

**MINUTES OF REGULAR MEETING  
OF  
WINDFERN FOREST UTILITY DISTRICT**

March 20, 2012

The Board of Directors of Windfern Forest Utility District of Harris County, Texas, met in regular session, open to the public, at a regular meeting place inside the boundaries of the District, at the Windfern Forest Utility District Administration Building (“DAB”), 14410 Mauna Loa Drive, Houston, Texas, on March 20, 2012, and the roll was called of the duly constituted officers and members of the Board, to wit:

Eddie Mendel	President
Don Farrell	Vice President
Kurt Schoelman	Secretary/Treasurer
Shari North	Assistant Secretary
Pat Going	Director

and all of said persons were present, thus constituting a quorum.

Also present were Teri Schoener of Southwest Water Company; Shirley McLennan and Karla Efigenio of McLennan & Associates; Vernon Webb of Jacobs Engineering Group, Inc.; Cindy Englebert and Cathy Wheeler of Wheeler & Associates; Deputy Coleman and Sergeant Rouse of Harris County Constable’s Office, Precinct 4; Clark Lord of Bracewell & Giuliani LLP; and Athea Davis of Vinson & Elkins L.L.P.

**APPEARANCES BEFORE THE BOARD**

There were no public comments.

**APPROVE MINUTES**

The Board reviewed the minutes February 21, 2012. Following discussion, upon a motion made by Director Going and seconded by Director North, the Board voted unanimously to approve the minutes of February 21, 2012.

**SECURITY REPORT**

Deputy Coleman reported on security matters within the District for the month of February 2012.

**BOOKKEEPER’S REPORT, APPROVE PAYMENT OF BILLS AND REVIEW INVESTMENT OF DISTRICT FUNDS**

Ms. McLennan presented the bookkeeper’s report, a copy of which is attached to these minutes, for the period February 22, 2012 – March 30, 2012. Ms. McLennan introduced Ms. Efigenio to the Board, stating that Ms. Efigenio will begin attending the meetings next month. Ms. McLennan next reviewed the checks presented for payment and the District’s investments.

She also stated that the budget comparison is not in this month's report because she is waiting on the revenue breakdowns from Southwest Water Company. Ms. McLennan next requested that the District approve an addendum to the bookkeeper's contract to increase the rate from \$1,200 to \$1,350.

Following discussion on the bookkeeper's report, upon a motion made by Director Schoelman and seconded by Director Farrell, the Board voted unanimously to approve the bookkeeper's report, payment of the bills, investments of the District's funds, and addendum to the bookkeeper's contract to increase the rate from \$1,200 - \$1,350.

#### TAX ASSESSOR/COLLECTOR'S REPORT AND APPROVE PAYMENT OF BILLS

Ms. Engelbert next presented the tax assessor/collector's report for the month of February, a copy of which is attached. She reviewed the report, stating that as of February 2012, the District's 2011 taxes are 96.31% collected and the 2010 taxes are 99.49% collected. Ms. Englebert also presented checks nos. 2249-2259 for payment, and a wire transfer in the amount of \$45,000.

Ms. Wheeler next reported that she refunded the District an additional \$4,064.12, and noted that the auditor's fee will be reimbursed through Wheeler & Associates' insurance company. The Board next discussed the amendment to the tax assessor/collector's contract. Ms. Wheeler discussed the all-inclusive fee contract, noting a fee of \$2,100 per month, and discussed the fees included in the all-inclusive fee arrangement. Ms. Engelbert stated that she will send the final contract to legal counsel for review. Following discussion, the Board concurred to table this item.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Farrell and seconded by Director Going, the Board voted unanimously to approve the tax assessor/collector's report.

#### DELINQUENT TAX ATTORNEY'S REPORT

The Board reviewed the District's delinquent tax attorney's report, a copy of which is attached, regarding the status of collection of the District's delinquent taxes. Following discussion, no action was taken by the Board in this regard.

#### RESOLUTION CONCERNING TAX COLLECTION PROCEDURES

Mr. Lord presented a Resolution Concerning Tax Collection Procedures for the Board's review and approval. Following discussion, Director Farrell moved that the Board approve a Resolution Concerning Tax Collection Procedures, which rejects the following optional procedures: (1) refraining from sending a tax bill for less than \$15.00, (2) permitting the split payment of taxes, and (3) allowing discounts for the early payment of taxes. Director Schoelman seconded the motion, which passed unanimously. The Resolution, thus approved, is attached and considered a part of these minutes.

#### RESOLUTION CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION

Mr. Lord next presented a Resolution Concerning Exemption of Residence Homesteads from Taxation, which provides for the exemption from ad valorem taxation by the District of \$10,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older and which rejects a general homestead exemption and exemptions for charitable organizations. Following discussion, Director Farrell moved that the Board approve the Resolution Concerning Exemption of Residence Homesteads from Taxation. Director Schoelman seconded the motion, which carried unanimously. The Resolution, thus approved, is attached and considered a part of these minutes.

#### RESOLUTION PROVIDING FOR ADDITIONAL PENALTY FOR TAX COLLECTION COSTS

Mr. Lord then presented a Resolution Providing for Additional Penalty for Tax Collection Costs, which establishes a penalty of 20% on all taxes, penalty, and interest that remain unpaid as of July 1, 2012, for real property, and as of February 1, 2012, for tangible personal property, as authorized by the Texas Property Tax Code. Following discussion and upon a motion made by Director Farrell and seconded by Director Schoelman, the Board voted unanimously to approve the Resolution Providing for Additional Penalty for Tax Collection Costs. A copy of the Resolution, thus approved, is attached and considered a part of these minutes.

#### OPERATOR'S REPORT

Ms. Schoener presented the operator's report for February 2012, a copy of which is attached to these minutes.

Ms. Schoener then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month remains unusually high, with the prior month's accountability at 108.1% and a 4-month accountability average of 104.8%. She reported that she is still checking on the high accountability issue, noting that the technicians are checking on all the meters.

Ms. Schoener next stated that the Water Plant No. 2 fence was repaired due to a fallen tree. She also noted a repair in the amount of \$11,000 for the Lift Pump No. 1 at Lift Station No. 4.

Ms. Schoener next reviewed the water flow and pumpage reports at White Oak Bayou and Windfern Forest Lift Station. Ms. Schoener next stated that she is continuing to work with engineer on the draft subsidence report.

Ms. Schoener next reviewed the list of delinquent utility customers and stated there were no appeals from residents.

Following discussion on the operator's report, upon a motion made by Director North and seconded by Director Going, the Board voted unanimously to approve the operator's report.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE TO DELINQUENT WATER AND SEWER ACCOUNTS AND AUTHORIZE APPROPRIATE ACTION

The Board next considered termination of utility service to customers with delinquent accounts. Ms. Schoener reported that the residents appearing on the termination list were given proper notice and the opportunity to be heard in order to explain, contest or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order. Following discussion, upon a motion was made by Director North and seconded by Director Going, the Board voted unanimously to terminate utility service to customers with delinquent accounts.

ENGINEER'S REPORT

The Board next reviewed the engineer's report, a copy of which is attached, including the following matters:

Status of Water Transmission Line to Water Plant No. 2 Design, Easements, and Exxon Property Environmental Assessment and Easements

Mr. Webb reported that he received 4 bids on March 15<sup>th</sup> and recommended that the Board award the contract to the lower bidder, James Construction Group, LLC, in an amount of \$1,530,179.40. He next presented a proposal from HTS, Inc. for the Board's review and approval to provide material testing services at a cost of \$13,739. The Board next discussed the need to release funds from escrow from the 2011 bond issue.

Following discussion, upon a motion made by Director Schoelman and seconded by Director North, the Board voted unanimously to approve the award to James Construction Group LLC and authorized the consultants to send all required documents to the Texas Commission on Environmental Quality to release the necessary funds from escrow, and further authorized the Notice to Proceed, and the Board chair to sign the contracts once reviewed by legal counsel.

Following further discussion, upon a motion made by Director Farrell and seconded by Director North, the Board voted unanimously to approve the materials testing proposal from HTS, Inc.

Response from TCEQ for Exception to Well Capacity Requirement and Elevated Storage Tank Waiver Application

Mr. Webb next reported that this project is on hold until completion of the proposed 12-inch water transmission line and Water Well No. 3 projects.

Proposal for Design of Water Well No. 3 at Water Plant No. 1

Mr. Webb next discussed the anticipated schedule for the installation of the well.

New Aerial Map of the District

Mr. Webb reported that he anticipates receiving the new 2012 aerial map of the Houston area in March from the Landiscor mapping company. He noted that once he receives the map, he will prepare a new aerial of the District for the Board's review and approval.

Following discussion of the engineer's report, upon a motion made by Director North and seconded by Director Farrell, the Board voted unanimously to approve the engineer's report.

#### ATTORNEY'S REPORT

Mr. Lord stated that he had nothing new to report regarding the Management Agreement with Sterling Association Services, Inc. and noted that this item will be removed from next month's agenda.

#### REPORT OF DAB OFFICE MANAGER

There was no office manager report.

#### REPORT ON MATTERS DISCUSSED AT THE MEETING OF THE WHITE OAK BAYOU JOINT POWERS BOARD

Director Mendel discussed the minutes of the February 28, 2012 meeting.

#### AUTHORIZE DIRECTORS TO ATTEND THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board members discussed the AWBD summer conference. Following discussion, upon a motion made by Director Schoelman and seconded by Director Farrell, the Board voted unanimously to authorize all directors to attend the summer conference.

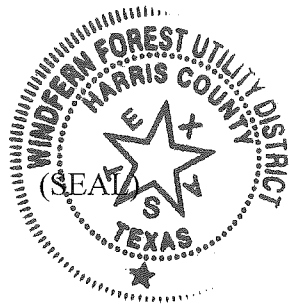
#### DISCUSS REQUEST FROM WINDFERN FOREST CIA

Director Mendel discussed Windfern Forest CIA's request to use the District's power connection by the District sign, but noted that since this item was placed on the agenda, Windfern Forest CIA has withdrawn the request. Following discussion, no Board action was required.

#### OTHER MATTERS

Director Farrell reported that he received a call from SCM Management regarding the District possibly replacing the fence along Gessner. He indicated that should he receive more information in connection with this request, he will let the Board know. Following discussion, no Board action was required.

There being no further business to come before the Board, the meeting was adjourned.



*[Handwritten Signature]*

Secretary, Board of Directors

**ATTACHMENTS**

Bookkeeper's Report ..... 1  
Tax Assessor/Collector's Report..... 2  
Delinquent Tax Attorney's Report..... 2  
Resolution Concerning Tax Collection Procedures ..... 2  
Resolution Concerning Exemption of Residence Homesteads from Taxation, ..... 3  
Resolution Providing for Additional Penalty for Tax Collection Costs..... 3  
Operator's Report..... 3  
Engineer's Report..... 4