

MUD 18's Agreement with Porter Special Utility District - An Update. In a July E-Blast, we announced an agreement to transfer certain MUD 18 assets to Porter SUD for a one-time cash payment. The assets consist of a portion of our Gulf Coast Aquifer permit capacity and early conversion credits. The amount of the cash payment will fund the design and construction of a second Catahoula well for MUD 18. The contract, expected to close on or before Oct 1, is contingent on approval by the Lone Star Groundwater Conservation District (LSGCD) and the Texas Commission on Environmental Quality (TCEQ) to ensure compliance with agency regulations. Applications for approval have been submitted to both agencies and compliance reviews are in progress. Assuming the contract will close as planned, MUD 18 will then proceed with the design of a 2nd Catahoula well and apply for the required agency approvals for the new well. Our expectation is to have the well operational by late 2015.



This agreement represents an innovative approach by both entities to address long term water needs in Montgomery County. Porter SUD is located in southeast Montgomery County where the Catahoula Aquifer does not yield a quality water supply. The purchase of a portion of our Gulf Coast Aquifer permit and credits provide a significant component of their compliance with LSGCD regulations that protect the Gulf Coast Aquifer. MUD 18 is located in northern Montgomery County where the Catahoula Aquifer provides an excellent source of water supply. As part of our consideration of this agreement, we obtained a reconfirmation that the Catahoula will continue to be a quality source of water in this area of the county for many years into the future. With this deal, we are able to monetize assets of value to others and for which the District has no future need.

Why is MUD 18 doing this?

1. We see this agreement as a window of opportunity to trade valuable District assets for the cost of design and construction of a new Catahoula well without the need to sell bonds for funding, keeping our tax rate low.
2. By increasing our capability in the Catahoula Aquifer, we position ourselves for a strong conservation responsible source of water far into the future.
3. Two Catahoula wells will provide better and a more consistent quality of water to our customers.
4. The life of all of our wells will be extended.
5. We can enhance our ability to supply water for future growth in Bentwater with important redundancy.

We will continue to provide progress reports to our homeowners as this project goes forward to completion.

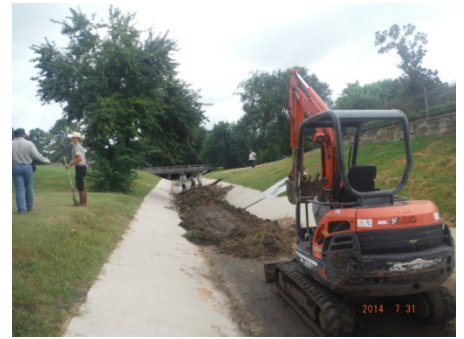
Waste Management Pickup Service on Labor Day. This is a reminder that the only holidays on which Waste Management will not provide pick-up service are New Years Day and Christmas Day. Trash and recycling services will be provided on all other holidays that fall on our regular pick-up schedule. Service will be provided on Labor Day, Monday, Sep 1.



Five Year Plan Activity. Your MUD Board manages a Five Year Plan for capital improvements, replacements and maintenance of District facilities. The following projects (illustrated in pictures below) are some of the items in the current year's plan:

1. Rehab of the 300,000 gallon Ground Storage Tank at Water Plant #1. The project included an inspection of the tank and repair of weak structures and holes as well as resurfacing with improved coating material.
2. Three additional lift station generators have been installed completing a multi-yr project to install backup generators on all of our 24 residential lift stations.

3. Drainage Ditch Maintenance. Drainage ditches that were recently cleared included the large channel that runs along Club Creek Estates.



Summer Water Conservation Reminder:

Practicing responsible water conservation also encourages healthier lawns and landscapes. Please continue to actively manage your landscape irrigation system. *Watering between midnight and 6AM is healthier for your lawn and helps us maintain steady water pressure.* Water only as needed to encourage healthier root systems that can better tolerate both drought and freezing conditions. Overwatering undermines a healthy lawn. Be mindful to water your lawn, not your driveway or street.



Water conservation saves you money and protects our precious water resource.

Sign-up for E-Blasts:

If you are not receiving our E-Blasts, you are missing out on timely information. Go to our website at www.mcmud18.com and give us your email address. Your address will not be shared with anyone. You can unsubscribe at any time.

Need to Report a Problem?

Don't assume the problem has already been identified or reported. If you observe a water leak, sewer odor, discolored water, open manholes, alarms are sounding, or other problems, please help us by calling:

Hays Utility Service @ 936-588-1166.

Hays has someone in Bentwater every day, seven days a week. They can and will respond 24 hours a day. Their general office hours are from 8:00AM to 4:30PM Monday through Friday.

Meetings Open to the Public:

Our regularly scheduled monthly meetings are the **2nd Tuesdays at 2:30PM** in the Country Club Board Room. During the remodeling at the Country Club, we will be meeting at the Yacht Club in the Harborview Room. Meetings are open to the public. The agenda is posted on our web site and the message board in the breezeway entrance to the Country Club Grill near the Golf Pro-shop.

Sincerely,

Your MUD Board:

Lou Tichacek	President	597-7010
Linda Pierce	Vice President	597-5463
Chris Uzelmeier	Treasurer	449-5198
Joe Constantino	Secretary	597-8029
Rex Cambern	Assistant Secretary	449-5761