

MINUTES OF MEETING
BOARD OF DIRECTORS

April 27, 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, April 27, 2010, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

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|-----------------|---|-------------------------------|
| 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"); Officer Calvin Spillman of Precinct 4, Harris County Constable's Office; 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 MARCH 23, 2010

The Board reviewed the minutes from the meetings of March 23, 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 March 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 and payment of the submitted bills.

ENGAGE AUDITOR

The Board deferred action on this agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Scott who reviewed the TAC report for the period ending March 31, 2010, a copy of which is attached. The Board noted that 97.1% 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 Thomson which was seconded by Director Kelley, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related expenses.

Ms. Scott presented a request by Rene A. Garza 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 Rene A. Garza and the District.

HEAR FINANCIAL ADVISOR'S REPORT

No report was offered.

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 Gemini Contracting Services is complete with the chloramines conversion project with the exception of some minor items. Once the District has been notified by the NHCRWA of receiving surface water, the project will be finalized and placed into operation. Mr. Adam presented Pay Estimate No. 2 in the amount of \$41,895.00 payable to Gemini Contracting Services for work on the conversion to chloramines at Water Plants 1 and 2. Approval of pay estimate No. 2 was recommended

With regard to the dry detention pond, Mr. Adam reviewed the monthly inspection report and recommended approval of pay estimate No. 33 for monthly inspection and mowing work by Storm Water Solutions in the amount of \$420.00. Approval of payment was recommended.

Mr. Adam stated he had received notification from Harris County Precinct Four that it did not intend to extend Cutten Road.

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. 2 from Gemini Contracting Services, Inc. in the amount of \$41,895.00 for work on the conversion to chloramines at Water Plants 1 and 2; and c.) approve Pay Estimate No. 33 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 April 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 March, 2010. The total connection count for the District at 1248. Mr. Love further noted that there was 95.2% accountability for water pumpage during the current reporting period, bringing the four month average to 83.9%.

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.

Mr. Love requested approval of the Consumer Confidence Report. Following discussion, and based on a motion by Director Jackson which was seconded by Director Kelley, the Board voted unanimously to approve the Consumer Confidence Report.

CONDUCT ANNUAL REVIEW OF RED FLAGS POLICY AND CONSIDER AMENDING SAME

The Board recognized Ms. Van Doren who reviewed the red flag policy now in place. She noted that the existing red flag policy is sufficient. Following discussion and based on a motion by Director Aldredge which was seconded by Director Thomson, the Board voted unanimously to approve the existing Resolution Evidencing Review of Identity Theft Prevention Program for another year.

AMEND RATE ORDER

Ms. Van Doren presented the Board and briefly reviewed proposed changes to the District's current rate order. The Board deferred action on this agenda item.

BROKER'S REPORT

No Broker's report was offered.

REPORT FROM MICHAEL MURR

No report was offered.

SECURITY REPORT

Director Kelley introduced Officer Calvin Spillman to the Board. Officer Spillman briefly reviewed the types of calls he has been making in the area. No Board action was required.

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



APPROVED AND ADOPTED this 25th day of May, 2010.

Grace Jackson

Secretary, Board of Directors