

MINUTES OF MEETING
BOARD OF DIRECTORS

October 12, 2009

THE STATE OF TEXAS

COUNTY OF HARRIS

CHARTERWOOD MUNICIPAL UTILITY DISTRICT

The Board of Directors (the "Board") of Charterwood Municipal Utility District (the "District") met in special session, open to the public, at Comfort Suites/Willowbrook, 21222 Tomball Parkway, Houston, Texas, a designated meeting place inside the boundaries of the District, on Monday, October 12, 2009, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Richard G. Howe	-	President
Jean Aldredge	-	Vice President
Grace Jackson	-	Secretary
Tommy Kelley	-	Assistant Secretary/Treasurer
Tom Thomson	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Ken Love with Municipal District Services, the District's Operator ("Operator"); Mark Adam with AEI Engineering, Inc., the District's Engineer ("Engineer"); Kristen Scott of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); and Timothy Green, Attorney and Beth Van Doren, Legal Assistant, of Coats, Rose, Yale, Ryman & Lee, P.C., attorneys for the District ("Coats/Rose").

WHEREUPON, the meeting was called to order at 7:15 p.m. The posted meeting notices are attached hereto.

CONDUCT PUBLIC HEARING CONCERNING 2009 TAX RATE

Director Howe opened the meeting to public comment concerning the District's 2009 tax rate. There being no members of the public who wished to address the Board concerning the tax rate, the public hearing was adjourned.

ADOPT ORDER SETTING 2009 TAX RATE

The Board recognized Mr. Green who reminded the Board that the District's Financial Advisor presented a report at the last regular meeting of the Board. He noted that Mr. Eustis had recommended a tax rate of \$0.64 per \$100 of valuation, which represents a decrease of \$0.01 from the 2008 tax rate of \$0.65 per \$100 of valuation. It was also noted that the total tax rate of \$0.64 is comprised of \$0.49 for debt service and \$0.15 for maintenance purposes. Following discussion and based on a motion by Director Aldredge and seconded by Director Thomson, the Board voted unanimously to adopt the Order Setting the 2009 Tax Rate at \$0.64 per \$100 of valuation, comprised of \$0.49 for debt service and \$0.15 for maintenance purposes.

AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS

Mr. Green noted that the District is required to amend its Notice to Sellers and Purchasers any time District information changes, including the tax rate. He noted that the Amendment reflects the current tax rate adopted by the District, and is made available to anyone purchasing property in the District. Following discussion, and based on a motion by Director Aldredge and seconded by Director Thomson, the Board voted unanimously to adopt the Amendment to Notice to Sellers & Purchasers as presented, and to authorize Coats/ Rose to record same in the Harris County real property records.

CONSIDER APPROVING WATER SUPPLY AND WASTEWATER TREATMENT AGREEMENT WITH KLEIN ISD

The Board next considered approving the Water Supply and Wastewater Treatment Agreement with Klein ISD. Mr. Green addressed issues and concerns raised by the Directors. Following discussion, and based on a motion by Director Aldredge and seconded by Director Thomson, the Board voted unanimously to approve the Water Supply and Wastewater Treatment Agreement with Klein ISD.

DISCUSS POLICIES REGARDING HIGH WATER USAGE

The Board noted that there have been several requests for bill adjustments due to residential leaks. After further discussion, the Board requested the attorneys amend the District Rate Order to reflect a Residential Leak Adjustment Policy and present it at the next regular meeting.

ENGAGE AUDITOR TO AUDIT SURPLUS FUNDS

The Board next considered engaging Mr. Merritt to conduct an audit of the District's surplus funds, and to authorize and direct the consultants to cooperate with the Auditor in connection with same and to provide records and information as requested by the Auditor. Following discussion and based on a motion by Director Aldredge, seconded by Director Kelley, the Board voted unanimously to engage Mr. Merritt to conduct an audit of the District's surplus funds, and to authorize and direct the consultants to cooperate with the Auditor in connection with same.

CONSIDER ADOPTING ORDER DESIGNATING ADDITIONAL MEETING PLACE OUTSIDE THE DISTRICT

The Board considered establishing an additional out of district meeting place and adopting a Resolution regarding same. Following discussion, and based on a motion by

Director Thomason which was seconded by Director Aldredge, the Board voted to establish the meeting place at Windwood Presbyterian Church, located at 10555 Spring Cypress Rd., Houston, Texas 77077, a location outside the boundaries of the District. The Board then approved the Resolution Establishing Additional Meeting Place Outside the District, designating Windwood Presbyterian Church as an additional meeting location.

DISCUSS AND CONSIDER THE APPOINTMENT OF ELECTION OFFICIALS

The Board noted that early voting for the upcoming bond election starts on October 19, 2009. After further discussion, the Board authorized Ms. Van Doren to contact Kathy Goedecke to assist with coordinating the District's Election Officials.

PASSED, APPROVED AND ADOPTED this 29th day of October, 2009.


Secretary, Board of Directors

(DISTRICT SEAL)