Upon motion by Director Moody, seconded by Director Powell, 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 Delinquent Roll, and authorize payment of check nos. 1238 through 1242 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." Mr. Hoffman noted that check no. 7530 to Bio-Aquatic Testing, Inc. was voided and paid by the Copperfield Joint Operations Board ("CJOB") account. 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 Investment Report and the Bookkeeper's Report, and to authorize payment of check nos. 7547 through 7579 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 on maintenance items and noted that the 330 HP well motor #1 is repaired and operational.

Mr. Hoffman stated that the surface water chlorine pump was replaced.

Mr. Hoffman reported that well treatments for iron bacteria are complete and that the wells are back in service. Mr. Hoffman stated that H2O noticed a reduction in chemical usage.

Mr. Hoffman discussed the water sampling and testing requirements by the TCEQ and responded to questions regarding the positive coliform tests and boil water notice in Harris County Municipal Utility District No. 163.

Mr. Hoffman reported that H2O hauled off dirt and concrete remaining from the water line and sewer line repairs.

Mr. Hoffman reported that lift pump #3 was pulled and H2O repaired the cable connection at the pump because it was tripping the breaker.

Mr. Hoffman stated that repairs on Royal Garden are complete.

Mr. Hoffman reported that the backflow preventor testing is complete and H2O will provide copies of the testing to the Southcreek HOA.

Mr. Hoffman reported on the status of the District's sewer line maintenance and stated that H2O is waiting on TCB's evaluation of the televised lines.

Mr. Hoffman reported that H2O sent a letter to the TCEQ requesting that the District be considered for Superior Water System status as required under the Superior Water System Application.

Mr. Hoffman reported that newsletters were mailed to residents yesterday.

Mr. Hoffman reported that the District is required by law to sample 20 residents for lead and copper sampling by September 30, 2007. Mr. Hoffman noted that the District's policy is to offer participating customers a credit on their water bill.

Director Struzick discussed the groundwater requirements as mandated by the Harris Galveston County Subsidence District.

In response to a question from Director Moody, Mr. Hoffman reported on the District's hurricane preparedness and use of back-up generators for the sewer plant.

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 has received approval from Harris County Municipal Utility District Nos. 162 and 186, and the District to update the GIS mapping system with Option 3 to develop the integrated tool to enter and edit survey data into the GIS files.

Mr. Sarman reported that TCB has submitted the draft Emergency Response Plan ("ERP") to H2O for final review and comment. Mr. Sarman stated that once a final draft is complete, TCB can submit the ERP to the Board. Mr. Sarman reported that he would distribute a hard copy of the ERP to the Board when it is complete.

Mr. Sarman reported that TCB is reviewing the sanitary sewer repair videos to identify Phase II sanitary sewer damages for future repairs. Mr. Sarman noted that TCB anticipates having cost estimates available at next month's meeting for discussion.

Mr. Sarman reported on ammonia effects on bacteria growth. Mr. Sarman stated that it is possible for some bacteria to use ammonia as a food source, especially during times when GSTs are hot and when water usage is low due to increased rainfall. Mr. Sarman stated that well water and nitrite levels in the GST should be tested to determine the types of bacteria present in the GST. Mr. Sarman noted that a higher nitrite level in the GST than in the well water indicates eutrophic bacteria are present.

6. **Discuss WHCRWA Surface Water Conversion Costs.** This item was not discussed.

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

8. **Report on CJOB meeting.** Director Struzick updated the Board on the CJOB meeting and noted that David Munn discussed the blower options. Director Struzick also reported on the biomonitoring tests.

9. **Discuss Reclaimed Water System.** Ms. Cogburn stated that either she or David Oliver would draft a letter of "no objection" for review by Harris County Municipal Utility District No. 163 ("No. 163") Ms. Cogburn suggested that a summary of the engineering plans be included in the letter and noted that TCB needs to prepare such summary.

10. **Discuss energy legislation.** Ms. Cogburn reported that legislative changes effective September 1, 2007 require all districts to monitor and report their personal electrical usage to the state. Ms. Cogburn noted that the state will require all districts which spend \$200,000 or more per year to reduce their energy consumption by five percent each year for six consecutive years. Ms. Cogburn stated that the bookkeeper is including a spreadsheet in their reports to track the electrical usage. Ms. Cogburn noted that no penalties are associated with the legislation and that because the usage is based on dollars spent instead of kilowatts used, the legislation is difficult to interpret, but rules are supposed to be issued to help with the

interpretation. Ms. Cogburn also noted that the energy usage will be reported in the District's audit. Ms. Cogburn stated that she met with Legacy Energy and is awaiting their proposal on conservation methods.

11. **Accept resignation of director.** 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 resignation of Director Powell.

12. **Appoint and accept qualifications of new director.** The President recognized Bob McCavitt, who introduced himself to the Board. Mr. McCavitt reported that he is a civil engineer and has lived in the District since 1989. Mr. McCavitt stated that he is a director of the Southcreek Village HOA. Upon motion by Director Miller, seconded by Director Moody, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Mr. McCavitt to serve the unexpired term of former Director Brent Powell and to accept his qualifications as director and to elect Director McCavitt as Assistant Secretary.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

\* \* \*

The foregoing minutes were passed and approved by the Board of Directors on \_\_\_\_\_.

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

(DISTRICT SEAL)