

# MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8

## MINUTES OF WORKSHOP MEETING

AUGUST 10, 2011

The Board of Directors (the "Board" or "Directors") of Montgomery County Municipal Utility District No. 8 (the "District" or "MCMUD 8") met in workshop session, open to the public, on Wednesday, August 10, 2011, at 8:00 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. Also attending were Katherine Turner of Municipal Accounts & Consulting L.P. ("Bookkeeper"); Erich Peterson, P.E. and Justin Abshire of Jones & Carter, Inc. ("Engineer"); John F. Howell, Jr. of The GMS Group, LLC ("Financial Advisor"); Linda Wilson, Judy Sanders, and Jerry Nispel of Montgomery County Municipal Utility District No. 9 ("MCMUD 9"); Scott Sustman, General Manager of the Walden Community Improvement Association ("WCIA"); 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.

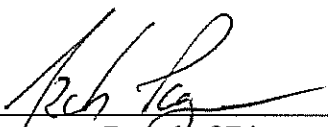
2. Financial Matters and Cash Flow Budgeting Tools.

- a. Messrs. Howell and Peterson discussed the District's accounts, how they are funded, what expenditures are paid from each account, and the method of payment. Mr. Howell explained that the Texas Water Development Board ("TWDB") Development Fund ("DFund") is a subaccount of the General Operating Fund ("GOF") and expenditures are paid from operations and maintenance tax revenues and water and sewer revenues. Mr. Howell stated that it would be nice to separate the operations and maintenance tax revenues from the water and sewer revenues.
- b. A discussion ensued regarding bonds proceeds and the manner in which tax-backed bonds and revenue-backed bonds are paid off. Mr. Howell presented and reviewed with the Board, a Summary of District Accounts, a copy of which is attached hereto as Exhibit "A."

- c. Mr. Howell indicated that the total 2011 ad valorem tax rate will be comprised of taxes for operations and maintenance purposes and for debt service purposes, in order to pay for the Texas Commission on Environmental Quality ("TCEQ") bonds. Mr. Howell added that the Debt Service Fund is used only for payment of the TCEQ bonds, however, if the Board so chooses, the TCEQ bonds can be paid out of the GOF. Mr. Howell next presented a Debt Service Schedule, Combined Debt Service Requirements and Debt Service Cash Flow, attached hereto collectively as Exhibit "B."
- d. Next, a discussion ensued concerning the method in which the tax rate funds the payment of tax-backed bonds. Mr. Howell presented a Draft of the Monthly Cash Flow Model, a copy of which is attached hereto as Exhibit "C," for the Board's review.
- e. Mr. Howell reviewed the various costs associated with a bond issuance.
- f. Mr. Howell next stated that the TWDB DFund is not callable, however, the other bonds have early call provisions.
- g. Mr. Peterson presented a draft of the GOF Cash Flow, a copy of which is attached hereto as Exhibit "D," and a discussion ensued on how to analyze such information from a bookkeeping standpoint.
- h. Mr. Peterson next presented a Summary Timeline of Capital Improvement Plan Bond Projects, a copy of which is attached hereto as Exhibit "E." and responded to questions from the Board.

**THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD,** the meeting was adjourned at 9:20 a.m.

**PASSED AND APPROVED** this the 14th day of September, 2011.

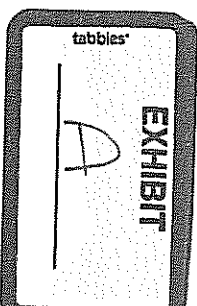
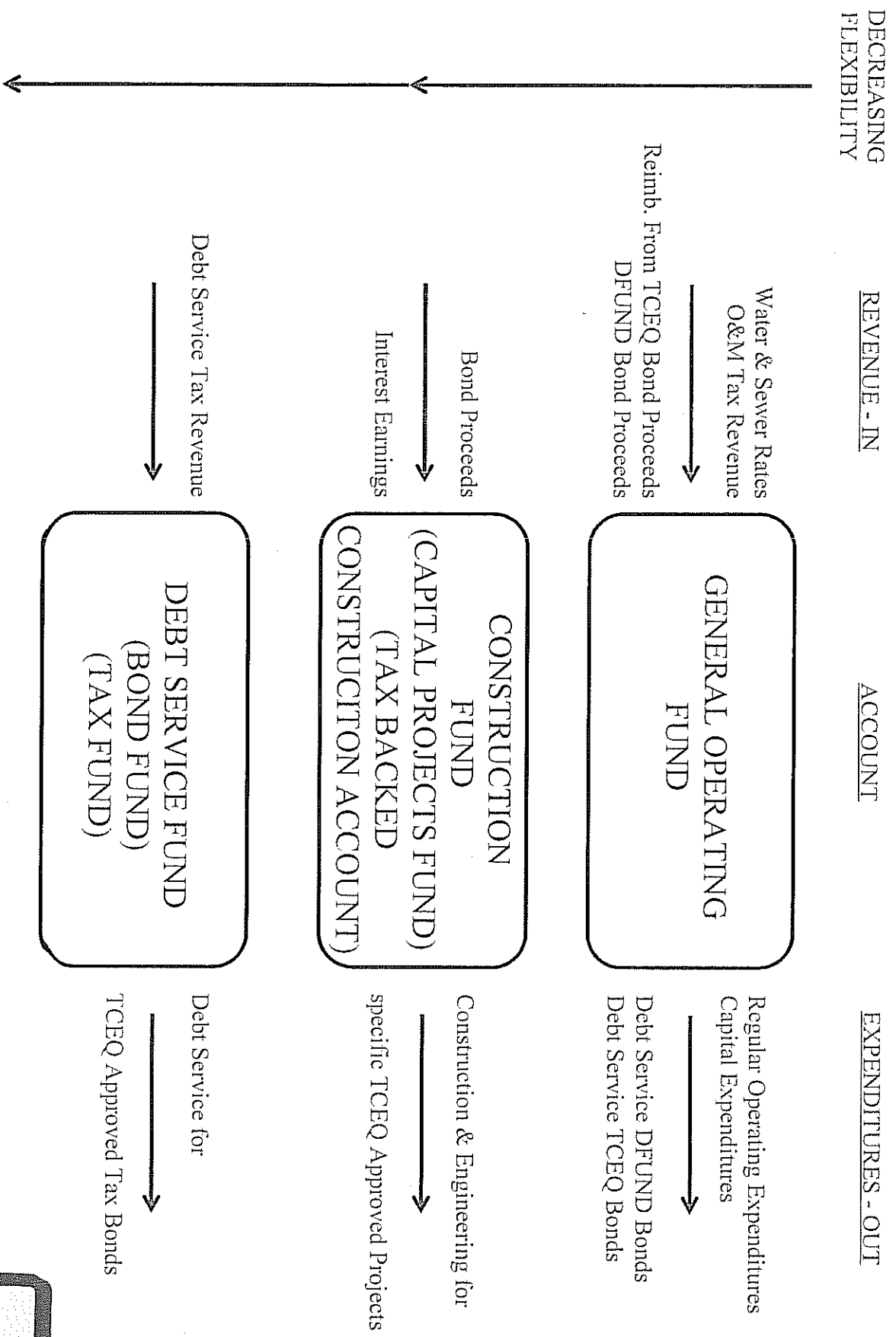
  
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Secretary, Board of Directors

**EXHIBITS:**

- A - Summary of District Accounts
- B - Debt Service Schedule, Combined Debt Service Requirements and Debt Service Cash Flow
- C - Draft of the Monthly Cash Flow Model
- D - GOF Cash Flow
- E - Summary Timeline of Capital Improvement Plan Bond Projects

A

# Summary of District Accounts

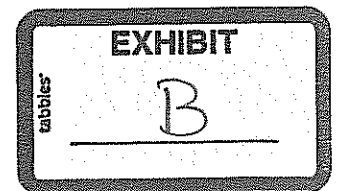


Montgomery County MUD No. 8  
Unlimited Tax Bonds, Series 2011  
Perpared for TCEQ Bond Application

"B"

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Debt Service Schedule  
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
4/ 1/12			121,625.00	121,625.00	
10/ 1/12			182,437.50	182,437.50	304,062.50
4/ 1/13			182,437.50	182,437.50	
10/ 1/13			182,437.50	182,437.50	364,875.00
4/ 1/14			182,437.50	182,437.50	
10/ 1/14			182,437.50	182,437.50	364,875.00
4/ 1/15	140,000.00	5.250000	182,437.50	322,437.50	
10/ 1/15			178,762.50	178,762.50	501,200.00
4/ 1/16	145,000.00	5.250000	178,762.50	323,762.50	
10/ 1/16			174,956.25	174,956.25	498,718.75
4/ 1/17	155,000.00	5.250000	174,956.25	329,956.25	
10/ 1/17			170,887.50	170,887.50	500,843.75
4/ 1/18	160,000.00	5.250000	170,887.50	330,887.50	
10/ 1/18			166,687.50	166,687.50	497,575.00
4/ 1/19	170,000.00	5.250000	166,687.50	336,687.50	
10/ 1/19			162,225.00	162,225.00	498,912.50
4/ 1/20	180,000.00	5.250000	162,225.00	342,225.00	
10/ 1/20			157,500.00	157,500.00	499,725.00
4/ 1/21	190,000.00	5.250000	157,500.00	347,500.00	
10/ 1/21			152,512.50	152,512.50	500,012.50
4/ 1/22	200,000.00	5.250000	152,512.50	352,512.50	
10/ 1/22			147,262.50	147,262.50	499,775.00
4/ 1/23	210,000.00	5.250000	147,262.50	357,262.50	
10/ 1/23			141,750.00	141,750.00	499,012.50
4/ 1/24	220,000.00	5.250000	141,750.00	361,750.00	
10/ 1/24			135,975.00	135,975.00	497,725.00
4/ 1/25	235,000.00	5.250000	135,975.00	370,975.00	
10/ 1/25			129,806.25	129,806.25	500,781.25
4/ 1/26	245,000.00	5.250000	129,806.25	374,806.25	
10/ 1/26			123,375.00	123,375.00	498,181.25
4/ 1/27	260,000.00	5.250000	123,375.00	383,375.00	
10/ 1/27			116,550.00	116,550.00	499,925.00
4/ 1/28	275,000.00	5.250000	116,550.00	391,550.00	
10/ 1/28			109,331.25	109,331.25	500,881.25
4/ 1/29	285,000.00	5.250000	109,331.25	394,331.25	
10/ 1/29			101,850.00	101,850.00	496,181.25
4/ 1/30	305,000.00	5.250000	101,850.00	406,850.00	
10/ 1/30			93,843.75	93,843.75	500,693.75
4/ 1/31	320,000.00	5.250000	93,843.75	413,843.75	
10/ 1/31			85,443.75	85,443.75	499,287.50
4/ 1/32	335,000.00	5.250000	85,443.75	420,443.75	
10/ 1/32			76,650.00	76,650.00	497,093.75
4/ 1/33	355,000.00	5.250000	76,650.00	431,650.00	
10/ 1/33			67,331.25	67,331.25	498,981.25
4/ 1/34	375,000.00	5.250000	67,331.25	442,331.25	
10/ 1/34			57,487.50	57,487.50	499,818.75
4/ 1/35	395,000.00	5.250000	57,487.50	452,487.50	
10/ 1/35			47,118.75	47,118.75	499,606.25
4/ 1/36	415,000.00	5.250000	47,118.75	462,118.75	
10/ 1/36			36,225.00	36,225.00	498,343.75
4/ 1/37	435,000.00	5.250000	36,225.00	471,225.00	



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Montgomery County MUD No. 8  
Unlimited Tax Bonds, Series 2011  
Prepared for TCEQ Bond Application

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
10/ 1/37			24,806.25	24,806.25	496,031.25
4/ 1/38	460,000.00	5.250000	24,806.25	484,806.25	
10/ 1/38			12,731.25	12,731.25	497,537.50
4/ 1/39	485,000.00	5.250000	12,731.25	497,731.25	
10/ 1/39					497,731.25
	6,950,000.00		6,558,387.50	13,508,387.50	
ACCRUED	6,950,000.00		6,558,387.50	13,508,387.50	

Dated 12/ 1/11 with Delivery of 12/ 1/11  
 Bond Years 124,921.667  
 Average Coupon 5.250000  
 Average Life 17.974341  
 N I C % 5.250000 % Using 100.0000000

Weighted Bond Years 124,921.667  
 Weighted Average Life 17.974341  
 Weighted N I C % 5.250000 % Using 100.0000000  
 T I C % 5.250675 % From Delivery Date

Micro-Muni Debt Date: 08-04-2011 @ 13:11:58 Filename: MCMUD8 Key: 11TCEQAP

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 8  
*Combined Debt Service Requirements*  
Prepared for 2011 TCEQ Bond Application

7/11/2011

<u>Year</u>	<u>2011 Bonds (a)</u>	<u>Total Debt Service Requirements</u>
2012	\$304,062	\$304,062
2013	\$364,875	\$364,875
2014	\$364,875	\$364,875
2015	\$501,200	\$501,200
2016	\$498,718	\$498,718
2017	\$500,843	\$500,843
2018	\$497,575	\$497,575
2019	\$498,912	\$498,912
2020	\$499,725	\$499,725
2021	\$500,012	\$500,012
2022	\$499,775	\$499,775
2023	\$499,012	\$499,012
2024	\$497,725	\$497,725
2025	\$500,781	\$500,781
2026	\$498,181	\$498,181
2027	\$499,925	\$499,925
2028	\$500,881	\$500,881
2029	\$496,181	\$496,181
2030	\$500,693	\$500,693
2031	\$499,287	\$499,287
2032	\$497,093	\$497,093
2033	\$498,981	\$498,981
2034	\$499,818	\$499,818
2035	\$499,606	\$499,606
2036	\$498,343	\$498,343
2037	\$496,031	\$496,031
2038	\$497,537	\$497,537
2039	\$497,731	\$497,731
<b>TOTAL</b>	<b>\$13,508,378</b>	<b>\$13,508,378</b>

(a) Represents annual debt service for the \$6,950,000 Series 2011 Bonds @ 5.25%.

**MONTGOMERY COUNTY MUD No. 8 DEBT SERVICE CASH FLOW  
SALE OF \$6,950,000 SERIES 2011 BONDS WITH NO AV GROWTH ASSUMED**

7/1/2011

2011 TCEQ NoGrow

**DEBT SERVICE FUND CASH FLOW ANALYSIS**

Prepared by John Howell @ The GMS Group, Inc.

Calendar Year	Beginning Balance(A)	Interest Earnings(B)	Previous Yr Assessed Valuation(C)	Tax Rate (T)	Coll. Factor	Projected Revenues	Other Fund Sources(D)	Total Funds Available for		Debt Service Reqmnts (E)	Projected Ending Balance	Reserve Balance
								Debt Service	Debt Service			
2012	\$364,875	\$3,649	\$384,308,686	\$0.00	95%	\$0	\$25,000	\$393,524	\$304,062	\$89,462	25%	
2013	\$89,462	\$895	\$384,308,686	\$0.14	95%	\$511,131	\$0	\$601,487	\$364,875	\$236,612	65%	
2014	\$236,612		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$747,742	\$364,875	\$382,867	76%	
2015	\$382,867		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$893,998	\$501,200	\$392,798	79%	
2016	\$392,798		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$903,929	\$498,718	\$405,211	81%	
2017	\$405,211		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$916,341	\$500,843	\$415,498	84%	
2018	\$415,498		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$926,629	\$497,575	\$429,054	86%	
2019	\$429,054		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$940,184	\$498,912	\$441,272	88%	
2020	\$441,272		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$952,403	\$499,725	\$452,678	91%	
2021	\$452,678		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$963,808	\$500,012	\$463,796	93%	
2022	\$463,796		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$974,927	\$499,775	\$475,152	95%	
2023	\$475,152		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$986,282	\$499,012	\$487,270	98%	
2024	\$487,270		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$998,401	\$497,725	\$500,676	100%	
2025	\$500,676		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,011,807	\$500,781	\$511,026	103%	
2026	\$511,026		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,022,156	\$498,181	\$523,975	105%	
2027	\$523,975		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,035,106	\$499,925	\$535,181	107%	
2028	\$535,181		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,046,311	\$500,881	\$545,430	110%	
2029	\$545,430		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,056,561	\$496,181	\$560,380	112%	
2030	\$560,380		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,071,510	\$500,693	\$570,817	114%	
2031	\$570,817		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,081,948	\$499,287	\$582,661	117%	
2032	\$582,661		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,093,791	\$497,093	\$596,698	120%	
2033	\$596,698		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,107,829	\$498,981	\$608,848	122%	
2034	\$608,848		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,119,979	\$499,818	\$620,161	124%	
2035	\$620,161		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,131,291	\$499,606	\$631,685	127%	
2036	\$631,685		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,142,816	\$498,343	\$644,473	130%	
2037	\$644,473		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,155,603	\$496,031	\$659,572	133%	
2038	\$659,572		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,170,703	\$497,537	\$673,166	136%	
2039	\$673,166		\$384,308,686	\$0.14	95%	\$511,131	\$0	\$1,184,296	\$497,731	\$686,565	#REF!	

(A) Represents 1/1/2012 Debt Service Fund beginning balance (capitalized interest funded with bond proceeds).

(B) Projected @ 1.0% per TCEQ rules.

(C) Reflects the 1/1/2010 Certified Value and no growth assumed.

(D) Represents transfer from the District's General Fund.

(E) Reflects sale of \$6,950,000 Series 2011 Bonds @ 5.25%.

(T) Reflects the Debt Service Tax Rate only.

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# Long Range PLANNING

All Bonds (Revenue & Tax Backed)

Shows <sup>total</sup> TAX RATE

Moving toward 6.45

overturn

# MONTGOMERY COUNTY MUD No. 8 COMBINED FUNDS CASH FLOW

REFLECTS SALE OF \$2,085,000 DFUND BONDS TO THE TWDB and  
 SALE OF \$23,950,000 SERIES 2011, 2012, 2014, 2016, and 2019 BONDS WITH ASSUMED GROWTH IN ASSESSED VALUATION

02/12/2011

2011 Affiliative

## DEBT SERVICE FUND CASH FLOW ANALYSIS

Calendar Year	Beginning Balance(A)	Interest Earnings(B)	Previous Yr Assessed Valuation(C)	Tax Rate (T)	Coll. Factor	Projected Tax Revenues	Other Fund Sources(D)	Water Sewer Revenues	Gen. Fund Operating Expenditures	Total Funds Available for Debt Service	Debt Service Reqmnts (E)	DFund Debt Service	Projected Ending Balance	Reserve Balance
2011	\$800,000	\$9,000	\$384,308,696	\$0.24	98%	\$903,894	\$1,086,500	\$1,500,000	\$1,565,000	\$2,733,394	\$60,375	\$0	\$2,673,019	116%
2012	\$2,673,019	\$26,730	\$391,000,000	\$0.24	98%	\$919,632	\$540,750	\$1,500,000	\$1,565,000	\$4,095,131	\$632,625	\$108,420	\$3,354,086	130%
2013	\$3,354,086	\$33,541	\$394,750,000	\$0.24	98%	\$928,452	\$0	\$1,500,000	\$1,565,000	\$4,251,079	\$903,000	\$108,420	\$3,239,659	118%
2014	\$3,239,659	\$32,397	\$398,500,000	\$0.24	98%	\$937,272	\$192,000	\$1,500,000	\$1,565,000	\$4,336,328	\$1,095,000	\$157,120	\$3,084,208	110%
2015	\$3,084,208	\$30,842	\$406,000,000	\$0.24	98%	\$954,912	\$0	\$1,500,000	\$1,565,000	\$4,004,962	\$1,095,000	\$154,520	\$2,755,442	89%
2016	\$2,755,442	\$27,554	\$413,500,000	\$0.40	98%	\$1,620,920	\$128,100	\$1,500,000	\$1,565,000	\$4,467,016	\$1,362,761	\$156,790	\$2,947,466	90%
2017	\$2,947,466	\$29,475	\$421,000,000	\$0.45	98%	\$1,856,610	\$0	\$1,500,000	\$1,565,000	\$4,768,550	\$1,571,239	\$153,930	\$3,043,381	92%
2018	\$3,043,381	\$30,434	\$426,500,000	\$0.45	98%	\$1,889,685	\$0	\$1,500,000	\$1,565,000	\$4,898,500	\$1,571,239	\$155,940	\$3,171,321	92%
2019	\$3,171,321	\$31,713	\$436,000,000	\$0.45	98%	\$1,922,760	\$84,900	\$1,500,000	\$1,565,000	\$5,145,694	\$1,714,465	\$157,690	\$3,273,539	95%
2020	\$3,273,539	\$32,735	\$443,500,000	\$0.45	98%	\$1,955,835	\$0	\$1,500,000	\$1,565,000	\$5,197,109	\$1,714,465	\$154,310	\$3,328,335	96%
2021	\$3,328,335	\$33,283	\$451,000,000	\$0.45	98%	\$1,988,910	\$0	\$1,500,000	\$1,565,000	\$5,285,528	\$1,753,379	\$155,800	\$3,376,349	97%
2022	\$3,376,349	\$33,763	\$458,500,000	\$0.45	98%	\$2,021,985	\$0	\$1,500,000	\$1,565,000	\$5,367,098	\$1,753,379	\$157,030	\$3,456,689	100%
2023	\$3,456,689	\$34,567	\$466,000,000	\$0.45	98%	\$2,055,060	\$0	\$1,500,000	\$1,565,000	\$5,481,318	\$1,753,379	\$153,130	\$3,574,807	102%
2024	\$3,574,807	\$35,748	\$473,500,000	\$0.45	98%	\$2,088,135	\$0	\$1,500,000	\$1,565,000	\$5,633,690	\$1,779,170	\$154,100	\$3,700,420	106%
2025	\$3,700,420	\$37,004	\$481,000,000	\$0.45	98%	\$2,121,210	\$0	\$1,500,000	\$1,565,000	\$5,793,634	\$1,779,170	\$154,810	\$3,859,655	110%
2026	\$3,859,655	\$38,597	\$488,500,000	\$0.45	98%	\$2,154,285	\$0	\$1,500,000	\$1,565,000	\$5,987,536	\$1,779,170	\$155,260	\$4,053,107	116%
2027	\$4,053,107	\$40,531	\$496,000,000	\$0.45	98%	\$2,187,360	\$0	\$1,500,000	\$1,565,000	\$6,215,998	\$1,779,170	\$155,450	\$4,281,378	122%
2028	\$4,281,378	\$42,814	\$503,500,000	\$0.45	98%	\$2,220,435	\$0	\$1,500,000	\$1,565,000	\$6,479,627	\$1,779,170	\$155,380	\$4,545,077	130%
2029	\$4,545,077	\$45,451	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$6,769,115	\$1,779,170	\$155,050	\$4,834,896	139%
2030	\$4,834,896	\$48,349	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$7,091,832	\$1,779,170	\$154,460	\$5,128,203	147%
2031	\$5,128,203	\$51,282	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$7,358,072	\$1,779,170	\$153,610	\$5,425,292	155%
2032	\$5,425,292	\$54,253	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$7,658,133	\$1,779,170	\$157,370	\$5,721,593	163%
2033	\$5,721,593	\$57,216	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$7,957,397	\$1,779,170	\$155,740	\$6,022,487	172%
2034	\$6,022,487	\$60,225	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$8,261,299	\$1,779,170	\$153,850	\$6,328,280	181%
2035	\$6,328,280	\$63,344	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$8,570,150	\$1,779,170	\$156,570	\$6,634,410	190%
2036	\$6,634,410	\$66,344	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$8,879,342	\$1,779,170	\$153,900	\$6,946,272	208%
2037	\$6,946,272	\$69,463	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$9,194,323	\$1,779,170	\$153,900	\$7,415,153	222%
2038	\$7,415,153	\$74,152	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$9,667,892	\$1,779,170	\$153,900	\$7,888,722	236%
2039	\$7,888,722	\$78,887	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$10,146,197	\$1,779,170	\$153,900	\$8,367,027	250%
2040	\$8,367,027	\$83,670	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$10,629,285	\$1,779,170	\$153,900	\$8,850,115	311%
2041	\$8,850,115	\$88,501	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$11,117,204	\$1,779,170	\$153,900	\$9,339,945	470%
2042	\$9,339,945	\$93,399	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$11,616,932	\$1,779,170	\$153,900	\$9,839,945	547%
2043	\$9,839,945	\$98,399	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$12,116,932	\$1,779,170	\$153,900	\$10,355,348	725%
2044	\$10,355,348	\$103,553	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$12,616,932	\$1,779,170	\$153,900	\$10,888,902	547%
2045	\$10,888,902	\$108,890	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$13,116,932	\$1,779,170	\$153,900	\$11,444,564	835%
2046	\$11,444,564	\$114,445	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$13,616,932	\$1,779,170	\$153,900	\$12,022,487	1,041%
2047	\$12,022,487	\$120,225	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$14,116,932	\$1,779,170	\$153,900	\$12,634,410	1,175%
2048	\$12,634,410	\$126,344	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$14,616,932	\$1,779,170	\$153,900	\$13,281,672	1,310%
2049	\$13,281,672	\$132,817	\$508,750,000	\$0.45	98%	\$2,243,588	\$0	\$1,500,000	\$1,565,000	\$15,116,932	\$1,779,170	\$153,900	\$14,000,000	#DIV/0!

(A) Represents 1/1/2011 balance in the General Fund prior to the collection of 2010 tax levy.

(B) Projected @ 1.0%.

(C) Reflects the 1/1/2010 Certified Value and projections per attached schedule.

(D) Represents Capitalized Interest funded with each Series of Unlimited Tax Bonds. 2011 amount also reflects \$669,000 from bond reimbursement and \$55,250 Capitalized Interest from DFund Bonds.

(E) Reflects sale of each Series of Tax Backed Bonds @ 6.0% per attached schedule.

(T) Reflects the Total Tax Rate (O&M plus debt service).

5

\$ 2,085,000  
 Net Debt to  
 a Year

2,725,000

⑥

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 8**  
*Combined Debt Service Requirements (a)*

**Prepared for Financial Planning Discussions - June 2011**

6/21/2011	\$6,900,000	\$10,300,000	\$3,200,000	\$2,135,000	\$1,415,000	\$23,950,000
	2011	2012	2014	2016	2019	Total Debt
<u>Year</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Service Requirements</u>
2011	\$60,375					\$60,375
2012	\$362,250	\$270,375				\$632,625
2013	\$362,250	\$540,750				\$903,000
2014	\$362,250	\$540,750	\$192,000			\$1,095,000
2015	\$362,250	\$540,750	\$192,000			\$1,095,000
2016	\$501,911	\$540,750	\$192,000	\$128,100		\$1,362,761
2017	\$501,911	\$749,229	\$192,000	\$128,100		\$1,571,239
2018	\$501,911	\$749,229	\$192,000	\$128,100		\$1,571,239
2019	\$501,911	\$749,229	\$250,325	\$128,100	\$84,900	\$1,714,465
2020	\$501,911	\$749,229	\$250,325	\$128,100	\$84,900	\$1,714,465
2021	\$501,911	\$749,229	\$250,325	\$167,014	\$84,900	\$1,753,379
2022	\$501,911	\$749,229	\$250,325	\$167,014	\$84,900	\$1,753,379
2023	\$501,911	\$749,229	\$250,325	\$167,014	\$84,900	\$1,753,379
2024	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2025	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2026	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2027	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2028	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2029	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2030	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2031	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2032	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2033	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2034	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2035	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2036	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2037	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2038	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2039	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2040	\$501,911	\$749,229	\$250,325	\$167,014	\$110,691	\$1,779,170
2041		\$749,229	\$250,325	\$167,014	\$110,691	\$1,277,259
2042			\$250,325	\$167,014	\$110,691	\$528,030
2043			\$250,325	\$167,014	\$110,691	\$528,030
2044				\$167,014	\$110,691	\$277,705
2045				\$167,014	\$110,691	\$277,705
2046					\$110,691	\$110,691
2047					\$110,691	\$110,691
2048					\$110,691	\$110,691
<b>TOTAL</b>	<b>\$14,057,138</b>	<b>\$21,164,094</b>	<b>\$7,218,137</b>	<b>\$4,815,851</b>	<b>\$3,191,770</b>	<b>\$50,446,991</b>

(a) Represents annual debt service assuming 2011 and 2012 Bonds at 5.25% and all other bonds sold at 6.0%.

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 8**  
**ASSESSED VALUATION PROJECTIONS (a)**  
**For 2011 Financial Planning**  
**6/15/2011**



\$384,308,696	1/1/2010 Assessed Valuation (per HCAD) Plus 25 Homes @ \$150,000 (b)
\$391,000,000 \$3,750,000	1/1/2011 Preliminary Assessed Valuation (per HCAD) Plus 25 Homes @ \$150,000 (b)
\$394,750,000 \$3,750,000	1/1/2012 Projected Assessed Valuation Plus 25 Homes @ \$150,000 (b)
\$398,500,000 \$7,500,000	1/1/2013 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$406,000,000 \$7,500,000	1/1/2014 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$413,500,000 \$7,500,000	1/1/2015 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$421,000,000 \$7,500,000	1/1/2016 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$428,500,000 \$7,500,000	1/1/2017 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$436,000,000 \$7,500,000	1/1/2018 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$443,500,000 \$7,500,000	1/1/2019 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$451,000,000 \$7,500,000	1/1/2020 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$458,500,000 \$7,500,000	1/1/2021 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$466,000,000 \$7,500,000	1/1/2022 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$473,500,000 \$7,500,000	1/1/2023 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$481,000,000 \$7,500,000	1/1/2024 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$488,500,000 \$7,500,000	1/1/2025 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$496,000,000 \$7,500,000	1/1/2026 Projected Assessed Valuation Plus 50 Homes @ \$150,000 (b)
\$503,500,000 \$5,250,000	1/1/2027 Projected Assessed Valuation Plus 35 Homes @ \$150,000 (b)
\$508,750,000	1/1/2028 Projected Assessed Valuation

- (a) This analysis reflects the existing build out as of 1/1/2010 PLUS future build out on approximately 810 vacant developed lots.  
(b) Reflects the average home values (without the lot value) because the lot values were already on the 1/1/2010 Tax Roll.

**PROJECT BUDGET**

Uses	Total TWDB Cost	Other Funds	Total Cost
<b>Construction</b>			
Construction			\$0
<b>Subtotal Construction Fees</b>	\$0	\$0	\$0
<b>Basic Engineering Fees</b>			
Design	\$595,000	\$595,000	\$1,190,000
			\$0
Basic Engineering Other **			\$0
<b>Subtotal Basic Engineering Fees</b>	\$595,000	\$595,000	\$1,190,000
<b>Special Services</b>			
District Engineer Consultation	\$200,000	\$200,000	\$400,000
Raw Water Quality Testing	\$30,000	\$30,000	\$60,000
Pilot Protocols, Reports, TCEQ Approvals	\$150,000	\$150,000	\$300,000
Test Well Engineering	\$125,000	\$125,000	\$250,000
Permitting	\$90,000	\$90,000	\$180,000
Test Well Completion and Analysis	\$250,000	\$250,000	\$500,000
Pilot Plant Testing, Setup and Operation	\$200,000	\$200,000	\$400,000
Technical Assistance - Bed & Banks Permit	\$50,000	\$50,000	\$100,000
			\$0
			\$0
			\$0
Special Services Other **			\$0
<b>Subtotal Special Services</b>	\$1,095,000	\$1,095,000	\$2,190,000
<b>Other</b>			
Administration			\$0
Land/Easements Acquisition			\$0
Water Rights Purchase (If Applicable)			\$0
Capacity Buy-In (If Applicable)			\$0
Project Legal Expenses	\$250,000	\$250,000	\$500,000
Other **			\$0
<b>Subtotal Other Services</b>	\$250,000	\$250,000	\$500,000
<b>Fiscal Services</b>			
Financial Advisor	\$37,530	\$37,530	\$75,060
Bond Counsel	\$41,700	\$41,700	\$83,400
Issuance Cost	\$10,520	\$10,520	\$21,040
Bond Insurance/Surety	\$0	\$0	\$0
Fiscal/Legal	\$0	\$0	\$0
Capitalized Interest	\$55,250	\$55,250	\$110,500
Bond Reserve Fund	\$0	\$0	\$0
Loan Origination Fee	\$0	\$0	\$0
<b>Subtotal Fiscal Services</b>	\$145,000	\$145,000	\$290,000
<b>Contingency</b>			
Contingency			\$0
<b>Subtotal Contingency</b>	\$0	\$0	\$0
<b>TOTAL COSTS</b>	<del>\$2,085,000</del>	<del>\$2,085,000</del>	<del>\$4,170,000</del>

Other \*\* description must be entered

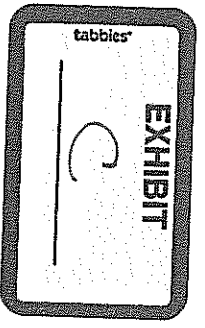
~~± \$2,725,000~~  
 Bed to reflect  
 production well

**MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 8**  
**DRAFT OF MONTHLY CASH FLOW MODEL PREPARED FOR BOARD REVIEW**

8/1/2011  
Monthly Cash Flow Projections

Year	Beginning Balance (A)	O&M Tax Revenue (B)	Other Gen Fund Revenue (C)	Transfers "IN" From Other Funds (D)	Normal Operating Expenditures (E)	Jones & Carter Cap Ex Engineering (F)	Jones & Carter Cap Ex Project Cost (F)	NRS Cap Ex Engineering (G)	NRS Cap Ex Project Costs (G)	Transfers "OUT" To Other Funds (H)	TWDB Dfund Debt Service (I)	Ending Balance (J)
8/1/2011	\$1,150,000	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,144,575
9/1/2011	\$1,144,575	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,139,150
10/1/2011	\$1,139,150	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,133,725
11/1/2011	\$1,133,725	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,128,300
12/1/2011	\$1,128,300	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,122,875
1/1/2012	\$1,122,875	\$500,000	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,617,450
2/1/2012	\$1,617,450	\$500,000	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,112,025
3/1/2012	\$2,112,025	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,106,600
4/1/2012	\$2,106,600	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,046,965
5/1/2012	\$2,046,965	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,041,540
6/1/2012	\$2,041,540	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,036,115
7/1/2012	\$2,036,115	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,030,690
8/1/2012	\$2,030,690	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,025,265
9/1/2012	\$2,025,265	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,019,840
10/1/2012	\$2,019,840	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,960,205
11/1/2012	\$1,960,205	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,954,780
12/1/2012	\$1,954,780	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$1,949,355
1/1/2013	\$1,949,355	\$500,000	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,443,930
2/1/2013	\$2,443,930	\$500,000	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,938,505
3/1/2013	\$2,938,505	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,933,080
4/1/2013	\$2,933,080	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,873,445
5/1/2013	\$2,873,445	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,868,020
6/1/2013	\$2,868,020	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,862,595
7/1/2013	\$2,862,595	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,857,170
8/1/2013	\$2,857,170	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,851,745
9/1/2013	\$2,851,745	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,846,320
10/1/2013	\$2,846,320	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,786,685
11/1/2013	\$2,786,685	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,781,260
12/1/2013	\$2,781,260	\$0	\$125,000	\$0	\$130,425	\$0	\$0	\$0	\$0	\$0	\$0	\$2,775,835

- (A) Per data in July Bookkeeper's Report.
- (B) Assumes \$0.2651 O&M tax rate on approximately \$390 million @ 98% collection.
- (C) Monthly data represents 1/12 annual General Fund non-tax revenues.
- (D) Includes reimbursement from bond proceeds, proceeds from loans if applicable.
- (E) Monthly data represents 1/12 annual General Fund expenditures excluding cap ex.
- (F) Per Jones & Carter estimate.
- (G) Per NRS estimate.
- (H) Represents loan repayments or interfund borrowing if applicable.
- (I) Represents estimated annual debt service requirement per Howell.
- (J) Represents beginning balance plus "revenue items" less "cash outflow items".



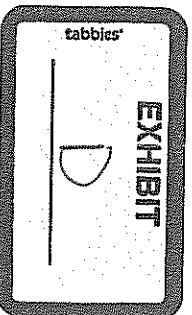
Summary  
of  
General Operating Fund Cash Flow  
Montgomery County MUD No. 8  
August 9, 2011

DRAEY

	2011												2012			
	August	September	October	November	December	January	February	March	April	May	June	July	August	September		
<b>Beginning Operating Fund Balance</b>	\$ 1,150,000	1,078,808	1,002,557	879,243	806,326	733,347	2,034,856	2,414,985	2,132,535	2,007,952	1,937,476	1,866,940	1,796,346	1,725,693		
<b>Revenue</b>																
Interest Earnings <sup>(1)</sup>	\$ 958	899	835	733	672	611	1,696	2,012	1,777	1,673	1,615	1,556	1,497	1,438		
O&M Tax Revenue <sup>(2)</sup>	0	0	0	0	0	451,584	451,584	0	0	0	0	0	0	0		
Water & Sewer Revenue <sup>(3)</sup>	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000		
Other Fund Sources <sup>(4,5)</sup>	0	0	0	0	0	922,463	0	0	0	0	0	0	0	0		
TWDB DFUND <sup>(6)</sup>	0	0	0	2,725,000	0	0	0	0	0	0	0	0	0	0		
<b>Total Revenue</b>	\$ 125,958	125,899	125,835	2,850,733	125,672	1,499,658	578,280	177,012	126,777	126,673	126,615	126,556	126,497	126,438		
<b>Total Operating Fund Balance</b>	\$ 1,275,958	1,204,707	1,128,393	3,729,976	931,997	2,233,006	2,613,135	2,541,998	2,259,312	2,134,626	2,064,090	1,993,496	1,922,843	1,852,131		
<b>Expenses</b>																
General Operating Fund Expenditures <sup>(7)</sup>	\$ 142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917		
STP Fund Expenditures <sup>(8)</sup>	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400		
Capital Improvements Plan Engineering <sup>(9)</sup>	0	5,000	2,000	1,500	1,500	1,000	1,000	1,000	0	0	0	0	0	0		
Capital Improvements Plan Projects <sup>(10)</sup>	4,833	4,833	54,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833		
Water Project Engineering & Legal <sup>(11)</sup>	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
Water Project <sup>(12)</sup>	0	0	0	2,725,000	0	0	0	0	0	0	0	0	0	0		
TICRQ Bonds Debt Service Payments <sup>(13)</sup>	0	0	0	0	0	0	0	0	0	211,313	0	0	0	0		
DFUND Debt Service Payments <sup>(14)</sup>	0	0	0	0	0	0	0	0	0	54,210	0	0	0	0		
<b>Total Expenses</b>	\$ 197,150	202,150	249,150	2,925,650	198,650	198,150	198,150	409,463	251,360	197,150	197,150	197,150	197,150	197,150		
<b>Projected Remaining Monthly Balance</b>	\$ 1,078,808	1,002,557	879,243	806,326	733,347	2,034,856	2,414,985	2,132,535	2,007,952	1,937,476	1,866,940	1,796,346	1,725,693	1,725,294		

**NOTES:**

- (1) Assumes 1% annual earnings.
- (2) Assumes \$0.24 O&M tax rate on approximately \$384 million @ 0.8% collection.
- (3) Assumes 1/12 annual water sewer revenue.
- (4) Represents \$314,213 Capitalized Interest funded with each Series of Unlimited Tax Bonds. This amount also reflects \$540,000 from bond reimbursement and \$55,250 Capitalized Interest from DFUND.
- (5) January, 2012 amount includes reimbursement for \$13,000 engineering for Water Plant Improvements Project expensed from General Operating Fund
- (6) Amount includes funds from TWDB Direct Loan.
- (7) Amount includes current Board approved 2011 budget items.
- (8) Amount includes STP related items listed in STP Fund budget.
- (9) Amount includes engineering for the Water Plant Improvements project (to be reimbursed with 2011 Series Bond Funds).
- (10) Amount includes on-going Collection & Distribution System Upgrades, October expense for remaining Cleaning & Televising in Section 5.
- (11) Amount includes budgeted engineering and legal fees for the Water Project
- (12) Amount includes Water Project costs.
- (13) Reflects bi-annual payment to pay off debt from Bond Sale.
- (14) Reflects bi-annual payment to pay off debt from DFUND.



Summary  
of  
General Operating Fund Cash Flow  
Montgomery County MUD No. 8  
August 9, 2011

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	2012					2013									
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
<b>Revenue</b>															
Beginning Operating Fund Balance	\$ 1,173,294	1,047,911	976,635	905,298	1,285,487	1,665,992	1,143,730	1,018,524	947,022	875,661	804,241	732,761	209,722	83,537	11,456
Interest Earnings <sup>(1)</sup>	\$ 978	873	814	754	1,071	1,388	953	849	789	730	670	611	175	70	10
O&M Tax Revenue <sup>(2)</sup>	0	0	0	451,584	451,584	0	0	0	0	0	0	0	0	0	0
Water & Sewer Revenue <sup>(3)</sup>	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Other Fund Sources <sup>(4,5)</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TWDB DFUND <sup>(6)</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	\$ 125,978	125,873	125,814	577,338	577,655	126,388	125,953	125,849	125,789	125,730	125,670	125,611	125,175	125,070	125,010
Total Operating Fund Balance	\$ 1,299,271	1,173,785	1,102,448	1,482,637	1,863,142	1,792,380	1,269,684	1,144,172	1,072,811	1,001,391	929,911	858,372	334,897	208,606	136,466
<b>Expenses</b>															
General Operating Fund Expenditures <sup>(7)</sup>	\$ 142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917	142,917
STP Fund Expenditures <sup>(8)</sup>	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400	24,400
Capital Improvements Plan Engineering <sup>(9)</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Improvements Plan Projects <sup>(10)</sup>	1,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833	4,833
Water Project Engineering & Legal <sup>(11)</sup>	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Water Project <sup>(12)</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TCEQ Bonds Debt Service Payments <sup>(13)</sup>	0	0	0	0	0	451,500	0	0	0	0	0	0	0	0	0
DFUND Debt Service Payments <sup>(14)</sup>	54,210	0	0	0	0	54,210	0	0	0	0	0	0	0	0	0
Total Expenses	\$ 251,360	197,150	197,150	197,150	197,150	648,650	251,360	197,150	197,150	197,150	197,150	197,150	197,150	197,150	197,150
Projected Remaining Monthly Balance	\$ 1,047,911	976,635	905,298	1,285,487	1,665,992	1,143,730	1,018,524	947,022	875,661	804,241	732,761	209,722	83,537	11,456	-60,684

- NOTES:
- (1) Assumes 1% annual earnings.
  - (2) Assumes \$0.24 O&M tax rate on approximately \$384 million @ .08% collection.
  - (3) Assumes 1/12 annual water sewer revenue.
  - (4) Represents \$314,213 Capitalized Interest funded with each Series of Unlimited Tax Bonds. This amount also reflects \$540,000 from bond reimbursement and \$55,250 Capitalized Interest from DFUND.
  - (5) January 2012 amount includes reimbursement for \$13,000 engineering for Water Plant Improvements Project expensed from General Operating Fund.
  - (6) Amount includes funds from TWDB DFUND Loan.
  - (7) Amount includes current Board approved 2011 budget items.
  - (8) Amount includes STP related items listed in STP Fund budget.
  - (9) Amount includes engineering for the Water Plant Improvements project (to be reimbursed with 2011 Series Bond Funds).
  - (10) Amount includes on-going Collection & Distribution System Upgrades, October expense for remaining Cleaning & Telemetry in Section 5.
  - (11) Amount includes budgeted engineering and legal fees for the Water Project.
  - (12) Amount includes Water Project costs.
  - (13) Reflects bi-annual payment to pay off debt from Bond Sale.
  - (14) Reflects bi-annual payment to pay off debt from DFUND.



Summary Timeline  
of  
Capital Improvement Plan Bond Projects  
Montgomery County MUD No. 8  
August 9, 2011

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TASK DESCRIPTION	2012												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<b>DEBT SERVICE FUND - BAYR NO. 5 (2011 SERIES)</b>													
1. Prorata Share (38.5%) Phosphate Monitoring & Testing	6,417	6,417	6,417	6,417	6,417	6,417	6,417	6,417	6,417	6,417	6,417	6,417	77,000
a. Engineering (15%)	4,590	4,590	4,590	4,590	4,590	4,590	2,295	2,295	2,295	2,295	2,295	2,295	41,307
b. Construction (including 10% cont.)							30,598	30,598	30,598	30,598	30,598	30,598	183,587
2. Prorata Share (38.5%) WWTP Digester Replacement													224,895
a. Engineering (15%)	2,329	2,329	2,329	2,329	2,329	2,329	1,165	1,165	1,165	1,165	1,165	1,165	20,963
b. Construction (including 10% cont.)							15,528	15,528	15,528	15,528	15,528	15,528	92,170
3. Prorata Share (38.5%) WWTP Elevated Handworks													114,133
a. Engineering (15%)	1,083	1,083	1,083	1,083									3,250
b. Construction (including 20% cont.)	29,200	29,200	29,200										87,600
4. Water Plant Improvements (continued from 2011)													90,850
a. Engineering (15%)	37,083	37,083	37,083	37,083	37,083	37,083	18,542	18,542	18,542	18,542	18,542	18,542	333,750
b. Construction (including 10% cont.)							246,250	246,250	246,250	246,250	246,250	246,250	1,477,500
5. Sanitary Sewer Rehabilitation													1,811,250
a. Engineering (15%)	4,267	4,267	4,267	4,267	4,267	4,267	2,133	2,133	2,133	2,133	2,133	2,133	38,401
b. Construction (including 10% cont.)							28,834	28,834	28,834	28,834	28,834	28,834	173,001
6. Prorata Share Walden Road Trunkline San Sew Rehab													211,402
a. Engineering (15%)	84,969	84,969	84,969	54,686	54,686	54,686	351,761	351,761	351,761	351,761	351,761	351,761	2,529,530
b. Construction (including 10% cont.)							28,834	28,834	28,834	28,834	28,834	28,834	173,001
7. Prorata Share (50%) Water Project Permitting and Pilot Program													845,000
a. Engineering (15%)							64,041	64,041	64,041	64,041	64,041	64,041	384,244
b. Construction (including 10% cont.)													0
8. Prorata Share (50%) Water Project													384,244
a. Engineering (15%)													0
b. Construction (including 10% cont.)													384,244
<b>DEBT SERVICE FUND - BAR NO. 6 (2012 SERIES)</b>													
7. Prorata Share (50%) Water Project Permitting and Pilot Program													845,000
a. Engineering (15%)													384,244
b. Construction (including 10% cont.)													0
8. Prorata Share (50%) Water Project													384,244
a. Engineering (15%)													0
b. Construction (including 10% cont.)													384,244
<b>2012 TOTAL</b>	<b>70,417</b>	<b>70,417</b>	<b>70,417</b>	<b>70,417</b>	<b>70,417</b>	<b>70,417</b>	<b>134,457</b>	<b>134,457</b>	<b>134,457</b>	<b>134,457</b>	<b>134,457</b>	<b>134,457</b>	<b>3,758,774</b>

Summary Timeline  
of  
Capital Improvement Plan Bond Projects  
Montgomery County AHUD No. 8  
August 9, 2011

DRAFT

TASK DESCRIPTION	2013												Total
	January	February	March	April	May	June	July	August	September	October	November	December	
<b>DEPT SERVICE FUND - BAR NO. 5 (2011 SERIES)</b>													
1. <u>Prorata Share (38.5%) WWT#1 Dyecker Replacement (continued from 2012)</u>													
a. Engineering (15%)	2,295	2,295	2,295	2,295	2,295	2,295							13,769
b. Construction (including 10% cont.)	30,598	30,598	30,598	30,598	30,598	30,598							183,587
2. <u>Prorata Share (38.5%) WWT#1 Elevated Headworks (continued from 2012)</u>													
a. Engineering (15%)	1,165	1,165	1,165	1,165	1,165	1,165							6,988
b. Construction (including 10% cont.)	15,528	15,528	15,528	15,528	15,528	15,528							93,170
3. <u>Sanitary Sewer Rehabilitation (continued from 2012)</u>													
a. Engineering (15%)	18,542	18,542	18,542	18,542	18,542	18,542							111,250
b. Construction (including 10% cont.)	246,250	246,250	246,250	246,250	246,250	246,250							1,477,500
4. <u>Prorata Share Walden Road Franchise San Sew Rehab (continued from 2012)</u>													
a. Engineering (15%)	2,133	2,133	2,133	2,133	2,133	2,133							12,800
b. Construction (including 10% cont.)	28,834	28,834	28,834	28,834	28,834	28,834							173,001
5. <u>DEPT SERVICE FUND - BAR NO. 6 (2012 SERIES)</u>													
5. <u>Prorata Share (38.5%) WWT#1 Distriction Modifications</u>													
a. Engineering (15%)	4,118	4,118	4,118	4,118	4,118	4,118	1,373	1,373	1,373	1,373	1,373	1,373	32,943
b. Construction (including 10% cont.)							36,603	36,603	36,603	36,603	36,603	36,603	219,617
6. <u>Prorata Share (38.5%) WWT#1 Emergency Generator &amp; Electrical Service Upgrades</u>													
a. Engineering (15%)	7,062	7,062	7,062	7,062	7,062	7,062	2,354	2,354	2,354	2,354	2,354	2,354	56,495
b. Construction (including 10% cont.)							62,772	62,772	62,772	62,772	62,772	62,772	376,630
7. <u>Prorata Share (50%) Water Project</u>													
a. Engineering (15%)	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	32,020	384,244
b. Construction (including 10% cont.)	426,938	426,938	426,938	426,938	426,938	426,938	426,938	426,938	426,938	426,938	426,938	426,938	5,123,250
8. <u>Utility Relocations due to Walden Road Expansion</u>													
a. Engineering (15%)	10,313	10,313	10,313	10,313	10,313	10,313	3,438	3,438	3,438	3,438	3,438	3,438	82,500
b. Construction (including 10% cont.)							91,667	91,667	91,667	91,667	91,667	91,667	550,000
9. <u>District Meter Modifications</u>													
	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	17,921	215,050
	\$ 498,371	498,371	498,371	498,371	498,371	498,371	675,084	675,084	675,084	675,084	675,084	675,084	7,040,729
													2013 TOTAL
													9,112,794