

MINUTES OF MEETING
BOARD OF DIRECTORS

February 23, 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, February 23, 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"); Kristen Scott 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 7:10 p.m. The posted meeting notices are attached hereto.

APPROVAL OF MINUTES OF MEETINGS OF JANUARY 19 AND JANUARY 26, 2010

The Board reviewed the minutes from the meetings of January 19 and January 26, 2010, previously distributed to the Board. Upon a motion made by Director Jackson and seconded by Director Aldredge, the Board unanimously approved the minutes of the meetings of January 19 and January 26, 2010.

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 Aldredge 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, 2011

Ms. Austin then presented a budget worksheet and requested input from consultants and directors on the proposed budget for the fiscal year ending March 31, 2011. 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.

inspection and mowing work by Storm Water Solutions, in the amount of \$420.00. 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. 30 from Storm Water Solutions in the amount of \$420.00 for maintenance of the detention pond.

EMERGENCY PREPAREDNESS PLAN

Mr. Adam reviewed the Emergency Preparedness Plan with the Board. Following a full review and discussion, and based on a motion by Director Aldredge which was seconded by Director Jackson, the Board voted unanimously to approve the Emergency Preparedness Plan with recommended comments.

OPERATOR'S REPORT

Mr. Love presented the Operations Report for February 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 1250. Mr. Love further noted that there was 73.9% accountability for water pumpage during the current reporting period, bringing the four month average to 78.4%.

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

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Scott who reviewed the TAC report for the period ending January 31, 2010, a copy of which is attached. The Board noted that 87.6% of the 2009 taxes have been collected to date. Ms. Scott 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 Aldredge which was seconded by Director Jackson, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related expenses.

Next, Ms. Scott presented a request by Sharlyn Cartner for an Installment Agreement to pay her 2009 taxes. Following discussion and review of proposed payment plan, based on a motion by Director Aldredge which was seconded by Director Jackson, the Board voted unanimously to approve the Installment Agreement between Sharlyn Cartner and the District.

HEAR FINANCIAL ADVISOR'S REPORT

Approve Amended Financial Advisor's Contract

The Board deferred action on this item.

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 that a meeting has been scheduled on Thursday, February 25th with Pamela Rocchi with Harris County Precinct Four to review the requirements for the construction of Cutten Road.

With regard to the dry detention pond, Mr. Adam reviewed the monthly inspection report and recommended approval of pay estimate No. 30 for monthly

BROKER'S REPORT

No Broker's report was offered.

REPORT FROM MICHAEL MURR

Mr. Murr updated the Board on the District's projects. He stated he had received three bids for the Water Plant Two Project. Following discussion and review and based on a motion by Director Thomson, seconded by Director Kelley, the Board awarded the contract to the low bidder, LMS, in the amount of \$40,306.35.

SECURITY REPORT

No Security Report was offered.

ATTORNEY'S REPORT

Adopt Resolution Concerning Tax Exemptions for 2010

The Board considered adopting a Resolution Concerning Tax Exemptions for 2010. It was noted that the District has 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. The Board 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 Aldredge 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.

Adopt Resolution Implementing 20% Penalty on 2009 Delinquent Taxes and Contracting with Coats Rose for Collection of Delinquent Taxes

The Board next considered adopting a Resolution Implementing a 20% Penalty on 2009 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 Aldredge, the Board voted unanimously to adopt the Resolution Implementing 20% Penalty on 2009 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.

Adopt Attorney's Bond Fee Contract

The Board deferred action on this item.

SECURITY REPORT

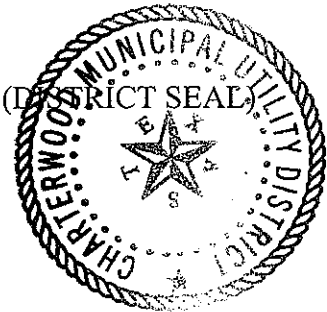
No Security Report was offered.


COMMENTS FROM DIRECTORS

No further comments from Directors were offered.

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 March, 2010.




Secretary, Board of Directors