

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

January 21, 2014

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 January 21, 2014, 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 Mark Eyring of Roth and Eyring; Shirley McLennan of McLennan & Associates; Teri Schoener and Corey Bostick of TOPS; David Dybala of Jacobs Engineering Group, Inc.; Yvonne Luevano of Wheeler & Associates; Sergeant James Rouse and Constable McCants of Harris County Constable's Office, Precinct 4; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP.

SECURITY REPORT

Constable McCants reported on security matters within the District for the month of November 2013.

APPROVE AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2013

Mr. Eyring presented the District's draft annual audit for the fiscal year ending September 30, 2013, to the Board for review and approval. Director Farrell questioned why the note to the financial statement regarding the water contract with the City of Houston was not in the Management's Discussions. Mr. Eyring stated that he would add a note to the Management's Discussion regarding same. A copy of the District's audit is attached to these minutes.

Following discussion on the audit, upon a motion made by Director Farrell and seconded by Director North, the Board voted unanimously to approve the audit for fiscal year ending September 30, 2013, subject to the clarification of the note to the Management's Discussion.

AUTHORIZE CONSULTANTS TO PREPARE ANNUAL REPORT IN ACCORDANCE WITH DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15(C)2-12 FOR THE DISTRICTS OUTSTANDING BONDS

Mr. Lord stated that the District is required to file an annual report in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12 for the District's outstanding bonds. Following discussion, a motion was made by Director Farrell and seconded by Director Schoelman authorizing the consultants to prepare an annual report in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12 for the District's outstanding bonds. The motion passed unanimously.

AUTHORIZE FILING OF AUDIT WITH STATE INFORMATION DEPOSITORY IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15(C)2-12

Mr. Lord next informed the Board that the District is required to file its annual audit with the state information depository in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12 for the District's outstanding bonds. Following discussion, a motion was made by Director Farrell authorizing filing of the annual audit with the state information depository in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12 for the Series 2000 Bonds. The motion was seconded by Director North and carried by unanimous vote.

APPROVE MINUTES

The Board reviewed the minutes of December 17, 2013. Following discussion, upon a motion made by Director Schoelman and seconded by Director Going, the Board voted unanimously to approve the minutes of December 17, 2013 as submitted.

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 December 17, 2013 to January 21, 2014. She next reviewed the checks presented for payment, the District's investments and a comparison of actual versus budgeted revenues and expenses for the period ending December 31, 2013.

Following discussion on the bookkeeper's report, upon a motion made by Director North and seconded by Director Going, the Board voted unanimously to approve the bookkeeper's report, payment of the bills and investment of the District's funds.

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

Ms. Luevano next presented the tax assessor/collector's report for the month of December, a copy of which is attached. She reviewed the report, stating that as of December

2013, the District's 2013 taxes are 55.53% collected and the 2012 taxes are 99.53% collected. Ms. Luevano also presented checks nos. 2405-2412 for payment.

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

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.

OPERATOR'S REPORT

Ms. Schoener presented the operator's report for December 2013, 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 was 96.2%. Ms. Schoener reported that she is still working with the City of Houston regarding the water billing issue and hopes to resolve same shortly.

Ms. Schoener reported on repairs and maintenance at District facilities. Mr. Bostick reported on maintenance to the lift station required due to underwear being flushed down toilets. He stated that he would obtain an estimate for grinder pumps for the lift station to handle object of this nature.

Following discussion on the operator's report, upon a motion made by Director Going and seconded by Director North, 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 and stated there were no appeals from residents.

Following discussion, a motion was made by Director Going to terminate utility service to customers with delinquent accounts. Director North seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

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

Amend the Groundwater Reduction Plan

Mr. Dybala reported that he is working on the amendment to the groundwater reduction plan to meet the new requirements of the Harris Galveston Subsidence District. Director Mendel reported that the City has been informing other districts that there will be impact fees for taking additional water. Mr. Lord stated that he has been talking to counsel for other districts regarding same and noted that the District has not yet received such correspondence from the City.

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

Mr. Dybala next reported that at the completion of the Water Well No. 3 project, all pumping data and documentation will be submitted to the TCEQ.

Water Well No. 3 at Water Plant No. 1

Mr. Dybala reported on the status of construction of Water Well No. 3. He stated that W.W. Payton Corporation ("Payton") is working toward completion of gas mitigation and disinfection system modifications. Mr. Dybala stated that following completion, the pilot study will be conducted. He then presented pay estimate no. 9 in the amount of \$162,137.70 from Payton and recommended approval of same.

Mr. Dybala then reported on the results of the inspection of the hydropneumatic tank. He stated that although the exterior is beginning to show signs of deterioration, it is adequate. Mr. Dybala stated that the interior is starting to show pitting and will need to be recoated within the next 18 months. He noted that a recommendation will be made regarding same upon receiving the results of the inspection of the ground storage tank.

After discussion, Director Going moved that the Board approve the engineer's report and pay estimate no. 9 as presented. Director Schoelman seconded the motion and it passed by unanimous vote.

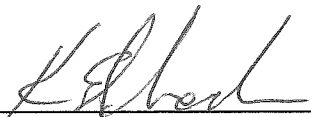
BUILDING OFFICE MANAGER'S REPORT

There was no report for the month.

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

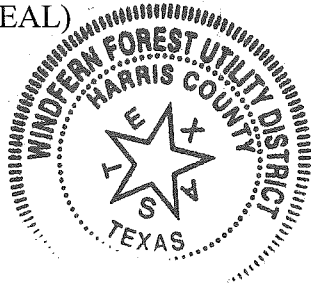
Director Mendel reviewed the minutes of the December meeting. The Board then discussed the timeframe for funding the Phase 1 of the improvements at the plant.

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



Secretary, Board of Directors

(SEAL)



ATTACHMENTS

Audit for Fiscal Year Ending September 30, 2013.....1
bookkeeper’s report2
tax assessor/collector’s report for the month of December2
delinquent tax attorney’s report3
operator’s report for December 2013.....3
engineer’s report3