

MINUTES OF MEETING
BOARD OF DIRECTORS

February 24, 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 regular session, open to the public, at Comfort Suites/Willowbrook, 21222 Tomball Parkway, Houston, Texas, a meeting place inside the boundaries of the District, on Tuesday, February 24, 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	-	Secretary
Tommy Kelley	-	Assistant Secretary/Treasurer
Tom Thomson	-	Assistant Secretary

All members of the Board were present except Director Aldredge, 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"); Michael Murr of MURR, Inc., the District's landscape architect ("MURR"); Wendy Austin of District Data Services, Bookkeeper for the District ("Bookkeeper"); Barbara Payne with Payne Communications, the District's communications consultant; Tim Green, Attorney and Beth Van Doren, Legal Assistant,

of Coats, Rose, Yale, Ryman & Lee, P.C., attorneys for the District (“Coats/Rose”); and Grace Jackson, a resident of the District.

WHEREUPON, the meeting was called to order at 7:10 p.m. The posted meeting notices are attached hereto.

APPROVAL OF MINUTES

The Board first considered approving the minutes of the January 27 and February 9, 2009 Board meetings. Based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to approve the minutes of January 27, 2009, as presented. The Board concurred to defer approving the minutes of February 9, 2009 until the next Board meeting.

PUBLIC COMMENT

The Board noted that Grace Jackson, a resident of Woodbend Pines, was in attendance.

BOOKKEEPER’S REPORT

The Board recognized Ms. Austin who reviewed the bookkeeping report for the current reporting period, including the District’s receipts, expenditures, capital projects and debt service funds, a copy of which is attached. Following discussion regarding bookkeeping matters, and based on a motion by Director Thomson which was seconded by Director Kelley, the Board voted unanimously to approve the Bookkeeper’s report as presented.

REVIEW AND DISCUSS BUDGET FOR F/Y/E MARCH 31, 2010

Ms. Austin then discussed the comparative budget and requested input from consultants and directors on the proposed budget for the fiscal year ending March 31,

2010. She said upon receipt of information from the consultants, she would put together a draft for further discussion and adoption at the next Board meeting.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Scott who reviewed the TAC report for the period ending January 31, 2009, a copy of which is attached. The Board noted that 93.2% of the 2008 taxes have been collected and 99.10% of 2007 taxes have been collected to date. She reported on receipts and disbursements from the tax account and reviewed historical tax data.

Following a full review of the TAC report, and based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related expenses.

ADOPT RESOLUTION CONCERNING TAX EXEMPTIONS FOR 2009

The Board considered adopting a Resolution Concerning Tax Exemptions for 2009. It was noted that the District has previously granted a \$10,000 exemption for persons who are age 65 and older, or disabled, but has not granted a general homestead exemption or any other exemptions. Ms. Van Doren noted that the Resolution reflects the \$10,000 exemption for age 65 or older or disability, and no other exemptions. Following discussion and based on a motion by Director Thomson which was seconded by Director Kelley, the Board voted unanimously to adopt the Resolution Concerning Tax Exemptions as presented, granting a \$10,000 exemption for persons age 65 or older or disabled and no general homestead exemption or any other exemptions.

ADOPT RESOLUTION IMPLEMENTING 20% PENALTY ON 2008 DELINQUENT TAXES

The Board next considered adopting a Resolution Implementing a 20% Penalty on 2008 Delinquent Taxes. The Board discussed implementation of the penalty and considered the costs of delinquent tax collection. Based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to adopt the Resolution Implementing 20% Penalty on 2008 Delinquent Taxes, as presented. It was noted that such Resolution includes an early penalty on delinquent personal property accounts, under the provisions of Section 33.11 of the tax code.

DEVELOPER'S REPORT

No Developer's Report was presented.

ENGINEER'S REPORT

The Board recognized Mr. Adam who reviewed and discussed the Engineer's Report, a copy of which is attached. Mr. Adam first noted Pay Estimate No. 19 in the amount of \$194,760.77 from Industrial TX Corp. for the STP expansion project, and recommended approval for payment. Mr. Adam stated that he has received approval of the waiver for the buffer zone requirements from the TCEQ. He noted that they are preparing bid documents for the Wastewater Treatment Plant ("wwtp") perimeter fence.

The wwtp discharge permit will expire February 1, 2010. Mr. Adam reminded the Board that the District will need to prepare an application for renewal and submit 180 days prior to February, 2010. Mr. Adam requested permission to proceed with preparation of the application.

During the past televising phase of the Sanitary Sewer Rehabilitation Project, the contractor encountered a pipe section requiring a point repair and another that requires

removal of an obstruction. The Engineer recommended approval of this work in an amount not to exceed \$5,200.00. In addition, BC Liner has submitted Pay Estimate No. 1 in the amount of \$41,394.60. Mr. Adam recommended approval for payment.

Mr. Adam informed the Board that he had received a letter from ACAD Plus, Inc. requesting the relocation of their water connection to the Rodgers Road extension.

With regard to the dry detention pond, Mr. Adam reviewed the monthly inspection report and recommended approval of pay estimate No. 19 for maintenance work by Storm Water Solutions, in the amount of \$420.00. The renewal of the Storm Water Quality permit has been prepared and submitted. Approval of payment was recommended.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Thomson which was seconded by Director Kelley, the Board voted unanimously to a.) approve the Engineer's report; b.) approve the request for payment in the amount of \$194,760.77 to TX Corp. for the STP expansion project; c.) approve proceeding with preparation of the application for the wwtp discharge permit; d.) approve the additional repairs to the Sanitary Sewer Rehabilitation Project in an amount not to exceed \$5,200.00; e.) approve Pay Estimate No. 1 to BC Liner in the amount of \$41,394.60 for the Sanitary Sewer Rehabilitation Project; f.) defer action on ACAD Plus, Inc.'s request for relocation of their water connection; and g.) approve Pay Estimate No. 19 from Storm Water Solutions in the amount of \$420.00 for maintenance of the detention pond.

APPROVE APPLICATION TO THE TCEQ FOR USE OF SURPLUS
CONSTRUCTION FUNDS OR MAINTENANCE TAX REVENUE

The Board concurred to table this matter until the next special Board meeting.

REPORT FROM MICHAEL MURR

The Board recognized Mr. Murr who updated the Board on the status of the park design. No action was necessary.

OPERATOR'S REPORT

Mr. Love presented the Operations Report for January and updated the Board on collections, water production and accountability. He also reviewed the list of accounts scheduled for termination due to non-payment.

Following discussion of operations matters, and based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to approve the Operator's report as submitted.

DISCUSS ACQUISITION OF PROPERTY

The Board concurred to table this matter until the next special Board meeting.

DISCUSS SERVICE AGREEMENT WITH KLEIN ISD

Mr. Adam presented the Board with a Feasibility Study. The Board concurred to table this matter until the next special Board meeting.

UPDATE DISTRICT WEBSITE AND COMMUNITY RELATIONS PROGRAM

The Board recognized Ms. Payne who updated the Board on the status of the District's website. Ms. Payne also presented a brief presentation on educating the public on conservation and services throughout the District and surrounding areas. After further discussion the Board concurred that Director Aldredge, Ms. Payne and Mr. Murr shall form a committee to address these issues and to work on the District's newsletter.

CONSIDER TIME LINE FOR THE MAY, 2009 ELECTION

Ms. Van Doren reviewed the upcoming election deadlines. The Board deferred any action on this item.

ADOPT ORDER CALLING BOND ELECTION; APPOINT COATS/ROSE AS AGENT FOR ELECITON AND AUTHORIZE VOTING RIGHTS ACT SUBMISSION

The Board concurred to table this matter until the next special Board meeting.

COMMENT FROM DIRECTORS

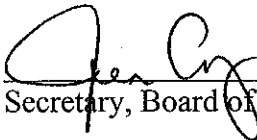
The Board scheduled a special meeting for March 3, 2009 and requested Ms. Van Doren coordinate use of the meeting room.

SECURITY REPORT

The Board briefly addressed the recent Security Report. No action was necessary.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 24th day of March, 2009.


Secretary, Board of Directors

(DISTRICT SE

