

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

Minutes of Meeting of Board of Directors

May 10, 2011

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on May 10, 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
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., Dan Wright of Hays Utility Service Corporation, Ken Byrd of Equi-Tax, Inc., John Bleyl, P.E. of Bleyl & Associates, John Chaney, Rex Camburn, Steve Bowen, Steve Seay, and William Soderman.

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 April 12, 2011.

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 96.6% collected for 2010.

Dan Wright reported as to operational matters within the District. The board unanimously voted to fund the remaining customers on the waiting list for a free consultation of their irrigation systems.

John Bleyl reported as to engineering matters within the District. The board discussed the Bowen/Chaney proposal.

The board was presented with an Amendment to District Information Form reflecting the new bond issue, which was reviewed and approved upon motion duly made, seconded, and unanimously adopted. The directors present were authorized to execute the Amendment to District Information Form.

The board upon the engineer's recommendation accepted the Section 66 & 78 interconnect as complete as well as the lift station access drives. Director Uzelmeier discussed the Waste Management recycling summary and an organization for large volume groundwater users in Montgomery County.

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

and the following directors absent:

None

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 a counterproposal to Bowen/Chaney with an October 1, 2011 start date, same amounts per annum, and reasonable attorney fees.

It appeared that it would be necessary for the District to change its rates for water and sewer services. It was moved, seconded and unanimously carried that any and all rate orders heretofore adopted be revoked and that the attached order setting new water and sewer service rates be passed and adopted, such new rates to become effective on April 10, 2011.

The board unanimously approved the five year plan for budget year beginning October 1, 2011.

The board unanimously agreed to the following schedule for review of consultants' contracts: In odd years, the board will review the operator, bookkeeper, tax collector, and auditor contracts. In even years, the board will review the engineer, attorney, fiscal advisor, waste management, and website services contracts.

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.

  
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Secretary, Board of Directors