

MINUTES OF MEETING
BOARD OF DIRECTORS

March 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, March 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"); Eric Comeau of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Stephen Eustis of RBC Capital Markets, the District's Financial Advisor ("Financial Advisor"); 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 7:20 p.m. The posted meeting notices are attached hereto.

APPROVAL OF MINUTES OF MEETINGS OF FEBRUARY 23, 2010

The Board reviewed the minutes from the meetings of February 23, 2010, previously distributed to the Board. Upon a motion made by Director Thomson and seconded by Director Kelley, the Board unanimously approved the minutes of the meetings of February 23, 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 Kelley which was seconded by Director Thomson, 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 proposed budget for the fiscal year ending March 31, 2011. After further discussion, the Board deferred action until the next Board meeting.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Comeau who reviewed the TAC report for the period ending February 28, 2010, a copy of which is attached. The Board noted that 91.0% of

the 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 Aldredge which was seconded by Director Jackson, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related expenses.

Mr. Comeau presented a request by Viki Hartsock, on behalf of her son David Hartsock, asking to waive the penalty and interest on his tax account. Following a review of the matter, a motion by Director Aldredge and seconded by Director Jackson, the Board voted unanimously to waive the penalties and interest on Mr. Hartsock's account, totaling \$64.22.

Next, Mr. Comeau presented a request by Patsy A. Stolte for an Installment Agreement to pay her 2009 taxes. Following discussion and review of proposed payment plan, based on a motion by Director Kelley which was seconded by Director Jackson, the Board voted unanimously to approve the Installment Agreement between Patsy A. Stolte and the District.

HEAR FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Eustis who presented and reviewed analysis of the Park Bond cash flow and the Water, Sewer and Drainage cash flow. He further discussed the status and direction of today's bond market. In addition, Mr. Eustis presented the Board with an amended Financial Advisor's Contract. Following discussion and review of the contract, based on a motion by Director Aldredge which was seconded by Director Jackson, the Board voted unanimously to approve the amended Financial Advisor's Contract.

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 was held on Thursday, February 25th with Pamela Rocchi with Harris County Precinct Four to review the requirements for the construction of Cutten Road. Ms. Rocchi stated that Precinct 4 does not currently have plans to continue Cutten Road to Cossey Road. She agreed to prepare a letter stating this position. The current policy of Precinct 4 is to require development that has a major thoroughfare to construct the roadway as part of the development and donate it to Harris County for maintenance.

With regard to the dry detention pond, Mr. Adam reviewed the monthly inspection report and recommended approval of pay estimate No. 31 and pay estimate No. 32 for monthly inspection and mowing work by Storm Water Solutions, both 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. 31 and Pay Estimate No. 32 from Storm Water Solutions each in the amount of \$420.00 for maintenance of the detention pond.

OPERATOR'S REPORT

Mr. Love presented the Operations Report for March 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 February, 2010, leaving the total connection count for the District at 1250. Mr. Love further noted that there was 81.4% accountability for water pumpage during the current reporting period, bringing the four month average to 80.2%.

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.

BROKER'S REPORT

No Broker's report was offered.

REPORT FROM MICHAEL MURR

No report was offered.

SECURITY REPORT

The Board recognized Director Kelley who updated the Board as to the current nighttime security coverage. He noted that twice a week the coverage ended at 11:00pm. After further discussion, the Board asked Director Kelley to inquire if the District could find additional coverage to cover three additional hours for the two nights in question.

ATTORNEY'S REPORT

Consider Accepting Certificate Regarding Unopposed Candidates and adopting Order Cancelling Election and Declaring Unopposed Candidates Elected to Office

The Board recognized Ms. Van Doren who explained that Candidates Howe, Jackson and Thomson are unopposed in the Directors Election called for May 8, 2010, and that Texas law allows political subdivisions to declare unopposed candidates elected to office, eliminating the need to conduct the election. Ms. Van Doren then presented to

the Board certification that the election was unopposed. The Board then considered a proposed Order Declaring Unopposed Candidates Elected to Office.

Upon motion duly made by Director Aldredge and seconded by Director Kelley, the Board voted unanimously to accept the Certificate Regarding Unopposed Candidates, Adopt the Order Canceling Election and Declaring Unopposed Candidates Elected to Office thereby declaring Richard G. Howe, Grace Jackson and Tom Thomson elected to office. A copy of said order is attached hereto.

Consider approving amendment to District Registration Form

Next, Ms. Van Doren noted that the Board is required to file an updated District Registration form with the Texas Commission on Environmental Quality reflecting the current terms of office of the directors. Upon a motion by Director Aldredge, seconded by Director Kelley, the Board voted unanimously to authorize Coats/Rose to file the updated District Registration Form with the Commission.

Adopt Attorney's Bond Fee Contract

The Board reviewed the Attorney's Bond Fee Contract. Upon a motion by Director Jackson, seconded by Director Thomson, the Board voted unanimously to approve the Attorney's Bond Fee Contract.

SECURITY REPORT


No Security Report was offered.

COMMENTS FROM DIRECTORS

Director Howe requested the Board meet at a special meeting on April 6, 2010 to continue discussions on the annual budget, bond issues and the North Harris County Regional Water Authority Implementation Procedures for Aggregated Permit.

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 27th day of April, 2010.


Secretary, Board of Directors

(DISTRICT SEAL)

