

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

August 14, 2012

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on August 14, 2012, 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
Joe Constantino, Secretary
Chris Uzelmeier, Assistant Secretary
Roy Champagne, Treasurer

and the following directors absent:

Linda B. Pierce, Vice President

Also present at the meeting were J. Ron Young of Young & Brooks, Dan Wright of Hays Utility Service Corporation, Wendy Austin of District Data Services, Drew Masterson of First Southwest Company, Ken Byrd of Equi-Tax, Inc., John Bleyl, P.E. of Bleyl & Associates, Steve Seay, Rex Camburn, and Bruce Sellars.

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 July 11, 2012.

Wendy Austin reported as to bookkeeping matters within the District. The board approved the budget for the fiscal year ending September 30, 2013.

Ken Byrd reported as to the status of tax collections within the District. The District is 98.5% collected for 2011.

Drew Masterson discussed the 2012 tax rate. After discussion, upon motion duly made, seconded and unanimously adopted, the board authorized publication of the 2012 tax rate at \$0.28 for debt service and \$0.10 for maintenance and operation for a total 2012 tax rate of \$0.38.

Dan Wright reported as to operational matters within the District. There are 1931 connections in the District.

John Bleyl reported as to engineering matters within the District. The board designated director Uzelmeier as the District's representative related to annexation considerations. The board unanimously agreed to and executed the contract with Crostex Construction, Inc., for the Section 48 and 82 Waterline interconnect project.

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

Steve Seay discussed the status of building in the District.

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