

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

MINUTES OF REGULAR MEETING

JULY 14, 2010

The Board of Directors (the "Board" or "Directors") of Montgomery County Municipal Utility District No. 8 (the "District" or "MCMUD 8") met in regular session, open to the public, on Wednesday, July 14, 2010, at 9:00 a.m., at the Walden Yacht Club, 13101 Melville Drive, Montgomery, Texas 77356, a designated meeting place located inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

| | |
|-----------------|--------------------------|
| Roy McCoy | President |
| Bob Leasure | Vice President |
| Daniel L. Davis | Assistant Vice President |
| Arch Payne | Secretary |
| Dan Fryman | Assistant Secretary |

All members of the Board were present, except for Directors Davis and Payne. Also attending were Katherine Turner of Municipal Accounts & Consulting L.P. ("Bookkeeper"); Erich Peterson, P.E. and Justin Abshire of Jones & Carter, Inc. ("Engineer"); Danny Wright of Hays Utility North Corporation ("Operator"); Linda Wilson and Phil Griffin of Montgomery County Municipal Utility District No. 9 ("MCMUD 9"); Scott Sustman, President of the Walden Community Improvement Association ("WCIA"); Bill Peacock of Gin-Spen Construction; and Ross J. Radcliffe and Elliot M. Barner of Johnson Radcliffe Petrov & Bobbitt PLLC ("Attorney").

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may come before it.

1. Public Comments. The President first opened the meeting to public comment. As no public comments were offered, the President directed the Board to proceed with the agenda.
2. Minutes. The President directed the Board to the approval of the minutes of the regular meeting of June 9, 2010 and the special meeting of June 16, 2010. Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting of June 9, 2010, subject to certain corrections, and approved the minutes of the special meeting of June 16, 2010, as presented.
3. Tax Assessor-Collector's Report. The Tax Assessor-Collector's Report was next presented by Ms. Turner, a copy of which is attached hereto as Exhibit "A."
 - a. Ms. Turner reviewed the past monthly collections and credits as reported by J. R. Moore, Tax Assessor-Collector for the District, and reported that 98.14% of the 2009 taxes have been collected as of July 2, 2010.

Upon a **motion** by Director Leasure, seconded by Director Fryman, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor-Collector's Report, as presented.

4. Bookkeeper's Report. The Bookkeeper's Report and Quarterly Investment Report, copies of which are attached as Exhibits "B" and "C," respectively, were next presented by Ms. Turner.

- a. After a review of current fund balances, expenditures and investments, Ms. Turner reviewed current year-to-date revenues and expenditures against the budget.
- b. A discussion ensued regarding opening a line of credit at Amegy Bank. Director Leasure indicated that a line of credit is not necessary at this time and the Board can revisit such line of credit next year.
- c. The Board reviewed a cash flow analysis report prepared by the Bookkeeper, a copy of which is attached as Exhibit "D."
- d. The Bookkeeper next discussed reimbursement of certain expenditures paid out of the District's Operations Fund and presented the MCMUD 8 – GOF and STP Reimbursements as of July 14, 2010, a copy of which is attached as Exhibit "E." Upon a **motion** duly made, seconded and unanimously carried, the Board resolved its intent to reimburse from a future bond issue, capital project funds currently being paid from the General Operations Fund for checks numbered 5253, 5259, 5263, 5286, 5289 and 5290; and checks numbered 1229, 1233, 1234, and 1240 through 1242 from the Sewage Treatment Plant Fund.
- e. The Board then discussed opening a Special Reserve Account at Woodforest Bank. Upon a **motion** by Leasure, seconded by Director Fryman, after full discussion and with all Directors present voting aye, the Board authorized the Bookkeeper to open a Special Reserve Account styled as the operating account with signers as listed on the operating checking account at Woodforest Bank.

Upon a **motion** by Director Leasure, seconded by Director Fryman, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, as presented; authorized payment of checks numbered 5246 through 5300 from the General Fund; and authorized payment of checks numbered 1237 through 1243 from the Sewage Treatment Plant Fund at Woodforest Bank.

5. Engineer's Report. The Engineer's Report was next presented by Mr. Peterson, a copy of which is attached hereto as Exhibit "F."

- a. Report on the Status of the Wastewater Treatment Plant ("WWTP") Lift Station Replacement.
 - (1) The Engineer reported that Liftwater Construction Inc. ("Liftwater") is nearing completion of the construction of the lift station and is currently working on miscellaneous controls and electrical items. The Engineer added that the contract completion date is July 26, 2010.

- (2) The Engineer presented Pay Estimate No. 3 from Liftwater Construction, Inc. for the WWTP Lift Station Replacement Project in the amount of \$78,669.58.
- b. Discuss the Status of Sanitary Sewer Cleaning & Televising of Section 7, including the Main Trunk Line to the Marina Vista Lift Station. The Engineer reported that A&A Cable Contractors, Inc. has completed approximately half of the installation of the cured-in-place pipe along Melville Drive and is expected to complete the remainder of the installation within the week.
- c. Discuss the Status of Sanitary Sewer Cleaning & Televising of Section 1. The Engineer then reported that Source Point Solution, LLC ("Source Point") has completed the cleaning and televising of Section 1. The Engineer further reported that he received the videos on June 23, 2010, and began review and analysis of the Section 1 videos. The Engineer stated that he received an invoice in the amount of \$35,504.25 for Section 1, found it to be in order and submitted same for the Board's approval and payment.
- d. Discuss the Status of Sanitary Sewer Cleaning & Televising of Section 2. The Engineer next reported that he will inform Source Point to proceed with cleaning and television of Section 2.
- e. Discuss the Status of Repairs of Sections 1 and 7. The Engineer recommended holding off on repairing Sections 1 and 7 until bond proceeds can be utilized for such major repairs.; however, should a line collapse, the line should be repaired immediately.
- f. WWTP Outfall Extension. The Engineer reported that he received bids for the WWTP Outfall extension. Mr. Peterson reported that the low bidder was Gin-Spen, Inc. ("Gin-Spen"), however, Gin-Spen had no previous experience in boring under the lake. Mr. Peterson indicated that the next low bidder, B-5 Construction ("B-5"), did have some experience with this type of project. Mr. Peterson stated that the bid from B-5 was \$64,000 more than that of the low bidder, approximately 10% more. The President then directed questions to Mr. Peacock of Gin-Spen to provide the District with any additional information on the experience of Gin-Spen to handle this project. Mr. Peacock indicated that he had nothing further to offer. Mr. Peterson stated that he had spoken to MCMUD 9's engineer, Mike Mathena, regarding the experience of Gin-Spen and B-5, and that Mr. Mathena concurred with the recommendation to award the contract to B-5. Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, after considering the recommendation of the District's Engineer and finding that B-5 is the lowest responsible bidder, the Board awarded to the contract to B-5 subject to concurrence of the Board of MCMUD 9.
- g. Discuss the New TPDES Permit E. coli Monitoring Requirements. The Engineer reported that he is monitoring the lab testing results for fecal coliform and turbidity. The Engineer added that phosphorous is not currently required in the District's TPDES permit, but will most likely be required at the next permit renewal in 2012.

- h. Water Infrastructure Fund Application. The Engineer next reported that he completed a portion of the Water Infrastructure Fund ("WIF") application and designated the remaining portions for NRS Consulting Engineers and the Attorney to complete. The Engineer reminded the Board that the application is due by August 1, 2010. The Engineer stated that once submitted, if the District is selected to be eligible for funding, additional portions of the WIF will need to be completed and submitted.

Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board accepted the Engineer's Report, as presented, and authorized the Operator to begin testing for E. coli and phosphorous related to the new TCEQ E. coli monitoring requirements.

6. Operator's Report. The Operator's Report was next presented by Mr. Danny Wright, a copy of which is attached hereto as Exhibit "G."

- a. Mr. Wright reported that the combined water accountability for the District and MCMUD 9 was 97.26%.
- b. Mr. Wright next reported that the District had four (4) paid taps last month and that the District has a total of 1,516 connections.
- c. Mr. Wright reviewed the list of service termination notices and noted that 197 notices were mailed and that four (4) accounts were terminated.
- d. Mr. Wright indicated that he received a letter from the Conroe Sailing Club related to concern about its bill being high and requested the Board's consideration for a reduction in the bill. It was the consensus of the Board not to approve this request.
- e. Mr. Wright next reported that he received a letter from Lake Point Property Owners Association regarding the recent unit billing increase and asked the Board to consider delaying this increase. It was the consensus of the Board not to approve this request and no motions to consider this request further were provided.
- f. A discussion ensued concerning a letter to the District's customers regarding a Town Hall meeting. Director Wilson of MCMUD 9 indicated that the Walden Yacht Club can be utilized on Sunday, September 26, 2010, from 1:30 p.m. until 4:00 p.m. Mr. Radcliffe and the attorney for MCMUD 9 will work on language for the letter. The Board also noted that water conservation should be a topic of discussion at the Town Hall meeting.

Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, and authorized termination of service to the delinquent accounts pursuant to the District's Rate Order.

7. State and Local Agency Reports.

- a. Texas Water Development Board/Region H Planning Group. The Board discussed the WIF loan for which the District, with MCMUD 9, will be making application. Mr. Radcliffe indicated that he plans to have all information available so the application can be submitted on July 23, 2010.
- b. SJRA. A discussion next ensued regarding the use of lake water for irrigation of lakeside property, specific to the property contract between the WCIA and San Jacinto River Authority. The President indicated that he discussed the District's ability to obtain the two-for-one credit for such water usage from the Lone Star Groundwater Conservation District ("the LSGCD") and the preliminary thought from LSGCD is such credits would be available.

8. Walden Community Improvement District. Nothing new to report during the past month.

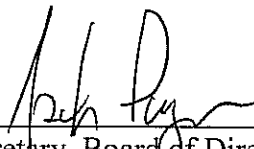
9. MCMUD 9 Report. No significant items were reported.

10. Community Communications Committee Report. No significant items were reported.

11. Emergency Response Committee Report. No significant items were reported.

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, the meeting was adjourned.

PASSED AND APPROVED this the 11th day of August, 2010.



Secretary, Board of Directors

EXHIBITS:

- A - Tax Assessor-Collector's Report
- B - Bookkeeper's Report
- C - Quarterly Investment Report
- D - Cash Flow Analysis Report
- E - GOF and STP Reimbursements as of July 14, 2010
- F - Engineer's Report
- G - Operator's Report

MONTGOMERY COUNTY
office of
TAX ASSESSOR AND COLLECTOR

J.R. Moore, Jr.

Conroe Tx 77301-2823

01 Jul 2010

TO: MONTGOMERY COUNTY MUD 8

This is a letter to certify both the accounting and disbursement of the collections made by Montgomery County for your District during the month of JUNE 2010.

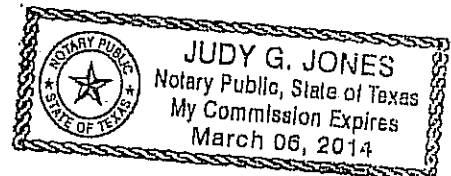
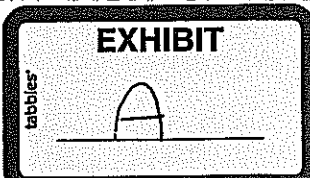
Division of the amounts:

| | Gross |
|-------------|----------|
| Current W/D | 722.27 |
| Current Wth | 13586.52 |
| Delinquent | 2168.88 |
| Rendition | 0.00 |
| Other | 0.00 |
| SUB TOTAL | 16477.67 |
| 2% | 0.00 |
| 5% | 0.00 |
| SUB TOTAL | 16477.67 |
| Credits | 0.00 |
| Transfers | 14829.99 |
| SUB TOTAL | 1647.68 |
| MISC | 0.00 |
| TOTAL | 1647.68 |

J.R. Moore Jr.
J. R. Moore, Jr.
Montgomery County Tax Assessor-Collector

SUBSCRIBED AND SWORN TO before this 2ND day of July, 2010.

Judy G. Jones
Notary Public in and for the State of Texas



MONTGOMERY COUNTY - JUNE - SPREAD SHEET

FOR ENTITY M08 - MONTGOMERY COUNTY MUD 8

| | REVENUE | P&I | ATT FEES | TOTAL DUE |
|--------------|----------|---------|----------|-----------|
| Current W/O | 722.27 | | 0.00 | 722.27 |
| Current Wth | 11968.71 | 1617.81 | 0.00 | 13586.52 |
| Delinquent | 2083.33 | 85.55 | 11.14 | 2180.02 |
| Other | | | | 0.00 |
| SUB TOTAL | 14774.31 | 1703.36 | 11.14 | 16488.81 |
| 2% | 0.00 | 0.00 | | 0.00 |
| 5% | 0.00 | 0.00 | | 0.00 |
| SUB TOTAL | 14774.31 | 1703.36 | 11.14 | 16488.81 |
| Credits C | | | | 0.00 |
| Credits D | | | | 0.00 |
| Transfers | 14829.99 | | | 14829.99 |
| SUB TOTAL | -55.68 | 1703.36 | 11.14 | 1658.82 |
| Misc | | | | |
| Mapping | | | | |
| Certificates | | | | |
| Notary | | | | |
| Copies | | | | |
| Coinop | | | | |
| Int | | | | |
| TOTAL | -55.68 | 1703.36 | 11.14 | 1658.82 |

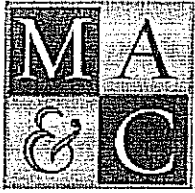
MONTGOMERY COUNTY M.U.D. 8
 COLLECTIONS REPORT DURING THE MONTH OF JUNE
 CURRENT DATE 07.02.2010

| YEAR | TAX AMOUNT | P&I AMOUNT | NET AMOUNT | I&S AMOUNT | M&O AMOUNT |
|------|------------|------------|------------|------------|------------|
| 1990 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1991 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1992 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1993 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1994 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1995 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1996 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1997 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1998 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1999 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2001 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2002 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2003 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2004 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2005 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2006 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2007 | 18.96 | 7.78 | 26.74 | 0.00 | 26.74 |
| 2008 | 2,064.37 | 77.77 | 2,142.14 | 0.00 | 2,142.14 |
| 2009 | 12,690.98 | 1,617.81 | 14,308.79 | 0.00 | 14,308.79 |
| | 14,774.31 | 1,703.36 | 16,477.67 | 0.00 | 16,477.67 |

MONTGOMERY COUNTY BASE TAX COLLECTIONS REPORT FOR
 MONTGOMERY COUNTY M.U.D. 5
 FOR THE COLLECTION MONTH OF JUNE AS OF 08:12:48 JUL 02 2010

| TAX YEAR | BASE TAX DUE | BASE TAX COLL | ADJUSTMENTS-M | ADJUSTMENTS-H | TAX BALANCE DUE | COLLECTED % |
|----------|--------------|---------------|---------------|---------------|-----------------|-------------|
| 1990 | 230.76 | 20.19 | 0.00 | | 210.57 | 8.75% |
| 1991 | 237.19 | 20.19 | 0.00 | 15.73CR | 201.27 | 9.12% |
| 1992 | 288.76 | 24.58 | 0.00 | 19.15CR | 245.03 | 9.12% |
| 1993 | 288.76 | 24.58 | 0.00 | 19.15CR | 245.03 | 9.12% |
| 1994 | 271.13 | 20.77 | 0.00 | 1.41CR | 248.95 | 7.70% |
| 1995 | 360.89 | 64.36 | 0.00 | | 296.53 | 17.83% |
| 1996 | 380.80 | 95.45 | 10.88CR | | 296.23 | 24.37% |
| 1997 | 953.04 | 90.33 | 10.30CR | 9.20CR | 863.81 | 9.47% |
| 1998 | 961.51 | 89.61 | 9.87CR | | 881.77 | 9.23% |
| 1999 | 1,797.99 | 942.33 | 9.69CR | 23.98CR | 841.37 | 52.83% |
| 2000 | 1,725.80 | 492.29 | 5.29CR | 8.60CR | 721.20 | 40.57% |
| 2001 | 1,165.78 | 57.67 | 5.31CR | 8.44CR | 1,104.78 | 4.96% |
| 2002 | 1,154.92 | 54.56 | 4.48CR | 7.29CR | 1,097.55 | 4.74% |
| 2003 | 1,143.22 | 54.55 | 4.48CR | 7.29CR | 1,085.85 | 4.78% |
| 2004 | 406.41 | 52.33 | 4.30CR | 6.99CR | 351.59 | 12.96% |
| 2005 | 967.66 | 608.03 | 14.04CR | 6.48CR | 367.19 | 62.35% |
| 2006 | 2,710.92 | 943.30 | 8.61CR | | 1,776.23 | 34.69% |
| 2007 | 4,457.93 | 1,427.99 | 29.23CR | | 3,059.15 | 31.82% |
| 2008 | 13,185.23 | 8,028.04 | 424.40CR | | 5,181.99 | 58.99% |
| 2009 | 874,901.66 | 568,071.20 | 11,433.93CR | 1,837.73CR | 167,426.66 | 98.14% |
| TOTALS | 907,081.36 | 881,182.36 | 11,974.79CR | 1,971.64CR | 35,902.15 | |

Report to be used as a supplementary guide
 Begin Run Date 11:22:21 Jul 01 2010
 Ending Run Date 11:50:39 Jul 01 2010

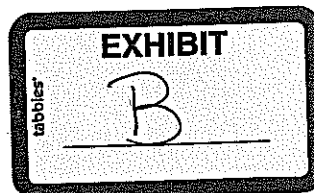


MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Montgomery County Municipal
Utility District No. 8

Bookkeeper's Report

July 14, 2010



Montgomery County MUD No. 8

Account Balances

As of July 14, 2010

| Financial Institution (Acct Number) | Issue Date | Maturity Date | Interest Rate | Account Balance | Notes |
|---|---------------|------------------|------------------|-----------------------|--------------|
| Fund: Operating | | | | | |
| Certificates of Deposit | | | | | |
| IBC BANK (XXXX0005) | 01/25/2010 | 07/25/2010 | 1.30 % | 240,000.00 | |
| ENTERPRISE BANK (XXXX7262) | 04/03/2010 | 08/01/2010 | 1.10 % | 95,000.00 | |
| IRONSTONE BANK (XXXX5872) | 01/25/2010 | 08/24/2010 | 1.24 % | 240,000.00 | |
| ENTERPRISE BANK (XXXX8454) | 03/02/2010 | 08/29/2010 | 1.65 % | 100,000.00 | |
| GREEN BANK (XXXX1003) | 02/01/2010 | 08/30/2010 | 1.20 % | 95,000.00 | |
| Money Market Funds | | | | | |
| TEXPOOL (XXXX0001) | 05/31/2007 | | 0.19 % | 244,203.23 | |
| Checking Account(s) | | | | | |
| WOODFOREST BANK (XXXX9722) | | | 0.05 % | 385.46 | Cash in Bank |
| Totals for Operating Fund: | | | | \$1,014,588.69 | |
| Fund: Tax | | | | | |
| Checking Account(s) | | | | | |
| WOODFOREST BANK (XXXX1501) | | | 0.05 % | 5,989.42 | Cash in Bank |
| Totals for Tax Fund: | | | | \$5,989.42 | |
| Fund: STP | | | | | |
| Checking Account(s) | | | | | |
| WOODFOREST BANK (XXXX1519) | | | 0.05 % | (34,589.94) | Cash in Bank |
| Totals for STP Fund: | | | | (\$34,589.94) | |
| Grand total for Montgomery County MUD No. 8: | | | | \$985,988.17 | |

MC MUD 8 - GOF
Cash Flow Report - Checking Account
 As of July 14, 2010

| Num | Name | Memo | Amount | Balance |
|----------------------------|---|--|-------------|---------------------|
| BALANCE AS OF 6/10/2010 | | | | \$274.12 |
| Receipts | | | | |
| | Unclaimed Property | | 404.55 | |
| | Interest Eamed On CD #3116001977 - Texas Capital Bank 6/10/10 | | 878.54 | |
| | Accounts Receivable June | | 149,127.10 | |
| | June Interest | | 4.24 | |
| | Maintenance Tax Collection Correction | | 60.00 | |
| | Maintenance Tax Collections | | 16,417.67 | |
| | Transfer From Money Mkt | | 32,000.00 | |
| Total Receipts | | | | 198,892.10 |
| Disbursements | | | | |
| 5246 | Arch Payne | VOID: Fee Of Office 6/9/10 - 138.53 | 0.00 | |
| 5268 | Robert W Leasure | AWBD 2010 Summer Reimbursement | (1,869.73) | |
| 5269 | Daniel L Davis | AWBD 2010 Summer Reimbursement | (577.63) | |
| 5270 | Claude D Fryman | AWBD 2010 Summer Reimbursement | (2,180.32) | |
| 5271 | Arch Payne | AWBD 2010 Summer Reimbursement | (2,068.70) | |
| 5272 | Arch Payne | Fee Of Office 6/16 Jt Mtg & Emergency Planning | (277.06) | |
| 5273 | Claude D Fryman | Fees Of Office 6/16/10 & 7/8/10 - Jt Mtg | (277.04) | |
| 5274 | Robert W Leasure | Fees Of Office 6/16/10 & 7/8/10 - Jt Mtg | (277.05) | |
| 5275 | Roy McCoy, Jr. | Fees Of Office 6/16/10 & 7/8/10 - Jt Mtg | (277.04) | |
| 5276 | Daniel L Davis | Fee Of Office 6/16/10 - Jt Mtg | (138.53) | |
| 5277 | Claude D Fryman | Fee Of Office 7/14/10 | (138.53) | |
| 5278 | Robert W Leasure | Fee Of Office 7/14/10 | (138.52) | |
| 5279 | Roy McCoy, Jr. | Fee Of Office 7/14/10 | (138.53) | |
| 5280 | AWBD - Texas | 2011 Mid Winter Conference - Robert Leasure | (265.00) | |
| 5281 | CenterPoint Energy | Utility Expenses | (165.83) | |
| 5282 | Consolidated Communications | Telephone Expenses | (304.91) | |
| 5283 | Entergy | Utility Expenses | (426.40) | |
| 5284 | Hays Utility Service | June 10 Operations | (53,717.54) | |
| 5285 | Johnson Radcliffe Petrov & Bobbitt | Legal Expenses | (7,679.44) | |
| 5286 | Jones & Carter, Inc. | Engineering Expenses | (12,372.86) | |
| 5287 | Mont Co MUD 8 & 9 STP Fund | May Utilities & June Expenses | (43,369.39) | |
| 5288 | Municipal Accounts & Consulting, LP | Bookkeeping - June 2010 | (1,793.90) | |
| 5289 | NRS Engineering, Inc. | Water Credit Feasibility Study | (7,772.99) | |
| 5290 | Source Point Solutions, LLC. | Sanitary Sewer Cleaning, Televising, & Reporting - P | (35,504.25) | |
| 5291 | Walden CIA | Garbage & Lawn Expenses | (25,157.26) | |
| 5292 | Jana Havard | Deposit Refund | (9.00) | |
| 5293 | Jennifer Brown | Deposit Refund | (40.82) | |
| 5294 | Jennifer Kay | Deposit Refund | (35.02) | |
| 5295 | Patrick Redmill | Deposit Refund | (62.00) | |
| 5296 | Performance Realty | Deposit Refund | (41.00) | |
| 5297 | William Swarbrick | Deposit Refund | (39.44) | |
| 5298 | Camcorp Interest LTD | Builder Refund | (295.02) | |
| 5299 | SDR Lighthouse | Builder Refund | (284.98) | |
| 5300 | United States Treasury | 2nd Qtr 2010 941 Payroll Taxes | (734.40) | |
| RTN CKS | Woodforest Bank | (2) Customer Returned Checks | (109.17) | |
| SRV CHG | Woodforest Bank | Account Analysis Charge & June Service Charge | (241.46) | |
| Total Disbursements | | | | (198,780.76) |
| BALANCE AS OF 7/14/2010 | | | | \$385.46 |

MC MUD 8 - GOF

Actual vs. Budget Comparison

June 2010

| | June 2010 | | | January 2010 - June 2010 | | | Annual | |
|-----------------------|----------------------------------|----------------|----------------|--------------------------|----------------|----------------|---------------|------------------|
| | Actual | Budget | Over/(Under) | Actual | Budget | Over/(Under) | Budget | |
| Revenues | | | | | | | | |
| 14100 | Water - Customer Service Revenue | 77,283 | 101,592 | (24,309) | 273,496 | 286,848 | (13,352) | 597,600 |
| 14110 | Connection Fees | 2,400 | 1,167 | 1,233 | 10,050 | 7,000 | 3,050 | 14,000 |
| 14120 | Transfer Fees | 0 | 104 | (104) | 0 | 625 | (625) | 1,250 |
| 14200 | Sewer - Customer Service Fee | 49,188 | 44,458 | 4,730 | 273,627 | 266,750 | 6,877 | 533,500 |
| 14202 | Inspection Fees | 1,225 | 333 | 892 | 4,875 | 2,000 | 2,875 | 4,000 |
| 14320 | Maintenance Tax Collections | 16,478 | 5,960 | 10,518 | 356,720 | 274,160 | 82,560 | 745,000 |
| 14330 | Penalties & Interest | 1,357 | 1,083 | 274 | 6,025 | 6,500 | (475) | 13,000 |
| 14360 | Grease Trap | 60 | 58 | 2 | 360 | 350 | 10 | 700 |
| 14361 | Encroachment & Flagging | 300 | 0 | 300 | 3,925 | 0 | 3,925 | 0 |
| 14400 | Lone Star Groundwater | 1,754 | 3,481 | (1,728) | 6,126 | 9,892 | (3,766) | 21,275 |
| 14401 | WRAP Revenue | 0 | 8,667 | (8,667) | 0 | 52,000 | (52,000) | 104,000 |
| 14600 | Tap Connections | 7,250 | 2,500 | 4,750 | 28,000 | 15,000 | 13,000 | 30,000 |
| 15380 | Miscellaneous Income | 0 | 333 | (333) | 2,324 | 2,000 | 324 | 4,000 |
| 15391 | Interest Earned on Temp. Invest | 997 | 833 | 163 | 4,698 | 5,000 | (302) | 10,000 |
| 15392 | Interest Earned on Checking Acc | 4 | 5 | (1) | 793 | 30 | 763 | 60 |
| Total Revenues | | 158,296 | 170,575 | (12,280) | 971,019 | 928,155 | 42,864 | 2,078,385 |
| Expenditures | | | | | | | | |
| 14610 | Tap Connection Fees | 900 | 1,200 | (300) | 14,400 | 7,200 | 7,200 | 14,400 |
| 16100 | Bulk Water Purchase / JWP | 8,616 | 7,775 | 841 | 31,429 | 46,650 | (15,221) | 93,300 |
| 16102 | Water Plant Repairs & Maint | 1,793 | 3,333 | (1,540) | 20,555 | 20,000 | 555 | 40,000 |
| 16103 | Security Monitoring Service | 0 | 50 | (50) | 0 | 300 | (300) | 600 |
| 16120 | Lone Star Ground Water Fee | 0 | 0 | 0 | 19,920 | 24,000 | (4,080) | 24,000 |
| 16135 | Maintenance & Repairs - Water | 10,670 | 10,833 | (163) | 65,748 | 65,000 | 748 | 130,000 |
| 16180 | Reconnections | 1,685 | 1,333 | 352 | 8,680 | 8,000 | 680 | 16,000 |
| 16220 | Purchase Sewer Service | 40,793 | 15,914 | 24,879 | 146,318 | 95,486 | 50,833 | 190,971 |
| 16235 | Sewer Repairs & Maintenance | 8,868 | 8,333 | 535 | 78,548 | 50,000 | 28,548 | 100,000 |
| 16240 | Lift Station Repairs & Maint | 1,701 | 2,500 | (799) | 26,454 | 15,000 | 11,454 | 30,000 |
| 16275 | Sewer Inspection Expense | 509 | 405 | 104 | 2,897 | 2,430 | 467 | 4,860 |
| 16320 | Legal Fees | 7,261 | 6,667 | 594 | 54,321 | 40,000 | 14,321 | 80,000 |
| 16321 | Auditing Fees | 0 | 0 | 0 | 17,800 | 18,000 | (200) | 18,000 |
| 16322 | Engineering Fees | 2,126 | 5,550 | (3,424) | 23,428 | 33,300 | (9,872) | 66,600 |
| 16324 | Laboratory Expense | 946 | 350 | 596 | 2,385 | 2,100 | 285 | 4,200 |
| 16325 | Election Expense | 0 | 667 | (667) | 1,204 | 4,000 | (2,796) | 8,000 |
| 16326 | Permit Expense | 0 | 0 | 0 | 7,180 | 8,000 | (820) | 8,000 |
| 16332 | Service Account Collection | 5,965 | 5,000 | 965 | 30,896 | 30,000 | 896 | 60,000 |
| 16333 | Bookkeeping Fees | 1,625 | 2,333 | (708) | 10,425 | 14,000 | (3,575) | 28,000 |
| 16335 | General Repairs & Maintenance | 870 | 1,000 | (130) | 4,962 | 6,000 | (1,038) | 12,000 |
| 16336 | Storm Drainage Expense | 0 | 6,250 | (6,250) | 0 | 37,500 | (37,500) | 75,000 |
| 16338 | Legal Notices & Other Publ. | 216 | 50 | 166 | 415 | 300 | 115 | 600 |
| 16340 | Printing & Office Supplies | 657 | 695 | (38) | 4,555 | 4,170 | 385 | 8,340 |
| 16350 | Postage | 611 | 708 | (97) | 3,641 | 4,250 | (609) | 8,500 |
| 16351 | Telephone Expense | 304 | 300 | 4 | 1,825 | 1,800 | 25 | 3,600 |
| 16352 | Utilities | 41 | 550 | (509) | 3,496 | 3,300 | 196 | 6,600 |
| 16353 | Insurance & Surety Bond | 0 | 0 | 0 | 32,512 | 26,000 | 6,512 | 26,000 |
| 16354 | Travel Expense | 2,086 | 667 | 1,420 | 6,981 | 4,000 | 2,981 | 8,000 |
| 16355 | District WEB Page | 0 | 83 | (83) | 0 | 500 | (500) | 1,000 |
| 16358 | Bank Fees | 231 | 22 | 210 | 1,223 | 130 | 1,093 | 260 |
| 16359 | Other Expense | 441 | 500 | (59) | 2,862 | 3,000 | (138) | 6,000 |
| 16400 | Professional Expense - Other | 10 | 0 | 10 | 10 | 0 | 10 | 0 |
| 16520 | TCEQ Assessment | 0 | 0 | 0 | 1,252 | 1,000 | 252 | 5,600 |
| 16525 | LSGWA-WRAP | 0 | 8,667 | (8,667) | 5,000 | 52,000 | (47,000) | 104,000 |

MC MUD 8 - GOF

Actual vs. Budget Comparison

June 2010

| | June 2010 | | | January 2010 - June 2010 | | | Annual | |
|---------------------------------------|--------------------------------|---------|--------------|--------------------------|-------------|--------------|-----------|-------------|
| | Actual | Budget | Over/(Under) | Actual | Budget | Over/(Under) | Budget | |
| Expenditures | | | | | | | | |
| 16526.1 | Engineering | 7,773 | 4,167 | 3,606 | 47,662 | 25,000 | 22,662 | 50,000 |
| 16526.2 | Attorney | 0 | 8,333 | (8,333) | 122,311 | 50,000 | 72,311 | 100,000 |
| 16600 | Payroll Expenses | 807 | 2,167 | (1,359) | 10,646 | 13,000 | (2,354) | 26,000 |
| Total Expenditures | | 107,508 | 106,403 | 1,105 | 811,941 | 715,416 | 96,526 | 1,358,431 |
| Other Expenditures | | | | | | | | |
| 17001 | Capital - Storm Sewer Repair | 10,008 | 14,583 | (4,575) | 56,805 | 87,500 | (30,695) | 175,000 |
| 17009 | Capital - Sewer | 35,504 | 15,667 | 19,838 | 144,820 | 109,000 | 35,820 | 200,000 |
| 17010 | Distribution System Upgrade | 0 | 2,417 | (2,417) | 0 | 14,500 | (14,500) | 29,000 |
| 17011 | Water Well #1 - Rehab | 0 | 8,333 | (8,333) | 0 | 50,000 | (50,000) | 100,000 |
| 17304 | Land Purchase | 0 | 0 | 0 | 17,850 | 0 | 17,850 | 0 |
| 17322 | Capital - Engineering | 4,841 | 3,127 | 1,715 | 15,992 | 18,760 | (2,768) | 37,520 |
| 17329 | Capital- Joint STP Plant | 0 | 25,963 | (25,963) | 0 | 155,778 | (155,778) | 311,556 |
| 17340 | Capital - Twain Dr. L/S Rehab. | 0 | 0 | 0 | 51,666 | 0 | 51,666 | 0 |
| Total Other Expenditures | | 50,354 | 70,090 | (19,736) | 287,132 | 435,538 | (148,406) | 853,076 |
| Excess Revenues (Expenditures) | | \$433 | (\$5,917) | \$6,350 | (\$128,055) | (\$222,799) | \$94,744 | (\$133,122) |

MC MUD 8 - STP
Cash Flow Report - Checking Account
 As of July 14, 2010

| Num | Name | Memo | Amount | Balance |
|----------------------------|---|-------------------------------------|------------------|---------------------|
| BALANCE AS OF 6/10/2010 | | | | \$25,066.01 |
| Receipts | | | | |
| | MC MUD 8 Payment - April Utilities & May Expenses | | 24,087.55 | |
| | MC MUD 9 Payment - April Utilities & May Expenses | | <u>22,980.15</u> | |
| Total Receipts | | | | 47,067.70 |
| Disbursements | | | | |
| 1237 | Consolidated Communications | Telephone | (30.50) | |
| 1238 | Entergy | 11084 Walden Road | (4,929.11) | |
| 1239 | Hays Utility | June 10 Operations | (9,610.35) | |
| 1240 | Johnson Radcliffe Petrov & Bobbitt | Water Credit Project | (16.25) | |
| 1241 | Jones & Carter, Inc | Engineering Expenses | (20,215.81) | |
| 1242 | Liftwater Construction, Inc. | Construction of WWTP LS Replacement | (71,669.58) | |
| 1243 | Municipal Accounts & Consulting, LP | Monthly Bookkeeping Expenses | (250.00) | |
| SRV CHG | Woodforest | June Service Charge | <u>(2.05)</u> | |
| Total Disbursements | | | | <u>(106,723.65)</u> |
| BALANCE AS OF 7/14/2010 | | | | <u>(34,589.94)</u> |

MC MUD 8 - STP

Actual vs. Budget Comparison

June 2010

| | June 2010 | | | January 2010 - June 2010 | | | Annual | |
|---------------------------------------|--------------------------------|---------|--------------|--------------------------|---------|--------------|-----------|-----------|
| | Actual | Budget | Over/(Under) | Actual | Budget | Over/(Under) | Budget | |
| Revenues | | | | | | | | |
| 74206 | MC MUD 8 Capital Contribution | 35,376 | 36,500 | (1,124) | 125,492 | 219,000 | (93,508) | 438,000 |
| 74207 | MC MUD 9 Capital Contribution | 56,510 | 58,305 | (1,796) | 200,461 | 349,832 | (149,371) | 699,665 |
| 74208 | MC MUD 8 Participation | 5,418 | 15,914 | (10,497) | 73,385 | 95,486 | (22,101) | 190,971 |
| 74209 | MC MUD 9 Participation | 4,492 | 13,021 | (8,529) | 68,026 | 78,125 | (10,098) | 156,249 |
| Total Revenues | | 101,795 | 123,740 | (21,946) | 467,364 | 742,442 | (275,078) | 1,484,885 |
| Expenditures | | | | | | | | |
| 76231 | Maint & Repairs - Lift Station | 0 | 25 | (25) | 0 | 150 | (150) | 300 |
| 76320 | Legal Fees - Other | 0 | 800 | (800) | 0 | 4,800 | (4,800) | 9,600 |
| 76320.0 | Legal-Water Credit | 16 | 0 | 16 | 762 | 0 | 762 | 0 |
| 76321 | Auditor Fee | 0 | 120 | (120) | 1,200 | 720 | 480 | 1,440 |
| 76322 | Engineering Fees | 0 | 240 | (240) | 0 | 1,440 | (1,440) | 2,880 |
| 76324 | Lab Fee | 1,224 | 670 | 554 | 7,953 | 4,020 | 3,933 | 8,040 |
| 76330 | Sludge Removal | 2,785 | 2,400 | 385 | 15,975 | 14,400 | 1,575 | 28,800 |
| 76333 | Bookkeeping Fees | 250 | 250 | 0 | 1,955 | 1,500 | 455 | 3,000 |
| 76334 | Operator Fee | 2,385 | 2,385 | 0 | 14,310 | 14,310 | 0 | 28,620 |
| 76335 | Maint & Repairs - Sewer | 2,357 | 2,575 | (218) | 59,425 | 15,450 | 43,975 | 30,900 |
| 76336 | Mowing - Sewer | 581 | 200 | 381 | 1,390 | 1,200 | 190 | 2,400 |
| 76339 | Garbage Collection | 278 | 210 | 68 | 1,662 | 1,260 | 402 | 2,520 |
| 76340 | Printing & Office Supplies | 0 | 10 | (10) | 18 | 60 | (42) | 120 |
| 76342 | Chemicals - Sewer | 0 | 1,810 | (1,810) | 0 | 10,860 | (10,860) | 21,720 |
| 76351 | Telephone Expense | 31 | 30 | 1 | 180 | 180 | 0 | 360 |
| 76352 | Utilities | 0 | 8,075 | (8,075) | 25,635 | 48,450 | (22,815) | 96,900 |
| 76353 | Insurance & Surety Bond | 0 | 792 | (792) | 10,932 | 4,750 | 6,182 | 9,500 |
| 76560 | Miscellaneous Expense | 2 | 10 | (8) | 12 | 60 | (48) | 120 |
| 77000 | Capital Repairs | 0 | 8,333 | (8,333) | 0 | 50,000 | (50,000) | 100,000 |
| 77022 | Engineer - Capital | 20,216 | 0 | 20,216 | 31,781 | 0 | 31,781 | 0 |
| 77210 | Capital - WWTP Permit Renewal | 0 | 0 | 0 | 108 | 0 | 108 | 0 |
| 77220 | Capital - Equipment | 71,670 | 94,805 | (23,136) | 294,064 | 568,832 | (274,768) | 1,137,665 |
| Total Expenditures | | 101,795 | 123,740 | (21,946) | 467,364 | 742,442 | (275,078) | 1,484,885 |
| Excess Revenues (Expenditures) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

MC MUD 8 - TAX
Cash Flow Report - Checking Account
 As of July 14, 2010

| Num | Name | Memo | Amount | Balance |
|----------------------------|---------------------|---------------------------|--------------------|--------------------------|
| BALANCE AS OF 6/10/2010 | | | | \$5,989.72 |
| Receipts | | | | |
| | Tax Revenue Cleared | | 11,951.20 | |
| | P & I Entry | | 1,703.36 | |
| | Tax revenue O/S | | 1,175.43 | |
| | Tax Revenue EOM | | <u>1,647.68</u> | |
| Total Receipts | | | | 16,477.67 |
| Disbursements | | | | |
| SRV CHG | Woodforest Bank | June Service Charge | (0.30) | |
| WIRE | Woodforest Bank | M & O Transfer Correction | (60.00) | |
| WIRE | Woodforest Bank | M & O Transfer | <u>(16,417.67)</u> | |
| Total Disbursements | | | | <u>(16,477.97)</u> |
| BALANCE AS OF 7/14/2010 | | | | <u><u>\$5,989.42</u></u> |

Montgomery County MUD No. 8
Summary of Pledged Securities

As of July 14, 2010

Financial Institution: ENTERPRISE BANK

| | | |
|---|--------------|---|
| Total CDs, MM: | \$195,000.00 | Collateral Security Required: No |
| Less FDIC coverage: | \$250,000.00 | Collateral Security Agreement On File: No |
| Total pledged securities: | \$0.00 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |

Financial Institution: GREEN BANK

| | | |
|---|--------------|---|
| Total CDs, MM: | \$95,000.00 | Collateral Security Required: No |
| Less FDIC coverage: | \$250,000.00 | Collateral Security Agreement On File: No |
| Total pledged securities: | \$0.00 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |

Financial Institution: IBC BANK

| | | |
|---|--------------|---|
| Total CDs, MM: | \$240,000.00 | Collateral Security Required: No |
| Less FDIC coverage: | \$250,000.00 | Collateral Security Agreement On File: No |
| Total pledged securities: | \$0.00 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |

Financial Institution: IRONSTONE BANK

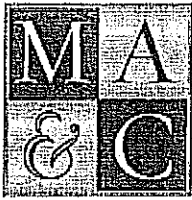
| | | |
|---|--------------|---|
| Total CDs, MM: | \$240,000.00 | Collateral Security Required: No |
| Less FDIC coverage: | \$250,000.00 | Collateral Security Agreement On File: No |
| Total pledged securities: | \$0.00 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |

Financial Institution: TEXPOOL

| | | |
|---|--------------|---|
| Total CDs, MM: | \$244,203.23 | Collateral Security Required: No |
| Less FDIC coverage: | \$0.00 | Collateral Security Agreement On File: No |
| Total pledged securities: | \$0.00 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |

Financial Institution: WOODFOREST BANK

| | | |
|---|---------------|--|
| Total CDs, MM, and Checking Accounts: | (\$28,215.06) | Collateral Security Required: No |
| Less FDIC coverage: | \$250,000.00 | Collateral Security Agreement On File: Yes |
| Total pledged securities: | \$699,809.01 | Investment Policy Received: Yes |
| Ratio of pledged securities to investments: | N/A | |



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

July 14, 2010

BOARD OF DIRECTORS
Montgomery County Municipal
Utility District No. 8

Attached is the Quarterly Investment Inventory Report for the
Period ending July 14, 2010.

This report and the District's investment portfolio are in compliance with the
investment strategies expressed in the District's investment policy, and the
Public Funds Investment Act.

Claude D. Fryman
(Investment Officer)

Mark M. Burton
(Investment Officer)

Katherine Turner
(Investment Officer)

COMPLIANCE TRAINING

HB 675 states the Investment Officer must attend at least one training seminar for (6) six hours
Within twelve months of taking office and requires at least (4) four hours training within each
(2) two year period thereafter.

INVESTMENT OFFICERS

CURRENT TRAINING

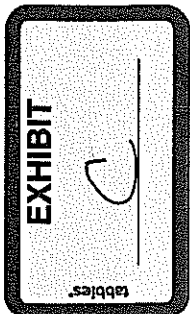
Claude D. Fryman

Katherine Turner

Mark M. Burton

October 1, 2005 (McCall, Gibson 6Hrs)
October 25, 26, 2007 (University of North Texas 10Hrs)
October 25-30, 2009 (Texpool Online 10Hrs)

September 14, 2002 (McCall, Gibson 6Hrs)
September 13, 2003 (McCall, Gibson 4Hrs)
October 1, 2005 (McCall, Gibson 4Hrs)
October 26, 2007 (UNT 10Hrs)
October 26, 2009 (Texpool Academy 10Hrs)



Montgomery County MUD No. 8
 Summary of Money Market Funds
 04/01/2010 - 06/30/2010
INTERNAL USE ONLY

Fund: Operating

Financial Institution: TEXPOOL

Account Number: 7905700001 Date Opened: 05/31/2007 Current Interest Rate: 0.19%

| Date | Description | Begin Balance | Cash Added | Cash Withdrawn | Int. Earned | End Balance |
|--------------------------------|-----------------------------|---------------|--------------|----------------|-------------|--------------|
| 04/01/2010 | | 400,444.99 | | | | |
| 04/14/2010 | M & O Transfer | | 9,827.21 | | | |
| 04/14/2010 | Transfer To Checking | | | (190,000.00) | | |
| 04/30/2010 | Interest (April) | | | | 40.64 | |
| 05/04/2010 | WT FROM TEXCOM CD XXXXX4927 | | 95,000.00 | | | |
| 05/12/2010 | Maintenance Tax Collections | | 8,812.98 | | | |
| 05/12/2010 | Transfer To Checking | | | (65,000.00) | | |
| 05/12/2010 | Transfer to Checking | | | (51,000.00) | | |
| 05/31/2010 | Interest | | | | 34.02 | |
| 06/09/2010 | Transfer To Checking | | | (27,000.00) | | |
| 06/10/2010 | WT FROM TCB CD XXXX1977 | | 95,000.00 | | | |
| 06/30/2010 | Interest(June 10) | | | | 43.39 | |
| Totals for Account 7905700001: | | \$400,444.99 | \$208,640.19 | (\$333,000.00) | \$118.05 | \$276,203.23 |
| Totals for Operating Fund: | | \$400,444.99 | \$208,640.19 | (\$333,000.00) | \$118.05 | \$276,203.23 |

Methods Used For Reporting Market Values

Certificates of Deposit:

Price Value Plus Accrued Interest

Securities/Direct Government Obligations:

Market Value Quoted by the Seller of the Security and Confirmed in Writing

Public Fund Investment Pool/AMA Accounts:

Balance = Book Value = Current Market

Montgomery County MUD No. 8
 Summary of Certificates of Deposit
 04/01/2010 - 06/30/2010
 INTERNAL USE ONLY

| Financial Institution | Investment Number | Issue Date | Maturity Date | Beginning Balance | Principal From Cash | Principal Invest. | Principal Fr. Withdrawn | Principal Reinvested | Ending Balance | Int. Rate | Interest Earned | Interest W/D | Accrued Int. | |
|----------------------------|-------------------|------------|---------------|----------------------------|---------------------|-------------------|-------------------------|----------------------|----------------|-----------|-----------------|--------------|--------------|------------|
| Fund: Operating | | | | | | | | | | | | | | |
| Certificates of Deposit | | | | | | | | | | | | | | |
| ENTERPRISE BANK | 17262 | 09/05/09 | 04/03/10 | 95,000.00 | 0.00 | 0.00 | 0.00 | 95,000.00 | 0.00 | 2.00% | 1,093.16 | 1,093.16 | 0.00 | |
| ENTERPRISE BANK | 17262 | 04/03/10 | 08/01/10 | 0.00 | 0.00 | 95,000.00 | 0.00 | 0.00 | 95,000.00 | 1.10% | 0.00 | 0.00 | 251.94 | |
| ENTERPRISE BANK | 18454 | 03/02/10 | 08/29/10 | 100,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,000.00 | 1.65% | 0.00 | 0.00 | 542.47 | |
| GREEN BANK | 3300041003 | 02/01/10 | 08/30/10 | 95,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 95,000.00 | 1.20% | 0.00 | 0.00 | 465.57 | |
| IBC BANK | 1110860005 | 01/25/10 | 07/25/10 | 240,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 240,000.00 | 1.30% | 0.00 | 0.00 | 1,333.48 | |
| IRONSTONE BANK | 009170035872 | 01/25/10 | 08/24/10 | 240,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 240,000.00 | 1.24% | 0.00 | 0.00 | 1,271.93 | |
| TEXAS CAPITAL BANK | 3116001977 | 10/08/09 | 06/10/10 | 95,000.00 | 0.00 | 0.00 | 95,000.00 | 0.00 | 0.00 | 1.40% | 878.54 | 878.54 | 0.00 | |
| TEXAS COMMUNITY BANK | 4084927 | 10/06/09 | 05/04/10 | 95,000.00 | 0.00 | 0.00 | 95,000.00 | 0.00 | 0.00 | 1.40% | 765.20 | 765.20 | 0.00 | |
| Totals for Operating Fund: | | | | 960,000.00 | 0.00 | 95,000.00 | 190,000.00 | 95,000.00 | 770,000.00 | N/A | 2,736.90 | 2,736.90 | \$3,865.19 | |
| Beginning Balance: | | | | \$960,000.00 | | | | | | | | | | \$2,736.90 |
| Plus Principal From Cash: | | | | \$0.00 | | | | | | | | | | \$3,750.71 |
| Less Principal Withdrawn: | | | | \$190,000.00 | | | | | | | | | | \$3,865.19 |
| Plus Interest Reinvested: | | | | \$0.00 | | | | | | | | | | \$2,851.38 |
| Ending Balance: | | | | \$770,000.00 | | | | | | | | | | |
| | | | | Interest Earned: | | | | | | | | \$2,736.90 | | |
| | | | | Less Beg Accrued Interest: | | | | | | | | \$3,750.71 | | |
| | | | | Plus End Accrued Interest: | | | | | | | | \$3,865.19 | | |
| | | | | Net Interest Earned: | | | | | | | | \$2,851.38 | | |

Methods Used For Reporting Market Values

Certificates of Deposit: Face Value Plus Accrued Interest

Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing

Public Fund Investment Pool/ADA Accounts: Balance = Book Value = Current Market

Montgomery County MUD No. 8
Detail of Pledged Securities

04/01/2010 - 06/30/2010

Financial Institution: WOODFOREST BANK

Security: Federal Home Loan Par Value: 1,960,000.00 Maturity Date: 06/18/2012 Pledged: 04/01/2010 Released: 06/18/2010 Amount Released: 1,960,000.00
 CUSIP: 31331GYT8 Date Value

| Date | Value |
|------------|--------------|
| 04/30/2010 | 1,995,401.85 |
| 05/31/2010 | 2,002,419.11 |

Security: Federal Home Loan Par Value: 500,000.00 Maturity Date: 11/21/2012 Pledged: 04/21/2010 Released: Amount Released:
 CUSIP: 3133XVEM9 Date Value

| Date | Value |
|------------|------------|
| 04/30/2010 | 500,999.34 |
| 05/31/2010 | 504,183.19 |
| 06/30/2010 | 498,900.70 |

Security: FHFB Par Value: 200,000.00 Maturity Date: 09/29/2010 Pledged: 09/16/2008 Released: Amount Released:
 CUSIP: 3133XGRD8 Date Value

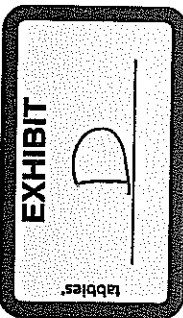
| Date | Value |
|------------|------------|
| 04/30/2010 | 204,332.89 |
| 05/31/2010 | 203,661.58 |
| 06/30/2010 | 200,908.31 |

Methods Used For Reporting Market Values

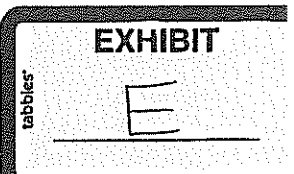
- Certificates of Deposits: Face Value Plus Accrued Interest
- Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
- Public Fund Investment Pool/MAI Accounts: Balance = Book Value = Current Market

| OPERATIONS | | Est | Cash Flow for | Cash Flow for | Cash Flow for | Cash Flow for | Cash Flow for | Cash Flow for | Cash Flow for | Cash flow for | Est | Est |
|--------------------------------|--|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|
| FYE (December 31) | | 2010 | to May 2010 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | 2011 | 2012 |
| Beginning Balance | | \$1,094,298 | \$1,175,803 | \$1,046,296 | \$1,014,588 | \$960,452 | \$928,451 | \$866,960 | \$737,455 | \$716,505 | \$1,175,803 | \$1,670,937 |
| Operating Revenue | | \$1,123,032 | \$462,887 | \$141,818 | \$205,797 | \$186,624 | \$129,894 | \$81,847 | \$93,306 | \$76,392 | \$1,156,723 | \$1,191,425 |
| M&O Taxes | | \$862,896 | \$340,242 | \$16,478 | \$3,693 | \$4,237 | \$36,155 | \$34,870 | \$105,498 | \$398,140 | \$931,928 | \$1,006,482 |
| Total Operating Revenue | | \$1,985,928 | \$803,129 | \$158,295 | \$209,490 | \$190,861 | \$166,049 | \$116,716 | \$198,804 | \$474,532 | \$2,088,651 | \$2,197,907 |
| Nominal Operating Expenditures | | \$1,466,521 | \$607,293 | \$139,648 | \$142,311 | \$101,146 | \$108,024 | \$125,505 | \$209,654 | \$124,320 | \$1,510,516 | \$1,555,832 |
| SPECIAL PROJECTS | | | | | | | | | | | | |
| Special projects Total | | \$437,902 | \$325,344 | \$50,354 | \$121,316 | \$121,716 | \$119,516 | \$120,716 | \$10,100 | \$8,500 | \$83,000 | \$83,000 |
| Operations Balance (Reserve) | | \$1,175,803 | \$1,046,296 | \$1,014,588 | \$960,452 | \$928,451 | \$866,960 | \$737,455 | \$716,505 | \$1,058,217 | \$1,670,937 | \$2,230,012 |

Once the capital expense is entered the balance at the end of the Fiscal year will equal the carry forward balance to 2011.



MC MUD 8 - GOF & STP Reimbursement
As of July 14, 2010



| General Operating Fund | | | | | | | |
|----------------------------|---------|--------------------------------------|--|-------------|-------------|--|--|
| Date | Check # | Vendor | Memo | Invoice # | Amount | | |
| 6/9/2010 | 5253 | Booth, Ahrens & Weckertlin, P.C. | Legal thru 4/30/10 | 2292 | \$17,388.66 | | |
| 6/9/2010 | 5259 | Jones & Carter, Inc. | Eng Exp - Surface Water Study | 163034 | \$862.50 | | |
| 6/9/2010 | 5259 | Jones & Carter, Inc. | Eng Exp - Sanitary Sewer Cleaning, Televising, & Reporting for Phase 1 | 163033 | \$1,192.50 | | |
| 6/9/2010 | 5259 | Jones & Carter, Inc. | Eng Exp - Sanitary Sewer Rehabilitation of Trunkline Along Melville Dr | 163032 | \$1,932.25 | | |
| 6/9/2010 | 5263 | NRS Engineering, Inc. | Water Credit Feasibility Study Expenses | 5932 | \$11,492.24 | | |
| 6/9/2010 | 5263 | NRS Engineering, Inc. | Water Credit Feasibility Study Expenses | 5876 | \$850.00 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng Exp - Sanitary Sewer Cleaning, Televising, & Reporting for Phase 1 | 163858 | \$1,312.50 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng Exp - Sanitary Sewer Rehabilitation of Trunkline Along Melville Dr | 163859 | \$193.61 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng. Exp - 2010 Bond Issue Analysis | 163860 | \$45.00 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng Exp - Surface Water Study | 164566 | \$75.00 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng Exp - Sanitary Sewer Rehabilitation of Trunkline Along Melville Dr | 164570 | \$1,918.95 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng. Exp - 2010 Bond Issue Analysis | 164571 | \$1,962.50 | | |
| 7/14/2010 | 5286 | Jones & Carter Inc. | Eng Exp - Sanitary Sewer Cleaning, Televising, & Reporting for Phase 1 | 164569 | \$960.00 | | |
| 7/14/2010 | 5289 | NRS Engineering, Inc. | Water Credit Feasibility Study Expenses-Bracketish | 5956 | \$3,335.28 | | |
| 7/14/2010 | 5289 | NRS Engineering, Inc. | Water Credit Feasibility Study Expenses | 5957 | \$4,437.71 | | |
| 7/14/2010 | 5290 | Source Point Solutions | Contractor-Sanitary Sewer Cleaning, Televising, & Reporting of Sec. #1 | 34906 | \$35,504.25 | | |
| Sewer Treatment Plant Fund | | | | | | | |
| Date | Check # | Vendor | Memo | Invoice # | Amount | | |
| 6/9/2010 | 1229 | Lifewater Construction, Inc. | Construction of WWTP I.S Replacement | PIE # 1 & 2 | \$51,665.54 | | |
| 6/9/2010 | 1233 | Johnson, Radcliffe, Petrov, & Bobbit | Water Credit Project | 18270 | \$50.63 | | |
| 6/9/2010 | 1234 | Jones & Carter, Inc. | MUD 8 WWTP Outfall | 163030 | \$1,256.60 | | |
| 7/14/2010 | 1240 | Johnson, Radcliffe, Petrov, & Bobbit | Water Credit Project | 18489 | 8.13 | | |
| 7/14/2010 | 1241 | Jones & Carter, Inc. | MUD 8 WWTP Outfall | 164567 | \$2,126.09 | | |
| 7/14/2010 | 1241 | Jones & Carter, Inc. | Eng. Exp- WWTP I.S Replacement | 163857 | \$3,326.70 | | |
| 7/14/2010 | 1241 | Jones & Carter, Inc. | Eng. Exp- WWTP I.S Replacement | 164568 | \$1,290.29 | | |
| 7/14/2010 | 1242 | Lifewater Construction, Inc. | Construction of WWTP I.S Replacement | PIE #3 | \$27,592.79 | | |

July 9, 2010

Board of Directors
Montgomery County Municipal Utility District No. 8
1001 McKinney, Suite 1000
Houston, Texas 77002-6418

Re: Engineering Report
Regular Board Meeting of July 14, 2010

Dear Directors:

The following information summarizes our activities on your behalf during the previous month:

Engineer's Report (Agenda Item No. 5)

1. Report on the status of the Wastewater Treatment Plant Lift Station Replacement – (Agenda Item No. 5.a.):

- a. Liftwater Construction Inc. is nearing completion of the construction of the lift station. They are currently working on miscellaneous controls and electrical items. The contract completion date is July 26th.
- b. Pay Estimate No. 3, in the amount of \$71,669.58, is submitted for your approval and payment.

2. Report status of Sanitary Sewer Cleaning & Televising of – (Agenda Item No. 5.b.)

a. Section 7, including the main trunk line to the Marina Vista Lift Station:

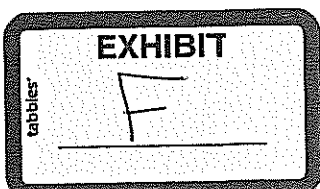
A&A Cable Contractors, Inc. has completed approximately half of the installation of the cured-in-place pipe along Melville Drive. They are expected to finish the remainder within the week.

b. Section 1:

Source Point Solutions, LLC has completed the Cleaning & Televising of Section 1. We received the videos on Monday, June 23rd, and we began review and analysis of the Section 1 videos. We received an invoice in the amount of \$35,504.25, for Section 1 and we find it to be in order. The invoice is submitted for your approval and payment.

Section 2:

We will inform Source Point Solutions, LLC that they are authorized to proceed with the Cleaning & Televising of Section 2.



Board of Directors

Page 2

July 9, 2010

3. **Report on the status of the Wastewater Treatment Plant Outfall Extension – (Agenda Item No. 5.c.):**

We are reviewing the references of the two bidders, Gin-Spen, Inc and B-5 Construction. We expect to bring a recommendation to the meeting.

4. **Discuss the Bond Issue Analysis – (Agenda Item No. 5.d.):**

We presented the bond issue analysis at your June meeting. We researched the previous bond elections and bond issues and we will be prepared to discuss this at your meeting.

5. **Miscellaneous Items:**

a. **TPDES Permit lab testing requirements:**

We are monitoring the lab testing results for fecal coliform and turbidity. Phosphorous is not currently required in your TPDES Permit, but will most likely be required at your next permit renewal in 2012.

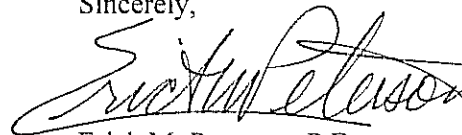
b. **Water Infrastructure Fund Application:**

We completed a portion of the Water Infrastructure Fund (“WIF”) application and designated the remaining portions for NRS Consulting Engineers and the Attorney to complete. The application is due by August 1st. Once submitted, if we are selected to be eligible for funding, additional portions of the WIF will need to be completed and submitted.

If you have questions or need any additional information, please call.

We look forward to meeting with you.

Sincerely,



Erich M. Peterson, P.E.

EMP/jta

I:\Projects\0352-900-010\Reports\July 10.doc

cc: Mr. Ross Radcliffe – Johnson Radcliffe Petrov & Bobbitt PLLC
Mr. Danny Wright – Hays Utility Service
Ms. Katherine Turner – Municipal Accounts & Consulting, LP

July 6, 2010

Board of Directors
Montgomery County Municipal Utility District No. 8
c/o Johnson, Radcliffe, Petrov, & Bobbitt PLLC
1001 McKinney, Suite 1000
Houston, Texas 77002

Attn: Ross Radcliffe

Re: Construction of Wastewater Treatment Plant Lift Station Replacement
Montgomery County Municipal Utility District No. 8
Operating Funds
TIN # 74-6199941

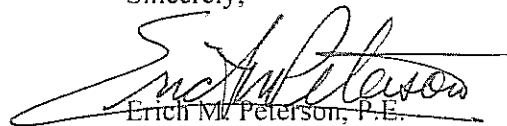
Dear Directors:

Enclosed is Progress Payment Request No. 3 dated June 25, 2010 from Liftwater Construction, Inc. for the referenced project. The estimate is in order and we recommend payment in the amount of \$71,669.58 to Liftwater Construction, Inc.

Also enclosed is Construction Progress Report No. 3, which is submitted in accordance with Texas Commission on Environmental Quality Rule No. 293.62. This report covers construction activities for the referenced project during the period April 26, 2010 to June 25, 2010.

Please note the retainage has been reduced to 5% of the Contract Bid Price.

Sincerely,


Erich M. Peterson, P.E.

96
EMP:jew/rai
EST:00352-059-00.doc

Enclosure

cc: Liftwater Construction, Inc.
Katherine Turner - Municipal Accounts & Consulting, L.P.
Texas Commission on Environmental Quality - Houston

July 6, 2010

Construction Progress Report No. 3
Period April 26, 2010 to June 25, 2010

Construction of Wastewater Treatment Plant Lift Station Replacement
Montgomery County Municipal Utility District No. 8
Operating Funds
TIN # 74-6199941

Contract:

- A. Contractor: Liftwater Construction, Inc.
- B. Contract Date: January 13, 2010
- C. Authorization to Proceed: January 28, 2010 (180 Calendar Days)
- D. Completion Date: July 26, 2010
- E. Contract Time Used: 149 Calendar Days (83%)

I. General

Contractor has worked on site piping, concrete and electrical components.

II. Change Orders

None Issued this Report.

III. Completion Report

A. Estimated Cost as of this Report Period

| | | |
|-----------------------------------|----|------------|
| 1. Contract Bid Price | \$ | 401,600.00 |
| 2. Change Orders | \$ | 0.00 |
| 3. Total Estimated Contract Price | \$ | 401,600.00 |

B. Actual cost as of this Report \$ 314,144.44

C. Total Paid Contractor \$ 294,064.44

D. Amount Retained (5% of A.1) \$ 20,080.00

E. Estimated Cost Remaining (A.3 - B) \$ 87,455.56

F. Construction Complete (B/A.3) 78%

IV. Frequency of Observation

A. Field Representative - Periodically, on-site daily

B. Engineer Observation - Once weekly, on-site

V. Problems

No Problems This Report.

PROGRESS PAYMENT # 3

| ITEM NO. | DESCRIPTION | UNIT | ESTIMATED QUANTITY | UNIT PRICE | THIS ESTIMATE | | PREVIOUS ESTIMATE | | TOTAL TO DATE | | REMARKS | |
|---|--|------|--------------------|--------------|---------------|-------------|-------------------|-------------|---------------|-------------|---------|--|
| | | | | | QUANTITY | AMOUNT | QUANTITY | AMOUNT | QUANTITY | AMOUNT | | |
| | | | | | | | | | | | | |
| OWNER: Montgomery County Municipal Utility District No. 8 | PROJECT: Construction of Wastewater Treatment Plant Lift Station Replacement | | | | | | | | | | | |
| JOB NO.: 00352-059-00 | CONTRACTOR: Liftwater Construction, Inc. | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 1 | Wastewater Lift Station | LS | 1.0 | \$390,600.00 | | | | | | | | |
| a | Mobilization and Bonds | LS | 1.0 | \$14,100.00 | 0.0% | \$0.00 | 100.0% | \$14,100.00 | 100.0% | \$14,100.00 | 100.0% | |
| b | Wet Well Walls | LS | 1.0 | \$93,050.00 | 0.0% | \$0.00 | 100.0% | \$93,050.00 | 100.0% | \$93,050.00 | 100.0% | |
| c | Sink Wet Well | LS | 1.0 | \$28,222.00 | 0.0% | \$0.00 | 100.0% | \$28,222.00 | 100.0% | \$28,222.00 | 100.0% | |
| d | Bottom | LS | 1.0 | \$15,700.00 | 0.0% | \$0.00 | 100.0% | \$15,700.00 | 100.0% | \$15,700.00 | 100.0% | |
| e | Top and Valve Slab | LS | 1.0 | \$10,800.00 | 100.0% | \$10,800.00 | 0.0% | \$0.00 | 100.0% | \$10,800.00 | 100.0% | |
| f | Pipe, Valves, & Fittings | LS | 1.0 | \$83,250.00 | 40.0% | \$33,300.00 | 60.0% | \$49,950.00 | 100.0% | \$83,250.00 | 100.0% | |
| g | Miscellaneous Metals | LS | 1.0 | \$14,300.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| h | Painting/Protective Coating | LS | 1.0 | \$15,400.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| i | Pumps & Controls | | | | | | | | | | | |
| | 1 Delivered | LS | 1.0 | \$56,000.00 | 0.0% | \$0.00 | 60.0% | \$33,600.00 | 60.0% | \$33,600.00 | 60.0% | |
| | 2 Installed | LS | 1.0 | \$10,000.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| j | Electrical | | | | | | | | | | | |
| | 1 Conduit/Wire Material | LS | 1.0 | \$8,889.00 | 68.0% | \$6,044.52 | 30.0% | \$2,666.70 | 98.0% | \$8,711.22 | 98.0% | |
| | 2 Conduit/Wire Labor | LS | 1.0 | \$8,889.00 | 68.0% | \$6,044.52 | 30.0% | \$2,666.70 | 98.0% | \$8,711.22 | 98.0% | |
| | 3 Equipment/Material | LS | 1.0 | \$6,500.00 | 40.0% | \$2,600.00 | 60.0% | \$3,900.00 | 100.0% | \$6,500.00 | 100.0% | |
| | 4 Equipment/Labor | LS | 1.0 | \$1,500.00 | 50.0% | \$750.00 | 50.0% | \$750.00 | 100.0% | \$1,500.00 | 100.0% | |
| k | Mobilization and Bonds | LS | 1.0 | \$2,500.00 | 0.0% | \$0.00 | 100.0% | \$2,500.00 | 100.0% | \$2,500.00 | 100.0% | |
| l | Concrete Driveway | LS | 1.0 | \$7,700.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| m | Asphalt Repairs | LS | 1.0 | \$4,000.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| n | As Built Drawings and O&M's | LS | 1.0 | \$1,000.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| o | Force Main | LS | 1.0 | \$3,200.00 | 75.0% | \$2,400.00 | 0.0% | \$0.00 | 75.0% | \$2,400.00 | 75.0% | |
| p | Influent (Manhole Included) | LS | 1.0 | \$2,100.00 | 100.0% | \$2,100.00 | 0.0% | \$0.00 | 100.0% | \$2,100.00 | 100.0% | |
| q | Drain Line (Locate and Tie-In) | LS | 1.0 | \$2,000.00 | 100.0% | \$2,000.00 | 0.0% | \$0.00 | 100.0% | \$2,000.00 | 100.0% | |
| | Bypass Pumping | LS | 1.0 | \$1,500.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| 2 | Demolition of Existing Lift Station | LS | 1.0 | \$10,000.00 | | | | | | | | |
| a | Removal of Existing Items and Relocate Three Lift Pumps | LS | 1.0 | \$5,000.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| b | Demolition and Removal Reinforced Concrete Dry Pit | LS | 1.0 | \$5,000.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | \$0.00 | 0.0% | |
| 3 | Trench safety system, complete as specified. | LS | 1.0 | \$1,000.00 | 1.0 | \$1,000.00 | 0.0% | \$0.00 | 100.0% | \$1,000.00 | 0.0% | |

PROGRESS PAYMENT # 3

OWNER: Montgomery County Municipal Utility District No. 8

PROJECT: Construction of Wastewater Treatment Plant Lift Station Replacement

JOB NO.: 00352-059-00

CONTRACTOR: Liftwater Construction, Inc.

| ITEM NO. | DESCRIPTION | UNIT | ESTIMATED QUANTITY | UNIT PRICE | THIS ESTIMATE | | PREVIOUS ESTIMATE | | TOTAL TO DATE | | CONTRACT DATES | | REMARKS |
|----------|--|------|--------------------|------------|---------------|--------|-------------------|-------------------|---------------|--------|----------------|--------------|-------------|
| | | | | | QUANTITY | AMOUNT | QUANTITY | AMOUNT | QUANTITY | AMOUNT | FROM | TO | |
| | MATERIALS ON HAND | | | | | | | | | | | | |
| | TOTAL MATERIALS ON HAND | | | | \$0.00 | | | \$0.00 | | | | \$0.00 | |
| | CHANGE ORDER PLUS/MINUS | | | | | | | | | | | | |
| | Change Order No. 001 | | | | \$0.00 | | | | | | | | |
| | Change Order No. 002 | | | | \$0.00 | | | | | | | | |
| | Change Order No. 003 | | | | \$0.00 | | | | | | | | |
| | Change Order No. 004 | | | | \$0.00 | | | | | | | | |
| | TOTAL CONTRACT MODIFICATIONS | | | | | | | | | | | | |
| | Subtotal (Line Items) | | | | \$67,039.04 | | | \$247,105.40 | | | | \$314,144.44 | |
| | Materials on Hand | | | | \$0.00 | | | \$0.00 | | | | \$0.00 | |
| | Subtotal (Materials on Hand/Line Items) | | | | \$67,039.04 | | | \$247,105.40 | | | | \$314,144.44 | |
| | Less Retainage (5% of Orig. Contract Amount) | | | | \$0.00 | | | \$24,710.54 (10%) | | | | \$20,080.00 | |
| | Total | | | | \$67,039.04 | | | \$222,394.86 | | | | \$294,064.44 | |
| | Less Previous Estimates | | | | | | | | | | | \$222,394.86 | |
| | Due this Estimate | | | | | | | | | | | | \$71,669.58 |
| | 83% Complete by Time | | | | | | | | | | | | |
| | 78% Complete by Value | | | | | | | | | | | | |

APPROVED BY JONES & CARTER, INC.



BY: Erich M. Peterson, P.E.



**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT #8
MONTHLY OPERATIONS REPORT**

DATE
07/14/10

| METER COUNT | |
|--------------------|--------------|
| Occupied | 1,360 |
| Occupied Sprinkler | 20 |
| Vacant | 40 |
| Commercial | 5 |
| Builder | 25 |
| Irrigation | 50 |
| Rec/C/P | 6 |
| Apts/Units (455) | 10 |
| Total | 1,516 |

| BILLED CONSUMPTION | |
|---------------------------|--------------------|
| 05/24/10 | to 06/24/10 |
| Residential | 24,004,000 |
| Commercial | 508,000 |
| Apartments | 2,027,000 |
| Irrigation | 1,222,000 |
| Rec/C/Pool | 516,000 |
| Total | 28,277,000 |

Plant Pumpage 28,067,000

Meter Count #9: 1,434

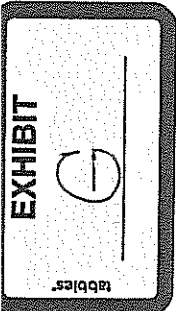
| | <u>#1- Poe</u> | <u>#2- Brown</u> | <u>#3- Buck</u> | <u>#4- Walden</u> |
|------------------------------|----------------|------------------|-----------------|-------------------|
| Calculated Well GPM | 826 | 1,172 | 1,197 | 1,261 |
| Design Well GPM | 1,000 | 1,200 | 1,200 | 1,200 |
| Well Runtime Average hrs/day | 11.4 | 4.4 | 6.6 | 4.9 |

| | | |
|----------------------------------|-------------|-------------------|
| Plant Pumpage - | Poe | 17,751,000 |
| | Browning | 10,316,000 |
| Montgomery Co. U.D. #9 - | Buckingham | 14,059,000 |
| | Walden Road | 11,045,000 |
| Combined plant pumpage #8 and #9 | | 53,171,000 |

| | |
|-------------------------------------|-------------------|
| Montgomery Co. U.D. #9 billed cons. | 23,437,000 |
| Combined billed cons. | 51,714,000 |
| Total Water Accountability | 97.26% |

Recycled water for June - **642,000**

Montgomery Co. U.D. #9 billing period 5/24/10 - 6/24/10



Montgomery County MUD #8 TAPS:

| | | |
|-------------|---------------------|------------------------|
| <u>Paid</u> | <u>Year to Date</u> | <u>2009 Comparison</u> |
| 4 | 20 | 10 |

Montgomery County MUD #9 TAPS:

| | | |
|-------------|---------------------|------------------------|
| <u>Paid</u> | <u>Year to Date</u> | <u>2009 Comparison</u> |
| 5 | 23 | 12 |

| Arrears for the Month of | May | Month of June |
|---------------------------------|------------|--------------------------|
| Date Cut-Off Notices Mailed | 06/02/10 | Meter Read Date 06/24/10 |
| Number of Notices Mailed | 197 | Billing Date 06/30/10 |
| Cut-Off Date | 06/27/10 | Mailing Date 07/01/10 |
| Number of Actual Cut-Offs | 4 | Due Date 07/27/10 |

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT #8

DATE
07/14/10

MONTHLY OPERATIONS SUMMARY
OF
WASTEWATER TREATMENT PLANT
May 2010

TPDES Permit # WQ0011371001

Expires 06/01/2012

Effluent Quality Data: Reported for

May 2010

| | <u>Reported</u> | <u>Permitted</u> | <u>Annual Average</u> | <u>Excursion</u> |
|--------------------------|--------------------|------------------|-----------------------|------------------|
| CBOD 5 Average | 2.10 mg/l | 7.00 mg/l | 2.20 mg/l | NO |
| TSS Average | 1.80 mg/l | 15.00 mg/l | 2.30 mg/l | NO |
| CL2 Res Min | 1.43 mg/l | 1.00 mg/l | 1.18 mg/l | NO |
| CL2 Res Max | 3.16 mg/l | 4.00 mg/l | 3.10 mg/l | NO |
| Ammonia Nitrogen | 0.20 mg/l | 2.00 mg/l | 0.14 mg/l | NO |
| Flow Average | 0.475 mgd | 0.800 mgd | 0.396 mgd | NO |
| Total Wastewater Treated | 14,725,000 Gallons | | | |

Effluent Quality Compliant with Discharge Permit ? YES

The plant was operated within all parameters of our permit.
No violation notices were received from any other local agency.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT #8
MONTHLY OPERATIONS SUMMARY
BILLING & COLLECTION REPORT
 June 2010

DATE
 07/14/10

| | | |
|----------------------------|-----------------|----------------------|
| Receivables Forward | 06/02/10 | \$ 157,472.33 |
|----------------------------|-----------------|----------------------|

| | | |
|---------------------------|-------------------------|------------------------|
| Collection Period: | 6/2/10 - 6/30/10 | |
| Penalty | \$ (1,020.43) | |
| Water | \$ (61,828.68) | |
| Sewer | \$ (47,076.67) | |
| Connect | \$ - | |
| Deposit | \$ (3,550.00) | |
| Garbage | \$ (24,837.26) | |
| Grease | \$ (60.00) | |
| Gar-Tax | \$ - | |
| LSGWC | \$ (1,350.06) | |
| Misc. | \$ (9,445.66) | |
| Overpayments | \$ (1,270.07) | |
| TOTAL | \$ (150,438.83) | \$ (150,438.83) |

| | | |
|---|---------------------|---------------------|
| Current Charges & Adjustments: | | |
| Connects | \$ 2,100.00 | |
| Deposits | \$ 3,700.00 | |
| Inspection Fees | \$ 1,225.00 | |
| Tap Fees | \$ 7,250.00 | |
| Encroachment & Flag | \$ 300.00 | |
| Write Off | \$ - | |
| PCO | \$ 300.00 | |
| NSF | \$ 60.00 | |
| Regular Adj | \$ (80.53) | |
| TOTAL | \$ 14,854.47 | \$ 14,854.47 |

| | | |
|--------------------------|--------------------------|----------------------|
| Current Billings: | 5/24/10 - 6/24/10 | |
| Penalty | \$ 1,363.08 | |
| Water | \$ 77,258.00 | |
| Sewer | \$ 49,112.20 | |
| Garbage | \$ 25,746.00 | |
| Grease | \$ 60.00 | |
| Gar-Tax | \$ - | |
| LSGWC | \$ 1,753.87 | |
| Misc. | \$ - | |
| TOTAL | \$ 155,293.15 | \$ 155,293.15 |

| | | |
|----------------------------------|-----------------|----------------------|
| TOTAL RECEIVABLES FORWARD | 06/30/10 | \$ 177,181.12 |
|----------------------------------|-----------------|----------------------|

District Deposits on file: \$34,155.00
 Undistributed Overpayments: \$3,308.35

Total Consumption: 28,277,000

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT #8

CUT-OFF LIST STATUS

June 27, 2010

| <u>NAME</u> | <u>ADDRESS</u> | <u>AMOUNT</u> | <u>STATUS</u> |
|-----------------|--------------------------|---------------|---------------|
| Evelyn Bryant | 12246 Trail Hollow Drive | \$41.60 | OFF |
| Gary griffith | 12130 Hawthorne Drive | \$87.51 | Paid/On |
| Erica Wagers | 11307 Alcott Drive | \$64.73 | Paid/On |
| Efrain Martinez | 11410 Alcott Drive | \$77.23 | Paid/On |

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT #8
MONTHLY OPERATIONS SUMMARY
WATER SYSTEM
June 2010

| | |
|---|----------------------|
| LONE STAR GROUNDWATER CONSERVATION | Permit Period |
| Permit # OP-05112102 | 01/01/10 to 12/31/10 |

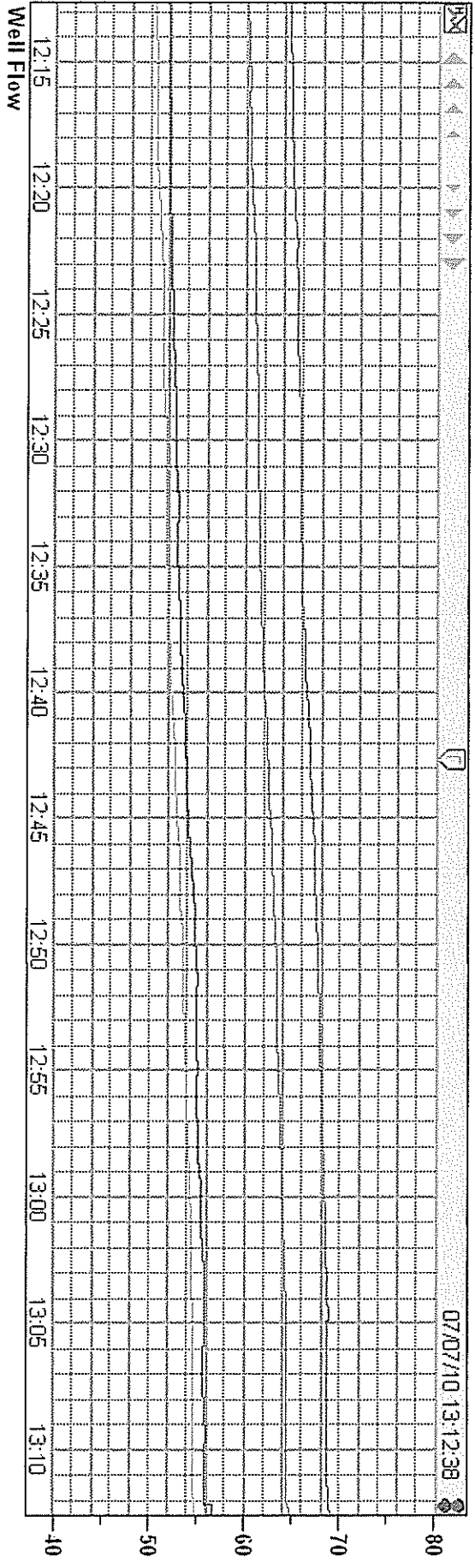
| | | | |
|--|------|-------------------------------------|---------------------|
| Total Water Pumped for Calendar Month of | June | 26,132,000 | Gallons |
| | | Total Permitted Withdrawal: | 332,000,000 Gallons |
| | | Pumpage Against Permit: | 107,002,200 Gallons |
| | | Percentage of Permit Expired: | 50% |
| | | Percentage of Permit Pumped: | 32% |
| | | | |
| | | Historical Use Permit Amount: | 212,277,000 Gallons |
| | | Operating Permit approved 12/16/05: | 119,723,000 Gallons |
| | | Total Permitted Pumpage Allowed: | 332,000,000 Gallons |

2010 MUD 8 & MUD 9 WATER ACCOUNTABILITY AND LOST \$

| | JAN | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------------------------|---------|---------|---------|----------|----------|----------|------|-----|------|-----|-----|-----|-------------|
| LOSS, 1,000 GAL | 1,003.2 | 800.0 | 552.3 | 1,681.7 | 1,450.0 | 1,457.0 | | | | | | | 6944.2 |
| % LOSS | 5.01 | 4.52 | 2.91 | 4.85 | 3.09 | 2.74 | | | | | | | 23.12 |
| % RECOVERY | 94.99 | 95.48 | 97.09 | 95.15 | 96.91 | 97.26 | | | | | | | 576.88 |
| 1,000 GAL LOST | 1,003.2 | 800.0 | 552.3 | 1,681.7 | 1,450.0 | 1,457.0 | | | | | | | 6,944.2 |
| 2009 LOST \$ | \$1,505 | \$1,200 | \$828 | \$2,523 | \$2,175 | \$2,186 | | | | | | | \$10,416 |
| 2009 YTD LOST \$ | \$1,505 | \$2,705 | \$3,533 | \$6,056 | \$8,231 | \$10,416 | | | | | | | \$32,446 |
| 2015 PROJECTED LOST \$ (WRAP) | \$4,013 | \$3,200 | \$2,209 | \$6,727 | \$5,800 | \$5,828 | | | | | | | \$27,776.80 |
| 2015 PROJECTED YTD LOST \$, | \$4,013 | \$7,213 | \$9,422 | \$16,149 | \$21,949 | \$27,777 | | | | | | | \$27,777 |
| # OF INOPERABLE METERS REPLACED | 1 | 4 | 3 | 0 | 1 | 1 | | | | | | | 10 |
| TOTAL # OF METERS REPLACED | 25 | 28 | 40 | 24 | 20 | 37 | | | | | | | 174 |

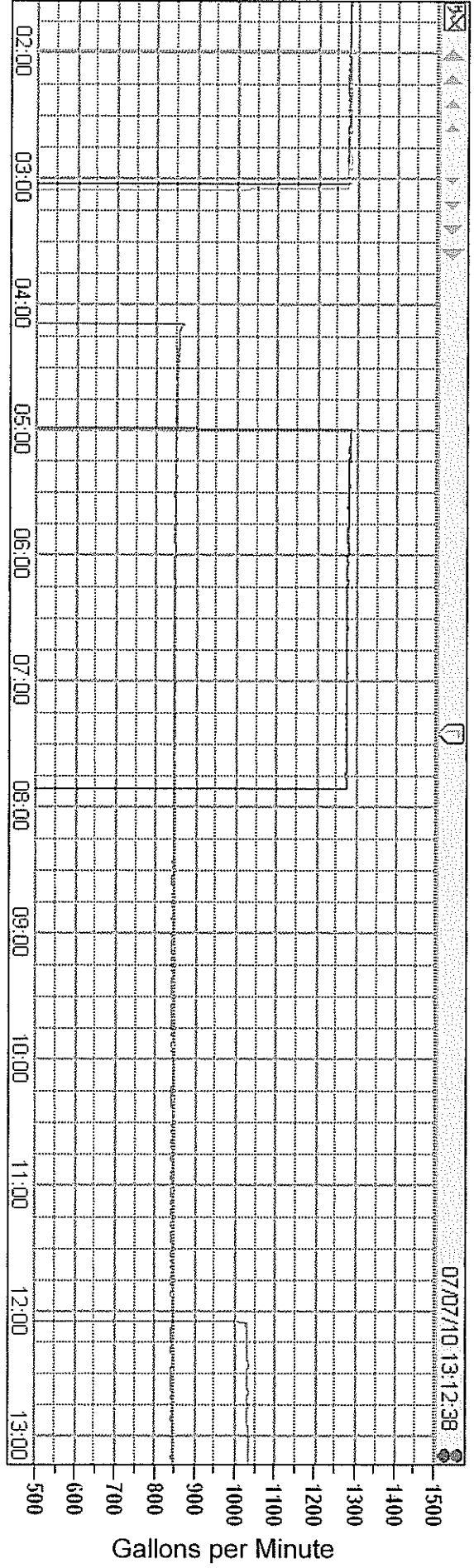
Pressure

System Trend Snapshots



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Well Flow



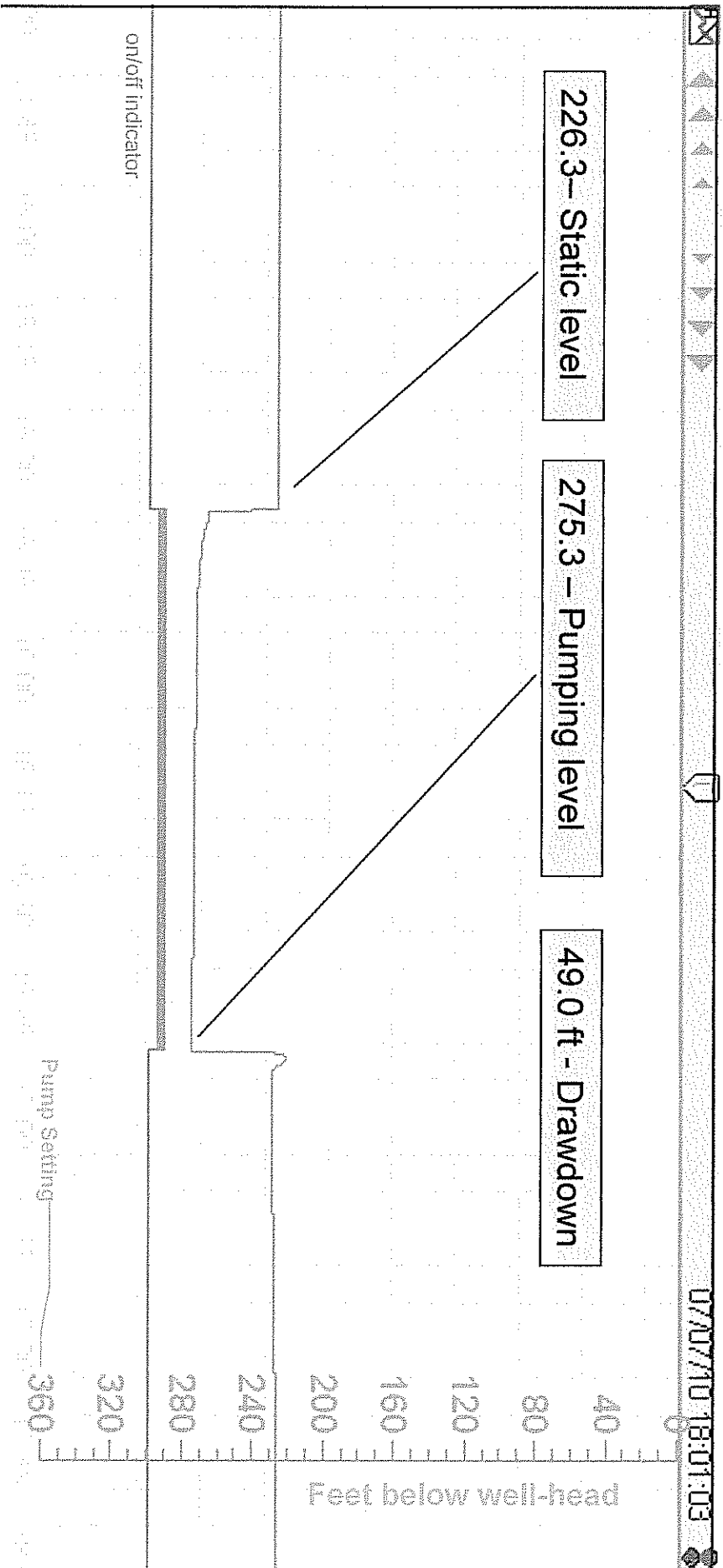
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- Browning
- Poe
- Buckingham
- Walden

Gallons per Minute

PSI

Montgomery County M.U.D. #8 Browning Street Well Ground Water Levels Well-head at 220 Feet above Sea Level



Montgomery County M.U.D. #9 Walden Road Well Ground Water Levels Well Head at 240 Feet above Sea Level

