

MINUTES OF MEETING  
BOARD OF DIRECTORS

October 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 Comfort Suites/Willowbrook, 21222 Tomball Parkway, Houston, Texas, a designated meeting place inside the boundaries of the District, on Tuesday, October 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"); Stephanie Viater of District Data Services, Bookkeeper for the District ("Bookkeeper"); Eric Comeau of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); 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 7:15p.m. The posted meeting notices are attached hereto as Exhibit "A".

**CONDUCT PUBLIC HEARING CONCERNING 2010 TAX RATE**

Director Howe opened the meeting to public comment concerning the District's 2010 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 2010 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. He 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 Jackson and seconded by Director Aldredge, the Board voted unanimously to adopt the Order Setting the 2010 Tax Rate at \$0.64 per \$100 of valuation, comprised of \$0.49 for debt service and \$0.15 for maintenance purposes, a copy of which is attached hereto as Exhibit "B"

**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 Jackson, 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, a copy of which is attached hereto as Exhibit "C".

**BOOKKEEPER'S REPORT**

The Board recognized Ms. Viator 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 hereto as Exhibit "D",.

Following discussion regarding bookkeeping matters, and based on a motion by Director Kelley which was seconded by Director Aldredge, the Board voted unanimously to approve the Bookkeeper's report as presented.

**TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Mr. Comeau who reviewed the TAC report for the period ending September 30, 2010, a copy of which is attached hereto as Exhibit "E", noting that 98.775% of 2009 taxes have been collected to date. Mr. Comeau 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 Jackson which was seconded by Director Kelley, 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 hereto as Exhibit "F".

First, Mr. Adam stated that the TCEQ quarterly report was submitted on October 14, 2010, a copy is included in his Engineer's Report.

Next, Mr. Adam noted that he has prepared several meeting building layouts for the Charterwood HOA Clubhouse site and for the wwtp site and have forwarded same to Dick Weiler, the District's architect.

Mr. Adam reviewed the monthly inspection report from Storm Water Solutions and recommended approval of pay estimate No. 3 in the amount of \$420.00 for the monthly inspection and mowing work of the dry detention pond.

Finally, Mr. Adam updated the Board on the status of the requested easements along Pillot Gully. He noted that he will hold two meetings at the Charterwood HOA Clubhouse to assist residents with the paperwork and to answer questions.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Jackson which was seconded by Director Aldredge, the Board voted unanimously to a.) approve the Engineer's report; and b.) approve Pay Estimate No. 3 from Storm Water Solutions in the amount of \$420.00 for maintenance of the detention pond.

### **OPERATOR'S REPORT**

Mr. Love presented the Operations Report for October and updated the Board on collections, water production and accountability, a copy of which is attached hereto as Exhibit "G". 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 September, 2010. The total connection count for the District is 1253. Mr. Love further noted that there was 88.7% accountability for water pumpage during the current reporting period, bringing the four month average to 85.9%.

Mr. Love further noted that control modifications are required to get the Water Plant No. 2 system functional to receive surface water from the North Harris County Regional Water Authority. Mr. Love presented the Board with an estimate from NTS in the amount of \$8500.00.

Finally, Mr. Love explained that the phosphates in the water were not in balance and requested that the Board consider the purchase of a product to get the phosphates in balance in the amount of \$4500.00

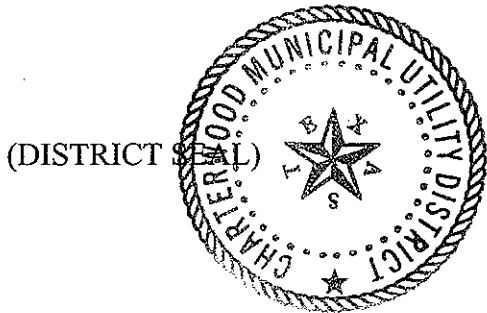
Following discussion of operations matters, and based on a motion by Director Jackson on which was seconded by Director Kelley, the Board voted unanimously to approve the Operator's report as submitted; authorize NTS to proceed with modifications to the Water Plant No. 2 in the amount of \$8500.00; and to authorized Mr. Love to purchase the phosphate equalization product in the amount of \$4500.00.

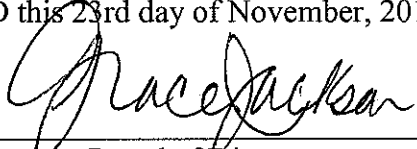
**REPORT FROM MICHAEL MURR**

The Board recognized Mr. Murr who updated the Board on the status of hike and bike trail progress within the District. No action was needed on this agenda item.

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 November, 2010.



  
Secretary, Board of Directors