

MINUTES OF MEETING  
BOARD OF DIRECTORS

September 27, 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 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 27, 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"); Eric Comeau of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); Timothy Green, Attorney, and Beth Van Doren, legal assistant, of Coats, Rose, Yale, Ryman & Lee, P.C., attorneys for the District ("Coats/Rose"); and Shane Kelly and Jennifer Jez, residents 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 AUGUST 23, 2011, SEPTEMBER 12, 2011 AND SEPTEMBER 19, 2011**

The Board reviewed the minutes from the meetings of August 23, 2011, September 12, 2011 and September 19, 2011, previously distributed to the Board. Upon a motion made by Director Jackson and seconded by Director Kelley, with Director Howe abstaining, the Board unanimously approved the minutes of the meeting of August 23, 2011, September 12, 2011 and September 19, 2011.

**PUBLIC COMMENT**

The Board recognized Ms. Jez who requested a price adjustment on water used since August 20, 2011, a copy of their request is attached hereto as Exhibit "B". Mr. Kelly stated that he has been in contact with the District's Operator but they are unable to determine what is causing sand particles and discoloration in their water. After further discussion, the Board requested Ms. Jez to continue working with the Operator, including additional testing, 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 "C".

Following discussion regarding bookkeeping matters, and based on a motion by Director Thomson which was seconded by Director Jackson, 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 Mr. Comeau who reviewed the TAC report for the period ending August 31, 2011, a copy of which is attached hereto as Exhibit "D", noting that 99% of the 2010 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.

## **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".

Mr. Adam stated that Alsay Inc. has been authorized to proceed with the Water Well Rehabilitation Project (the "Project"). Furthermore, the TCEQ has approved a waiver of the formal bidding requirements because of the Project's emergency status.

Next, Mr. Adam reviewed the monthly inspection report by Storm Water Solutions and recommended approval of pay estimate No. 5 in the amount of \$420 for work in August related to mowing, hand work and monthly inspection.

As a result of the Water System Hydraulic Study, the District is considering the following items:

- 1.) Consider moving forward with Water Plant No. 1 Improvements;
- 2.) Investigate remainder acquisition tract for future elevated storage site and water well or NHCRWA connection;

- 3.) Consider second water line interconnect with Harris County WCID No. 119 along Spring Cypress Road at Cutten Road;
- 4.) Consider possible water reuse irrigation improvements for future landscaping projects such as Cutten Road, Pillot Gully and Dry Detention Pond.

The District has requested additional information for each consideration.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Thomson which was seconded by Director Kelley, the Board voted unanimously to approve the Engineer's report and approve Pay Estimate No. 4 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 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 the total connection count for the District in September, 2011 is 1257. Mr. Love further noted that there was 96.9% accountability for water pumpage during the current reporting period, bringing the four month average to 95.9%.

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

**REPORT FROM MICHAEL MURR**

The Board recognized Mr. Murr who updated the Board on the status of the District's various projects. Mr. Murr presented an estimate from Hovis Surveying Company to perform surveying services for median landscaping along Cutten Road from Louetta Road to Magnolia Ridge Drive, a copy of which is attached hereto as Exhibit "G". After further discussion and based on a motion by Director Kelley which was seconded by Director Aldredge, the Board voted unanimously to approve the estimate from Hovis Surveying in the amount of \$4,960.00.

**SECURITY REPORT**

Director Kelley updated the Board on the status of constable patrols within the District. No action was required on this agenda item.

**ATTORNEY'S REPORT**

**Update Board on status trail easements.**

The Board reviewed a chart on the status of the outstanding trail easements. No action was required on this agenda item.

**Resolution Requesting Approval of Release of Escrowed Funds and Resolution Requesting Use of Surplus Funds.**

The Board deferred action on this agenda item.

**CONSIDER ENGAGING DOUG & SHARON HARRIS**

The Board discussed hiring Doug and Sharon Harris to write and produce a District newsletter. After further discussion and based on a motion by Director Jackson which was seconded by Director Thomson, the Board voted unanimously to offer the Harris' a fee of \$600 for setting up the newsletter and an additional \$650 fee per newsletter.

