

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS

JULY 14, 2011

The Board of Directors (the "Board" or "Directors") of Montgomery County Municipal Utility District No. 8 (the "District" or "MCMUD 8") met in special session, jointly with Montgomery County Municipal Utility District No. 9 ("MCMUD 9"), open to the public, on Thursday, July 14, 2011, at 9:00 a.m., at the Walden Yacht & Country 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
Robert Leasure	Vice President
Daniel L. Davis	Assistant Vice President
Arch Payne	Secretary
Claude D. (Dan) Fryman	Assistant Secretary

All members of the Board were present, except for Directors Davis and Payne. Also attending were Linda Wilson, Ernie Harris, Judy Sanders, Charles H. Barron and Jerry Nispel, Board of Directors of MCMUD 9; Carolyn Ahrens of Booth, Ahrens & Werkenthin, P.C.; Bill Norris and Maegan Ellis of NRS Engineers ("NRS"); Erich Peterson of Jones & Carter ("MUD 8's Engineer"); Kevin Spencer of R. W. Harden & Associates, Inc.; Clark S. Lord of Vinson & Elkins LLP, attorney for MCMUD 9; Scott Sustman, General Manager of the Walden Community Improvement Association ("WCIA"); and Ross J. Radcliffe of Johnson Radcliffe Petrov & Bobbitt PLLC ("District's 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 Comment. The President first opened the meeting to public comment. As no public comment was offered, the President directed the Board to proceed with the agenda.
2. NRS Engineer's Report.
 - a. Mr. Norris reviewed proposed timelines for various parts of the conjunctive-use facilities project, a copy of which is attached hereto as Exhibit "A." Mr. Norris indicated that he would work on placing estimated costs on this timeline for the various parts of this project.
 - b. A discussion ensued regarding the location for a test well and production well, and Maegan Ellis reported that NRS is looking at the Walden Road water plant for the location of the test well. Ms. Ellis also discussed the need to acquire property from Montgomery Independent School District ("MISD"). Mr. Sustman indicated that if the site to be used requires the acquisition of property from MISD, then communications should begin as soon as possible as MISD does not respond quickly in this type of situation. Mr. Radcliffe inquired as to when the

decision was made to use the Walden Road water plant for the location of the test well since previous reports indicated that the Poe Street water plant would be used. Mr. Radcliffe suggested that Mr. Norris work with the MCMUD 8 and MCMUD 9 engineers to review the site requirements so that recommendations can be made to the Board.

- c. Mr. Spencer discussed the procedures necessary to obtain the Lone Star Groundwater Conservation District ("LSGCD") test well permit. Mr. Spencer also discussed quality and quantity issues regarding the water in the Catahoula formation and in the Jasper aquifer. Mr. Spencer responded to questions from the Board regarding these issues.

Upon a **motion** by Director Fryman, seconded by Director Leasure, after full discussion and with all Directors present voting aye, the Board authorized the Engineer to amend the application permit to LSGCD to include production well facilities and to include the additional costs in the current Development Fund loan application with the Texas Water Development Board.

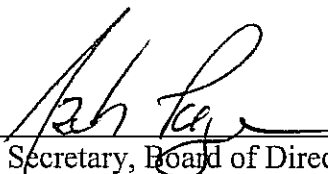
Mr. Norris, Ms. Ellis and Mr. Spencer exited the meeting at this time.

3. Executive Session. Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the executive session to order at 11:15 a.m. to discuss matters within the attorney/client privilege related to issues surrounding the Bed and Banks permit and the San Jacinto River Authority. Present for the executive session were the Board of Directors of MCMUD 8; the Board of Directors of MCMUD 9; Ms. Ahrens, Mr. Lord, and Mr. Radcliffe.

As of 12:10 p.m., the President declared the Executive Session was ended and the public session was resumed.

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

PASSED AND APPROVED this the 10th day of August, 2011.


Secretary, Board of Directors

Exhibits:

A - Proposed Timeline for Conjunctive Use Facilities Project

