

MINUTES OF MEETING
BOARD OF DIRECTORS

October 26, 2011

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 special 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 Wednesday, October 26, 2011, 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"); Officer Calvin Spillman of Precinct 4, Harris County Counstable's Office; and Beth Van Doren, legal assistant, of Coats, Rose, Yale, Ryman & Lee, P.C., attorneys for the District ("Coats/Rose"); and Joyce Dean, resident of the District.

WHEREUPON, the meeting was called to order at 7:10 p.m. The posted meeting notices are attached hereto as Exhibit "A".

APPROVAL OF MINUTES OF MEETING OF SEPTEMBER 27, 2011

The Board deferred action on this agenda item.

PUBLIC COMMENT

The Board recognized Mrs. Dean who reported concerns about the accuracy of the meter, water usage calculations and billing located at 16123 Hollow Rock. After further discussion, the Board requested the District's Operator work with Mrs. Dean to determine and correct the problem.

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 hereto as Exhibit "B".

Following discussion regarding bookkeeping matters, and based on a motion by Director Jackson which was seconded by Director Thomson, the Board voted unanimously to approve the Bookkeeper's report and payment of the bills referenced therein.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Scott who reviewed the TAC report for the period ending September 30, 2011, a copy of which is attached hereto as Exhibit "E", noting that 99.094% of the 2010 taxes have been collected to date. Ms. Scott noted that the 2011 tax statements have recently been sent out. She further 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 Kelley which was seconded by Director Thomson, 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 "D".

First, Mr. Adam reported that Alsay Inc. has completed the wire brushing pursuant to the Water Well Rehabilitation plan. The well was televised after the wire brushing and indicated that some screen encrustation existed. He recommended approval of Pay Estimate No. 1 in the amount of \$9,755.00.

Next, Mr. Adam presented three (3) bids for televising sanitary sewer areas 5 & 6. The bids included cleaning and televising 21,700 linear feet of 8-inch and 4,070 linear feet of 10-inch with the disposal of materials removed during the cleaning and televising process being disposed of at the District's wastewater treatment facility. Upon a motion by Director Aldredge and seconded by Director Jackson, the Board voted unanimously to award the contract to Source Point Solutions, LLC.

Finally, Mr. Adam reviewed the monthly inspection report by Storm Water Solutions.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Aldredge which was seconded by Director Thomson, the Board voted unanimously to approve the Engineer's report and approve Pay Estimate No. 1 from Alsay Inc. in the amount of \$9,750.00 for water well wire brushing.

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 "E". He also reviewed the list of accounts scheduled for termination due to non-payment.

Mr. Love noted that the total connection count for the District in October, 2011 is 1257. Mr. Love further noted that there was 96.6% accountability for water pumpage during the current reporting period, bringing the four month average to 96.8%.

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.

Consider Request from Phil Baker for abatement of water usage.

Next, Mr. Love presented an analysis of Phil Baker's excessive water usage resulting from a burglary on August 3, 1022, a copy of which is attached hereto as Exhibit "F". The analysis proposed a one time credit of \$169.25. Upon a motion by Director Kelly, seconded by Director Thomson, with Director Aldredge dissenting, the Board voted 4 to 1 to approve a one time credit of \$169.25 to Phil Baker.

REPORT FROM MICHAEL MURR

The Board recognized Mr. Murr who updated the Board on the status of the District's various projects. Mr. Murr also discussed the proposed Cypress Creek Greenway. No action was taken on this agenda item.

SECURITY REPORT

The Board recognized Officer Spillman who discussed the status of constable patrols within the District and future patrolling on the proposed trails. No action was required on this agenda item.

ATTORNEY'S REPORT

No Attorney's report was presented.

REVIEW AND ADDRESS HYDRAULIC MODEL ANALYSIS

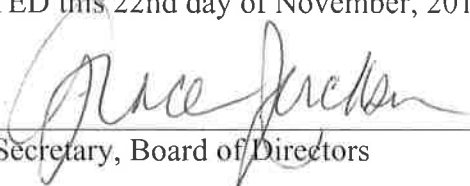
The Board deferred action on this agenda item.

CONSIDER ENGAGING DOUG & SHARON HARRIS TO PUBLISH DISTRICT NEWSLETTER

The Board tabled 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 22nd day of November, 2011.



Secretary, Board of Directors

(DISTRICT SEAL)

