

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

February 21, 2017

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 Lane, Houston, Texas, on February 21, 2017, and the roll was called of the duly constituted officers and members of the Board, to wit:

Eddie Mendel	President
Pat Going	Vice President
Kurt Schoelman	Secretary/Treasurer
Shari North	Assistant Secretary
Karen Hlavenka	Assistant Vice President

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

Also present were Diane Doyle and Jorge Diaz of McLennan & Associates; Rebecca Olvera of B & A Municipal Tax Service, LLC; Eric Martin and Deano Wright of TOPS; Deputy Marquez of the Harris County Constable’s Office, Precinct 4; Shawn Sharkey of Jacobs Engineering Group, Inc.; John Elder of Acclaim Energy; and Clark Lord and Debbie Russell of Bracewell LLP.

SECURITY REPORT

Deputy Marquez reported on security matters within the District for the month of January, 2016.

APPROVE MINUTES

The Board reviewed the minutes of January 17, 2017. Following discussion, upon a motion made by Director Schoelman and seconded by Director Going, the Board voted unanimously to approve the minutes of January 17, 2017, as submitted.

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

Ms. Doyle presented the bookkeeper’s report, a copy of which is attached to these minutes, for the period January 17, 2017 to February 21, 2017. 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 January 31, 2017. Ms. Doyle then presented the monthly investment report for the period ending January 31, 2017.

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

report, payment of the bills, the investment report, investment of the District's funds and the Resolution.

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

Ms. Olvera next presented the tax assessor/collector's report for the month of January, a copy of which is attached. She reviewed the report, stating that as of February 2017, the District's 2016 taxes are 95.84% collected and the 2015 taxes are 99.65% collected. Ms. Olvera also presented the checks for payment.

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

DELINQUENT TAX ATTORNEY REPORT

The Board next reviewed the delinquent tax attorney report from Perdue Brandon Fielder Collins & Mott and discussed termination of water service to the delinquent tax accounts. After review and discussion, Director Hlavenka moved that the Board accept the delinquent tax attorney report and authorize the District's operator to terminate water service to delinquent tax accounts. Director Going seconded the motion and it carried unanimously.

TAX RESOLUTIONS

Resolution Concerning Tax Collection Procedures

Mr. Lord presented a Resolution Concerning Tax Collection Procedures for the Board's review and approval. Following discussion, Director North 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 Mendel seconded the motion, which passed unanimously. The Resolution, thus adopted, is attached to 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 North moved that the Board approve the Resolution Concerning Exemption of Residence Homesteads from Taxation. Director Mendel seconded the motion, which carried unanimously. The Resolution, thus adopted, is attached to 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, 2016, for real property, and as of February 1, 2016, for tangible personal property, as authorized by the Texas Property Tax Code. Following discussion and upon a motion made by Director North and seconded by Director Mendel, the Board voted unanimously to approve the Resolution Providing for Additional Penalty for Tax Collection Costs. A copy of the Resolution, thus adopted, is attached to and considered a part of these minutes.

OPERATOR'S REPORT

Mr. Martin presented the operator's report for January 2017, a copy of which is attached to these minutes.

Mr. Martin then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month was 104%. He then reported on repairs and maintenance at District facilities.

Upon a motion made by Director Hlavenka 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. Mr. Martin 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 Hlavenka 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:

Acclaim Energy GENMAX Program

Mr. Elder reported on the GENMAX Program and stated the District should start generating money in June. He also reported that the electricity costs from Center Point will be reduced as a result of the Program.

TCEQ Elevated Storage Tank Waiver Application

Mr. Sharkey next informed the Board that the Elevated Storage Tank Waiver Application is under review by the TCEQ.

Take or Pay Letter – City of Houston

Mr. Sharkey informed the Board that the District has not been receiving approval letters from the City of Houston in response to the annual Take or Pay Letter submitted by the District. Mr. Lord stated that there was a dispute with the City regarding this matter and it was determined that we only need to give notice. The Board agreed that no action is necessary at this time.

After discussion, Director Going moved that the Board accept the engineer's report. Director Schoelman seconded the motion and it carried by unanimous vote.

BUILDING OFFICE MANAGER'S REPORT

The Board reviewed an email from Carol Lueb regarding building matters, but took no action on the matter.

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

Director Mendel reported on matters discussed at the January meeting of the White Oak Bayou Joint Powers Board.

FOLLOW UP FROM THE AWBD CONFERENCE

Director Schoelman reported on topics covered at the winter AWBD conference including the *Houston Chronicle* article regarding municipal utility districts. The Board also discussed other matters discussed at the conference including issues relating to water wells.

The Board also discussed ideas for disseminating information regarding the District to the homeowners' associations in the District. Director Hlavenka stated that members of the Board and/or consultants could attend HOA meetings. Director Schoelman suggested that we invite a representative from each HOA to attend a meeting of the Board to observe and ask questions of the Board and consultants.

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

Secretary, Board of Directors

(SEAL)

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