

MINUTES OF MEETING
BOARD OF DIRECTORS

September 28, 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, September 28, 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"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); David Nussbaum of V & W Partners, Ltd., landowner and developer in the District ("V&W"); Stephen Eustis of RBC Capital Markets, the District's Financial Advisor ("Financial Advisor"); Dick Weiler of R.S. Weiler Associates,

architect for the District; 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 7:05p.m. The posted meeting notices are attached hereto as Exhibit “A”.

APPROVAL OF MINUTES OF MEETINGS OF AUGUST 9 AND AUGUST 24, 2010

The Board reviewed the minutes from the meetings of August 9 and August 24, 2010, previously distributed to the Board. Upon a motion made by Director Jackson and seconded by Director Aldredge, with Director Howe abstaining from the vote, the Board approved the minutes of the meetings of August 9 and August 24, 2010.

BOOKKEEPER’S REPORT

The Board recognized Wendy 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 hereto as Exhibit “B”.

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. Comeau who reviewed the TAC report for the period ending August 3, 2010, a copy of which is attached hereto as Exhibit “C”, noting that 98.7% 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.

FINANCIAL ADVISOR'S REPORT AND DISCUSSION OF 2010 TAX RATE

The Board next recognized Mr. Stephen Eustis who presented the FA's recommendation for the District's tax levy for tax year 2010, a copy of which is attached hereto as Exhibit "D". Mr. Eustis noted the decrease in certified value from last year's certified value, and recommended that the Board consider keeping the tax rate the same as the 2009 tax rate. Mr. Eustis responded to comments and questions from Board members concerning the FA's recommendation. Based on such discussion and a motion by Director Aldredge which was seconded by Director Jackson, the Board voted unanimously to set the 2010 tax rate at \$0.64 per \$100 of valuation, consisting of \$0.49 for debt service and \$0.15 for maintenance.

Mr. Comeau noted that he would publish notice of a public hearing concerning the District's intent to levy a tax for Tuesday, October 26, which is the date of the next regular Board meeting.

ENGINEERS REPORT

The Board recognized Mr. Adam who reviewed and discussed the Engineer's Report, a copy of which is attached hereto as Exhibit "E".

First, Mr. Adam stated a warranty review was conducted on September 15, 2010 of the Wastewater Treatment Expansion. Two deficiencies were noted: 1.) repair hinge for control panel at clarifier no. 1; and 2.) airlift pumps for digester no. 3 were not working correctly.

Next, Mr. Adam noted that a warranty review was conducted on September 10, 2010 of the perimeter fence. There were no deficiencies noted at that time.

Mr. Adam reviewed the monthly inspection report from Storm Water Solutions and recommended approval of pay estimate No. 2 in the amount of \$420.00 for the monthly inspection and mowing work of the dry detention pond.

Finally, Mr. Adam requested the Board authorize a Water Distribution Study and to modify Water Plant 2 in preparation of receiving surface water.

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; b.) approve Pay Estimate No. 2 from Storm Water Solutions in the amount of \$420.00 for maintenance of the detention pond; and c.) authorize Mr. Adam to proceed with a Water Distribution Study and modifications to Water Plant 2 in order to receive surface water.

OPERATOR'S REPORT

Mr. Love presented the Operations Report for September and updated the Board on collections, water production and accountability, a copy of which is attached hereto as Exhibit "F". 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 1251. Mr. Love further noted that there was 90.3% accountability for water pumpage during the current reporting period, bringing the four month average to 84.4%.

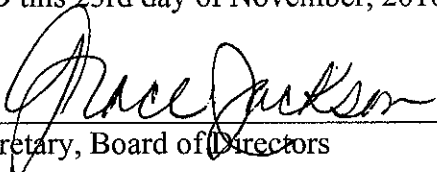
Following discussion of operations matters, and based on a motion by Director Jackson on which was seconded by Director Thomson, the Board voted unanimously to approve the Operator's report as submitted.

REPORT FROM MICHAEL MURR

The Board recognized Mr. Murr who distributed a map showing the status of hike and bike trail progress within the District, a copy of which is attached hereto as Exhibit "G". 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

(DISTRICT SEAL)

