

## MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

### Minutes of Meeting of Board of Directors

September 21, 2010

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on September 21, 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:

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

and the following directors absent:

Louis J. Tichacek	President
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Also present at the meeting were J. Ron Young of Young & Brooks, Wendy Austin of District Data Services, Inc., John Bleyl, P.E. of Bleyl & Associates, Ken Byrd of Equi-Tax, Inc., Dan Wright of Hays Utility Service Corporation, Steve Seay, Greg Smith, Byron Bevers, and Derek Wind.

The vice 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 August 3, 2010 and August 24, 2010.

Vice President Pierce announced that one purpose of this board meeting is to conduct a public hearing on the District's proposed tax rate for 2010. The board noted that the District tax assessor has published the required notice for the public hearing and that the public hearing is also noted on the agenda for this board meeting. The board reviewed discussions at the previous meeting leading to the proposed tax rate as reflected in the published notice. Vice President Pierce then declared the public hearing open and invited questions and comments from the public. There were no questions or comments from the public. There being no members of the public in attendance, the public hearing was closed.

The board then considered the attached Order Establishing Ad Valorem Tax Rate for 2010, which was reviewed by the board, passed, and adopted upon motion duly made, seconded and unanimously carried.

The board considered and unanimously approved insurance renewal proposals for property, general liability, boiler & machinery, directors' and officers' liability, and consultants' bonds.

Greg Smith from Shenandoah requested the board enter into a GRP with the City of Shenandoah.

Wendy Austin reported as to bookkeeping matters within the District.

Ken Byrd reported as to the status of tax collections within the District. The District is 98.6% collected for 2009.

Dan Wright reported as to operational matters within the District. There are 1,877 connections in the District.

John Bleyl discussed engineering matters in the District. The board unanimously approved change order #1 to Alsay, Inc. for a \$148,200 reduction to the contract amount. The engineer will proceed with generators in accordance with the five year plan.

Derek Wind discussed the Groundwater Reduction Plan. The board was presented with various alternatives relating to credits and GRPs.

Vice President Pierce 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:

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

and the following directors absent:

Louis J. Tichacek	President
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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.

Steve Seay discussed conveyance of property into the District and the housing report.

The board further discussed the Groundwater Reduction Plan and after discussion, upon motion duly made, seconded and unanimously adopted, the board agreed to a plan of selling excess credits to interested parties and not to have joint participants in the District's well.

The board was advised that Waste Management would be expanding its recycling services beginning January 1, 2010.

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