

MINUTES OF MEETING  
BOARD OF DIRECTORS

November 27, 2018

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 16444 Cutten Road, Houston, Texas, a designated meeting place outside the boundaries of the District, on Tuesday, November 27, 2018, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jean Aldredge	-	President
Tommy Kelley	-	Vice President/Treasurer
Grace Jackson	-	Secretary
Tom Thomson	-	Assistant Secretary
Mark Shultz	-	Assistant Secretary

All members of the Board were present except Director Thomson thus constituting a quorum.

Also attending the meeting were Stephanie Hendershot of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); Wendy Austin of District Data Services, Bookkeeper for the District ("Bookkeeper"); Mark Adam with Bleyl & Associates, the Engineer for the District ("Engineer"); Ken Love with Municipal District Services, the District's Operator ("Operator"); Deputy Martino and Lt. Cohen of Harris County Precinct 4 Constables

Office; and Beth Van Doren, paralegal, of Coats|Rose P.C., legal counsel for the District (“Coats|Rose”). Also present were Joshua Cox with Probitas Realty Advisors.

WHEREUPON, the meeting was called to order at 7:10 p.m.

The posted meeting notices are attached hereto as Exhibit “A”.

**HEAR FROM PUBLIC**

No member of the public chose to speak.

**RECEIVE CONSTABLE’S REPORT**

The Board recognized Deputy Martino who reviewed the monthly statistics within the District, a copy of which is attached hereto as Exhibit “B”.

**APPROVE MINUTES OF MEETINGS OF OCTOBER 23, 2018**

The Board reviewed the minutes from the meeting of October 23, 2018, previously distributed to the Board. Upon a motion made by Director Jackson and seconded by Director Kelley, the Board approved the minutes of the meeting of October 23, 2018.

**RENEW DISTRICT INSURANCE**

The Board reviewed a proposal and considered renewing the District’s insurance coverage with Gallagher Insurance. The Board requested Ms. Van Doren obtain an explanation of what the cyber security insurance covers. Based on further discussion and a motion by Director Shultz which was seconded by Director Jackson, the Board voted unanimously to renew the District’s insurance with Gallagher Insurance for the period 12/4/18 thru 12/4/19, a copy of which is attached hereto as Exhibit “C”.

### **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 "D".

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

### **DEVELOPER REIMBURSEMENT AUDIT**

The Board recognized Ms. Van Doren who reminded the Board that the District's auditor, McCall Gibson Swedlund Barfoot PLLC, has a continuous contract with the District, a copy of which is attached hereto as Exhibit "E". The fee for the Developer Reimbursement Audit should not exceed \$2,500.00.

Ms. Van Doren presented a memorandum entitled "Sherwin Williams Ultimate Value Analysis" prepared by the District's financial advisors, R.W. Baird & Co., a copy of which is attached hereto as Exhibit "E".

### **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Ms. Hendershot who reviewed the TAC report for the period ending October 31, 2018, a copy of which is attached hereto as Exhibit "G", noting that 4.00% of the 2018 taxes have been collected to date. 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 Shultz which was seconded by Director Jackson, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related matters.

## **ENGINEERS REPORT**

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

### **Five-Year Maintenance Plan**

The Board discussed projects included in the Five-Year Maintenance Plan.

TCEQ Waiver of Elevated Storage Requirements. The Board instructed the engineer to move forward with recalculating the District's water connections and usage based on efficiency modifications that have occurred since the original calculations.

Sanitary Sewer Rehabilitation. The Board instructed the engineer to begin the bid process for Sections 4,5,7 & 10.

Water Valve Survey. The Board instructed the engineer to perform a water valve survey for repairs on the Water Distribution System.

### **Drainage Facilities**

Vintage/Cutten Detention Pond Inspections – October Storm Water Solutions Inspections were presented and a recommendation of \$905.00 in maintenance work for presented for approval.

### **Wastewater Treatment Plant**

#### **Portable Belt Press Electrical Disconnect Switch**

The project is complete. Pay Estimate No. 1 and Final in the amount of \$7,450.00 has been recommended for payment.

After further discussion and based on a motion by Director Kelley which was seconded by Director Jackson, the Board voted unanimously to: 1.) approve the

Engineer's report; 2.) authorize detention pond maintenance in the amount of \$905.00; and 3.) approve Pay Estimate No. 1 and Final in the amounts of \$7,450.00.

Next, Mr. Adam presented a Preliminary Feasibility Study for Colony Associates, LLC, a copy of which is attached hereto as Exhibit "I".

The Board discussed a sinkhole located on the District's trail. The Board requested Mr. Adam contact Harris County Flood Control for the repair work. In the meantime, the Board requested Mr. Love to contact SourcePoint and have them televise the sinkhole.

#### **OPERATOR'S REPORT**

The Board recognized Mr. Love who presented the Operations Report for October, 2018 and updated the Board on collections, water production and accountability, a copy of which is attached hereto as Exhibit "J". He noted that the total connections for the District are 1384. He also reviewed the list of accounts scheduled for termination due to non-payment. Mr. Love further noted that there was 97.3% accountability for water pumpage during the current reporting period.

After further discussion and based on a motion by Director Jackson which was seconded by Director Shultz, the Board voted unanimously to approve the Operator's report.

#### **REPORT FROM MICHAEL MURR**

The Board recognized Mr. Murr who updated the Board on the status of the District's various landscaping projects and rental requests. A copy of his report is attached hereto as Exhibit "K".

#### **ATTORNEY'S REPORT**

**Approve Order Adding Land and Redefining Boundaries**

Ms. Van Doren presented the Order Adding Land and Redefining Boundaries (the "Order Adding Land") for annexation of approximately 0.5555 acres into the District. Ms. Van Doren noted that, following approval, the Order Adding Land will be filed in the Harris County Real Property Records and with the Texas Commission on Environmental Quality (the "Commission"). After review, upon a motion brought by Director Shultz, seconded by Director Jackson, the Board unanimously approved the Order Adding Land. A copy of the Order Adding Land is attached hereto as Exhibit "L".

**Amend Notice to Sellers and Purchasers**

Ms. Van Doren submitted the Amended Notice to Sellers and Purchasers of Real Estate Situated in the District (the "Notice") reflecting the change in the boundaries of the District. Ms. Van Doren continued that the Notice will be filed in the Harris County Real Property Records and with the Commission. Upon a motion made by Director Shultz, seconded by Director Jackson, the Board by unanimous vote approved the amended Notice and authorized the District's attorney to file the Notice in the Harris County Real Property Records and with the Commission. A copy of said Notice is attached hereto as Exhibit "M".

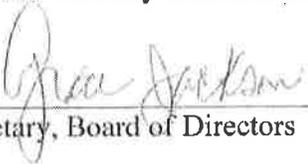
**DISCUSS DISTRICT EMAILS**

Director Shultz reviewed the various emails received this month and the action that was taken on each.

The Board reviewed the aerial video of the District prepared by Mr. Cox. After further discussion and based on a motion by Director Kelley which was seconded by Director Jackson, the Board voted unanimously to authorize payment of \$3,900.00 for the aerial video.

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 18th day of December, 2018.

  
Secretary, Board of Directors

(DISTRICT SEAL)

