

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

June 15, 2010

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on June 15, 2010, at the Bentwater Country Club, 800 Bentwater Drive, Montgomery, Texas, inside the boundaries of the District with a quorum of directors present as follows:

Louis J. Tichacek	President
Linda B. Pierce	Vice President
Joe Constantino	Secretary
Chris Uzelmeier	Assistant Secretary
Roy Champagne	Treasurer

and the following directors absent:

None

Also present at the meeting were J. Ron Young of Young & Brooks, Wendy Austin of District Data Services, Inc., Kenneth Byrd of Equi-Tax, Inc., Dan Wright of Hays Utility Service Corporation, John Bleyl, P.E. and Bill Kotlan, P.E. of Bleyl & Associates, Drew Masterson of First Southwest Company, Ken Conaster, Gary North, Ben Spillman, Rudolf Novotny, Linda Wilson, Mike Mathena, Virginia Conaster, and Drew Larkin.

The president called the meeting to order and declared it open for such business as may come before the board.

The board approved the minutes of the board meetings held on May 11, 2010 and May 25, 2010.

Wendy Austin reported as to bookkeeping matters within the District.

Linda B. Pierce, Joe Constantino and Roy Champagne executed their Statements of Elected Officers and Oaths of Office, which the board approved upon motion duly made, seconded and unanimously carried.

Ken Byrd reported as to the status of tax collections within the District. The District is 97.8% collected for 2009. The board unanimously authorized writing off a small personal property account.

Dan Wright reported as to operational matters within the District. There are 1,863 connections in the District. The board considered and unanimously ratified approval of the Drought Contingency Plan.

John Bleyl reported as to engineering matters within the District.

Various visitors discussed proposals concerning the Lone Star Groundwater Conservation District. Montgomery County MUDs No. 3 & 4 executed the interlocal agreement. MUD No. 3 paid the \$50,000.00 contribution, and MUD No. 4 will make the \$50,000.00 contribution at their meeting on June 24, 2010. The board unanimously approved the interlocal agreement with Montgomery County MUDs No. 3 & 4. Linda Wilson of Montgomery County MUD No. 9 discussed their position on alternatives to the San Jacinto River Authority.

President Tichacek announced the board's entry into an Executive Session, pursuant to the authority of the Texas Water Code and with the provisions of the Open Meetings Act, Texas Government Code Sec. 551.071, as amended, and in compliance therewith stated:

1. A quorum consisting of the following board members will be present at this

Executive Session:

Louis J. Tichacek	President
Linda B. Pierce	Vice President
Joe Constantino	Secretary
Chris Uzelmeier	Assistant Secretary
Roy Champagne	Treasurer

2. Also present was J. Ron Young of Young & Brooks.
3. In accordance with Texas Government Code Sec. 551.074, the items of business to be considered and transacted at said Executive Session are as follows:

Legal matters.

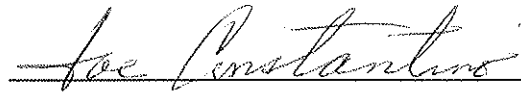
At the conclusion of the Executive Session, an announcement was made to all present in the office that the Executive Session had adjourned, and the public session of the meeting was reconvened.

The board discussed the long term financing of the various plans with Drew Masterson.

There was presented to the board a list of bills for the approval of payment, a copy of which is attached hereto. After discussion, upon motion duly made, seconded and unanimously carried,

the board approved said bills and ordered checks to be issued on the appropriate accounts of the district in payment thereof.

There being no further business to come before the board, the meeting was duly adjourned.

A handwritten signature in cursive script, appearing to read "Joe Constantino", is written above a horizontal line.

Secretary, Board of Directors