

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

September 13, 2016

The Board of Directors of the Montgomery County Municipal Utility District No. 18 (the "District") held a regular meeting, open to the public, on September 13, 2016, 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, President
Louis J. Tichacek, Vice President
Rex Cambern, Secretary
Susan McFarland, Treasurer

and the following directors absent:

Gary Montgomery, Assistant Secretary

Also present at the meeting were J. Ron Young of Young & Brooks, Wendy Austin of District Data Services, Ken Byrd of Equi-Tax, Inc., John Wright of Hays Utility Service Corporation, John Bleyl, P.E. of Bleyl & Associates, Tom Watkins, Elizabeth Gaither, Terry Gent, Sherrie Wagner, Ed Huessen, Carla Muldrow, and Jim Hostetler.

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 August 9, 2016.

Wendy Austin reported as to bookkeeping matters in the District.

Ken Byrd reported as to the status of tax collections in the District. The District is 99.3% collected for 2015. The board approved a write-off of \$3.52 for Amerisource Financial Services.

President Pierce announced that one purpose of this board meeting is to conduct a public hearing on the District's proposed tax rate for 2016. 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 meetings leading to the proposed tax rate as reflected in the published notice. 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, the public hearing was closed.

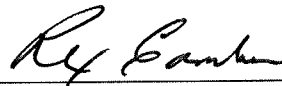
The board then considered the attached Order Establishing Ad Valorem Tax Rate for 2016, which was reviewed by the board, passed, and adopted upon motion duly made, seconded and unanimously carried authorizing a tax rate of \$0.20 for debt service and \$0.13 for maintenance and operation purposes for a total tax rate of \$0.33 per \$100 valuation for 2016. The directors present were authorized to execute the Amendment to District Information Form.

John Wright reported as to operational matters in the District. There are 2,174 connections in the District.

John Bleyl reported as to engineering matters in the District. The board approved the bid of Shirley & Sons for the bulkhead repair on Miller #10. The board unanimously approved a change order for the Delta towers on the W. W. Payton contract, with an additional cost of approximately \$14,000. The board unanimously authorized execution of the Teal Services contract for a gas generator at Water Plant No. 2. The engineer recommended the district grant a consent to encroach for the Gaithers, which was unanimously approved by the board. John Bleyl recommended approval of a consent to encroach for John and Mariah Sautter-Section 4, Lot 10, Block 4, which was unanimously approved by the board.

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