

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

Minutes of Meeting of Board of Directors

August 12, 2014

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on August 12, 2014, 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  
Rex Cambern, Assistant Secretary

and the following directors absent:

Chris Uzelmeier, Treasurer

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

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 8, 2014.

Wendy Austin reported as to bookkeeping matters within the District.

Drew Masterson discussed the 2014 tax rate. After discussion and motion duly made, seconded and unanimously adopted, the board authorized publication of the 2014 tax rate of \$0.25 for debt service and \$0.11 for maintenance and operation purposes.

The board unanimously authorized calling \$700,000 in bonds on September 9, 2014.

Ken Byrd reported as to the status of tax collections within the District. The District is 98.9% collected for 2013.

Dan Wright reported as to operational matters within the District. There are 2043 connections in the District. The board unanimously approved a 5% increase to the current labor rates in the

operator contract.

John Bleyl reported as to engineering matters within the District. The board unanimously approved and adopted the proposed 5 year plan.

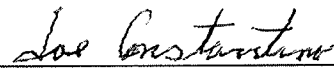
The board discussed and unanimously approved insurance renewal proposals for property, general liability, boiler and machinery, directors and officers liability, and consultants bonds.

Mark Eyring discussed considerations of the credit sale to Porter SUD.

The board unanimously approved the budget for fiscal year ending September 30, 2015.

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