

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18**

Minutes of Meeting of Board of Directors

January 11, 2011

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on January 11, 2011, 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
Roy Champagne	Treasurer

and the following directors absent:

Chris Uzelmeier	Assistant Secretary
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Also present at the meeting were J. Ron Young of Young & Brooks, Ken Byrd of Equi-Tax, Inc., Dan Wright of Hays Utility Service Corporation, Wendy Austin of District Data Services, Inc., Steve Seay, John Bleyl, P.E. of Bleyl & Associates, Steve Bowen, and Mark L. Roth, CPA.

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 meeting held on December 13, 2010.

Director Pierce discussed the status of recycling.

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 41% collected for 2010.

Dan Wright reported as to operational matters within the District. There are 1,888 connections in the District.

John Bleyl reported as to engineering matters within the District. The board unanimously approved the final pay estimate for the water plant #1 pump station rehabilitation.

The board considered and unanimously awarded the generator contract to McCaffety Electric for \$159,700. The board unanimously approved the waterline interconnect agreement for Section 66 and Section 78 with Crostex Construction, Inc. John Bleyl reported the GRP is 90% complete.

The board discussed matters pertaining to the annexation of 200 acres.

The board recognized Mark L. Roth, who had previously distributed a draft of the board's audit for its fiscal year ended September 30, 2010. Mr. Roth reviewed the draft audit with the board and responded to questions. After discussion, upon motion duly made, seconded, and unanimously adopted, the board approved the audit as presented with certain corrections.

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
Roy Champagne	Treasurer

and the following directors absent:

Chris Uzelmeier	Assistant Secretary
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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.

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