

WINDFERN FOREST UTILITY DISTRICT

December 28, 2005

Dear Resident:

As members of the board of directors of Windfern Forest Utility District, we would like to take this opportunity to update you on the status of the radiochemicals in our District's water supply.

As noted in our last letter dated September 20, 2005, the work on well #2 was completed and the well placed back in service. The Texas Commission on Environmental Quality has now completed the laboratory analysis of two different samples from the water from well #2 and both samples confirmed that the project to reduce the radiochemical concentrations was successful. Therefore the TCEQ has rescinded the requirement that the District notify its customers each quarter that the water being provided exceeded the Maximum Contaminant Levels for Gross Alpha and Combined Radium concentrations. The water being supplied now meets all EPA and TCEQ Drinking Water Standards.

However, hydraulic testing has shown that the water production from the well has been severely reduced as a result of this work. The combined production of the two wells supplying the District has not been enough to meet peak summer demands on the system and the District continues to explore ways to increase available water to meet this demand. The District is a part of a water consortium that has contracted with the City of Houston to begin receiving surface water from the City as a part of the mandates from the Harris Galveston Coastal Subsidence District to reduce our reliance on groundwater. While this water should be available within the next sixty days, an adequate supply can only be obtained at a significant additional cost. Therefore, we will continue to explore other options to meet the peak summer demands.

If you have any questions regarding the water supply, please contact our district operator, John Brock at Aqua Services at 713-983-3449, or the district engineer, Mark Swanson at Carter & Burgess at 713-803-2189.

Sincerely,

Board of Directors
Windfern Forest Utility District