

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

September 18, 2018

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 September 18, 2018, and the roll was called of the duly constituted officers and members of the Board, to wit:

Eddie Mendel	President
Pat Going	Vice President
Shari North	Secretary
Karen Hlavenka	Assistant Vice President
Ann Murphree	Assistant Secretary

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

Also present were Jorge Diaz of McLennan & Associates, LP; Rebecca Olvera of B & A Municipal Tax Service, LLC; Nathan White and Deano Wright of TOPS; Sergeant Curry of the Harris County Constable’s Office, Precinct 4; Shawn Sharkey of Jacobs Engineering Group, Inc.; Clark Lord and Debbie Russell of Bracewell LLP; John Elder of Acclaim Energy; and Drew Masterson of Masterson Advisors.

APPEARANCES BEFORE THE BOARD

There were no appearances before the Board

SECURITY REPORT

Sergeant Curry reported on security matters within the District for the month of August 2018.

APPROVE MINUTES

The Board reviewed the minutes of August 21, 2018. Following discussion, upon a motion made by Director Going and seconded by Director North, the Board voted unanimously to approve the minutes of August 21, 2018, as submitted.

PROPOSED TAX RATE FOR 2018 AND AUTHORIZE PUBLICATION OF NOTICE OF HEARING AND MEETING DATE FOR PUBLIC HEARING

Mr. Masterson reviewed a tax rate analysis with the Board for the year 2018. Following discussion, a motion was made by Director North and seconded by Director Hlavenka to adopt a proposed tax rate of \$0.48 per \$100 valuation, comprised of a \$0.23 component for debt service and a \$0.25 component for maintenance and operation, authorize publication of a Notice of

Hearing regarding the proposed tax rate, and establish October 16, 2018 to conduct the hearing on the tax rate. The motion carried by unanimous vote.

ACCLAIM ENERGY REPORT ON INSTALLATION AND OPERATION OF THE GENERATOR

Mr. Elder reported on the permitting process for the generator. He stated that Power Secure made an error on the first program because the process didn't send power to the grid. Mr. Elder stated that he will be meeting with representatives of Power Secure to have the District paid for the first program which should be approximately \$10,000. He stated that there is nothing else that we can do without the permit from the State. Mr. Sharkey stated that in his opinion, Power Secure waited too long in the process to apply for the permit and noted that Power Secure's consultant did a poor job. Mr. Lord stated that representations were made in the beginning that the District would be able to pay for the generator with the funds generated from the grid and he questioned if this was still true. Mr. Elder confirmed that the generator should pay for itself in the coming years.

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

Mr. Diaz presented the bookkeeper's report, a copy of which is attached to these minutes, for the period August 21, 2018 to September 18, 2018. He 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 August 31, 2018. Mr. Diaz then presented the monthly investment report for the period ending August 31, 2018.

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

Operating Budget for FYE September 30, 2019

Mr. Diaz next presented the draft operating budget for the fiscal year ending September 30, 2019. After review and discussion, Director North moved that the Board approve the operating budget as presented. Director Murphree seconded the motion and it carried by unanimous vote.

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

Ms. Olvera presented the tax assessor/collector's report for the month of August 2018, a copy of which is attached. She reviewed the report, stating that as of August 31, 2018, the District's 2017 taxes are 98.66% collected and the 2016 taxes are 99.75% collected. Ms. Olvera also presented the checks for payment.

Ms. Olvera then reported that Mr. Hernandez paid his 2016 delinquent taxes and has said that he will pay 2017. She also reported that payment of the Walter Paige 2010 through 2014 delinquent taxes was received.

Following discussion on the tax assessor/collector's report, upon a motion made by

Director North and seconded by Director Murphree, the Board voted unanimously to approve the tax assessor/collector's report and payment of the tax bills.

DELINQUENT TAX ATTORNEY'S REPORT

There was no delinquent tax attorney report for the month.

OPERATOR'S REPORT

Mr. White presented the operator's report for August 2018, a copy of which is attached to these minutes.

Mr. White then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month was 98%.

Mr. White reported on maintenance and repairs conducted during the month. He also noted that he is continuing to work with the apartment managers about flushing the lines in the complexes.

Director Murphree reported on a billing issue with the Laurel Creek HOA. Mr. White stated that he would investigate and find a solution to the issue.

Mr. White then reported on the failure of a manhole and resulting sinkhole on Philippine and Windy Acres. He stated that the project has been turned over to a contractor since there are special requirements due to depth of the sinkhole which is 18 feet. Mr. Sharkey stated that he believes that the pipe has also collapsed and recommended that the line be televised. He also recommended that every manhole in Sections 1 and 2 be visually inspected. The Board discussed televising all of the older sections in the District. Director Mendel stated that the lines in Section 1 do not need to be televised as they have previously been replaced by pipe bursting.

Upon a motion made by Director Going and seconded by Director North, the Board voted unanimously to approve the operator's report and authorize the visual inspections of all of the manholes in Sections 1 and 2 of the District.

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. White 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.

ATTORNEY'S REPORT

Agreement with Woodwind Lakes HOA Regarding the Amenity Pond

Mr. Lord stated that there has been no change in the stance of the Woodwind Lakes HOA as to signing the License Agreement. The Board agreed that no payment would be made until the License Agreement is signed.

Resolution Regarding the Annual Review of the Authority's Investment Policy and Broker/Dealer List

Mr. Lord presented the Board with a Resolution Regarding the Annual Review of the Authority's Investment Policy and Broker/Dealer List, a copy of which is attached to these minutes. He stated that the Authority, pursuant to the Public Funds Investment Act, is required to review its investment policy and broker/dealer list at least annually. Mr. Lord indicated that there were no changes to the policy, but that the broker/dealer list had been updated. After discussion, Director North moved that the Board adopt the Resolution as presented. Director Murphree seconded the motion and it carried unanimously.

Annual Disclosure Statement of the Bookkeeper and Investment Officer

Mr. Lord next explained that, pursuant to the Public Funds Investment Act, the Authority's bookkeeper and investment officer are required to execute and submit an annual disclosure statement to the Texas Ethics Commission disclosing any relationships that they may have with institutions that are offering, have offered, or may offer to engage in an investment transaction with the Authority. A copy of the annual disclosure form is attached to these minutes. . After discussion, Director North moved that the Board accept and authorize the filing of the disclosure statements of the bookkeeper and investment officer. Director Murphree seconded the motion and it carried unanimously.

Attendance at the January AWBD Conference

The Board discussed authorizing attendance of the Board at the January AWBD Conference. After discussion, Director Going moved that the Board authorize all interested directors to attend the conference. Director North seconded the motion and it carried unanimously.

ENGINEER'S REPORT

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

Mr. Sharkey informed the Board that final approval from TCEQ for the Air Quality Permit is expected to be issued in October 2018.

Mr. Sharkey then reported Harris County Engineering Department is expected to provide the final design plans relating to the utility conflicts on Gessner Road by October 2018.

Mr. Sharkey next reported that the closing of two valves to divide the District's water

distribution system in to two zones seems to be working.

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

BUILDING OFFICE MANAGER'S REPORT

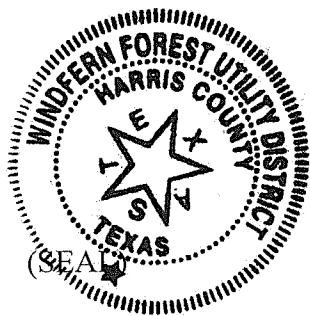
The Board reviewed a proposal from LACCS Construction for the roof replacement on the DAB in the amount of \$24,940. Upon a motion made by Director Going and seconded by Director Hlavenka, the Board voted unanimously to accept the proposal from LACCS Construction for the roof replacement.

Director Mendel stated that Carol Lueb had reported on a request from a group of residents to conduct monthly Bunco games in the DAB. Because the Bunco games are not income producing, the Board authorized the request.

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

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

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



Shari B. North
Secretary, Board of Directors

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