

MINUTES OF MEETING
BOARD OF DIRECTORS

January 26, 2010

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 AEI Engineering Inc., 616 FM 1960 W, Suite 250, Houston, Harris County, Texas 77090, a designated meeting place outside the boundaries of the District, on Tuesday, January 26, 2010, 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"); Wendy Austin of District Data Services, Bookkeeper for the District ("Bookkeeper"); Michael Keefe of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); 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 7:05 p.m. The posted meeting notices are attached hereto.

APPROVAL OF MINUTES OF MEETING OF DECEMBER 15, 2009

The Board reviewed the minutes from the meeting of December 15, 2009, previously distributed to the Board. Upon a motion made by Director Kelley and seconded by Director Jackson, the Board unanimously approved the minutes of the meeting of December 15, 2009.

PUBLIC COMMENT

No members of the public were present to address the Board.

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 Kelley which was seconded by Director Thomson, the Board voted unanimously to approve the Bookkeeper's report as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Keefe who reviewed the TAC report for the period ending December 31, 2009, a copy of which is attached. The Board noted that 46.4% of the 2009 taxes have been collected to date. Mr. Keefe 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.

ENGINEERS REPORT

The Board recognized Mr. Adam who reviewed and discussed the Engineer's Report, a copy of which is attached. Mr. Adam first noted he had prepared and forwarded a letter to Harris County Precinct Four regarding the Cutten Road matter and requested a meeting with Pamela Rocchi.

With regard to the dry detention pond, Mr. Adam reviewed the monthly inspection report and recommended approval of pay estimate No. 29 for monthly inspection, fertilizing and mowing work by Storm Water Solutions, in the amount of \$2,100.00. Approval of payment was recommended.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to a.) approve the Engineer's report; and b.) approve Pay Estimate No. 29 from Storm Water Solutions in the amount of \$2,100.00 for maintenance of the detention pond.

EMERGENCY PREPAREDNESS PLAN

Mr. Adam informed the Board that the Emergency Preparedness Plan will be completed in time for the next meeting. No action was necessary.

APPROVE ORDER AND APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR ISSUANCE OF BONDS AND PARK BONDS

The Board recognized Mr. Green, who presented to the Board an Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of

Bonds and Park Bonds and an Order Authorizing Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds and Park Bonds. Mr. Green noted that these documents are needed in connection with the District's bond application. Upon a motion made by Director Aldredge, seconded by Director Thomson and after further discussion, the Board voted unanimously to approve the Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds and Park Bonds and an Order Authorizing Application for Approval by Texas Commission on Environmental Quality of Project and Issuance of Bonds and Park Bonds, in an amount not to exceed \$5,230,000.

OPERATOR'S REPORT

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

Mr. Love noted that there were no new taps installed in January, 2010, leaving the total connection count for the District at 1216. Mr. Love further noted that there was 85.2% accountability for water pumpage during the current reporting period, bringing the four month average to 79.6%. Next, Mr. Love presented an Addendum to Operator Service Agreement to Compass Bank.

Following discussion of operations matters, and based on a motion by Director Thomson on which was seconded by Director Jackson, the Board voted unanimously to approve the Operator's report as submitted and accept the Addendum to Operator Service Agreement to Compass Bank.

BROKER'S REPORT

No Broker's report was offered.

REPORT FROM MICHAEL MURR

The Board deferred action on this item.

SECURITY REPORT

No Security Report was offered.

ATTORNEY'S REPORT

Adopt Order Calling Directors Election

Mr. Green informed the Board that the terms of office for Directors Howe, Jackson and Thomson expire in May and that a Directors Election must be called for Saturday, May 8, 2010. Mr. Green explained that March 8, 2010 is the deadline for a candidate to file an application to have his/her name printed on the ballot and that March 15, 2010 is the deadline for an individual to file an application to be a write-in candidate.

Upon motion by Director Thomson, seconded by Director Aldredge, the Board by unanimous vote adopted the Order Calling 2010 Directors Election, a copy of which is attached hereto.

Designate Coats, Rose, Yale, Ryman & Lee, P.C. as Agent for May 8, 2010 Election

The Board next considered appointing Coats, Rose, Yale, Ryman & Lee, P.C. to serve as the District's agent for the May 8, 2010 Directors Election. Mr. Green explained that the Texas Election Code requires a political subdivision to have mandatory office hours during the period beginning not later than the 50th day before the date of the election and ending not earlier than the 40th day after Election Day. Mr. Green continued that the Texas Election Code also provides that the political subdivision may appoint

another officer or employee to serve as its agent to perform the duties required by the Texas Election Code.

Upon motion duly made by Director Aldredge, seconded by Director Kelley, the Board voted unanimously to appoint Coats, Rose, Yale, Ryman & Lee, P.C. to serve as the District's agent for the May 8, 2010 director's election.

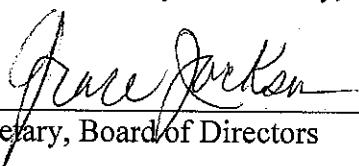
Authorize Submission Under Voting Rights Act

Consideration was then given to approving a Voting Rights Submission to the Department of Justice. Mr. Green stated the submission requests a statement from the Department of Justice that no one's right to vote in an election was denied or abridged by the May 8, 2010 director's election and the establishment of the polling place for the election.

Upon motion duly made by Director Aldredge, seconded by Director Kelley, the Board voted unanimously to authorize Mr. Green to prepare and file with the Department of Justice a Voting Rights Submission.

There being no further business to come before the Board, upon a motion duly made, seconded and approved unanimously, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 23rd day of February, 2010.


Secretary, Board of Directors

