

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

August 24, 2010

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a special meeting, open to the public, on August 24, 2010, at the Bentwater Country Club, 800 Bentwater Drive, Montgomery, Montgomery County, Texas, inside the boundaries of the District with a quorum of directors present as follows:

Linda B. Pierce	Vice President
Joe Constantino	Secretary
Roy Champagne	Treasurer

and following directors absent:

Louis J. Tichacek	President
Chris Uzelmeier	Assistant Secretary

Also present at the meeting were Dan Wright of Hays Utility Service Corporation, Derek Wind and John Bleyl, P.E. of Bleyl & Associates, Michael Keester, P.G. and Elizabeth Ferry of Thornhill Group, Inc., Ken Byrd of Equi-Tax, Inc., Drew Masterson of First Southwest Company, Wendy Austin of District Data Services, Inc., Gary North of Montgomery Co. MUD No. 4, Rex Camburn, and Steve Seay of Bentwater Development Company.

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

Wendy Austin reviewed the adopted budget and was requested to add an additional line item of \$36,000 for lift station landscape maintenance.

Drew Masterson discussed proposed cash flow rates. After discussion, upon motion duly made, seconded and unanimously adopted, the board authorized publication of the 2010 tax rate at \$0.34 debt service and \$0.10 maintenance for a total tax rate of \$0.44. Ken Byrd will advertise the rate in September.

Dan Wright reported as to operational matters within the District. An electrical fire in the largest well pump motor caused \$26,000+ damage. Repair will be covered by insurance.

John Bleyl reported as to engineering matters within the District. The board unanimously approved a proposal for Bleyl & Associates to provide engineering services for the District's Groundwater Reduction Plan (GRP).

Elizabeth Ferry and Michael Keester of Thronhill Group, Inc. presented information on the District's Catahoula test well.

Steve Seay provided an update on housing construction. The figure for homes is 1685 with 26 under construction and 7 approved for a total of 1718.

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.


Secretary, Board of Directors