

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

February 21, 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 February 21, 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; Diane Fingleman of McLennan & Associates; Vernon Webb of Jacobs Engineering Group, Inc.; Cindy Englebert and Cathy Wheeler of Wheeler & Associates; Deputy Coleman of Harris County Constable's Office, Precinct 4; Clark Lord of Bracewell & Giuliani LLP; Athea Davis of Vinson & Elkins L.L.P.; and Brian Desilets of Deep Waters Bookkeeping, LLC.

APPEARANCES BEFORE THE BOARD

There were no public comments.

APPROVE MINUTES

The Board reviewed the minutes January 17, 2012, and the special meeting minutes of February 7, 2012. Following discussion, upon a motion made by Director Going and seconded by Director North, the Board voted unanimously to approve the minutes of January 17, 2012, and February 7, 2012.

SECURITY REPORT

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

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

Ms. Fingleman presented the bookkeeper's report, a copy of which is attached to these minutes, for the period January 18, 2012-February 21, 2012, a copy of which is attached. She reviewed the checks presented for payment, the District's investments, and the budget. Ms.

Fingleman also requested that the District approve an addendum to the bookkeeper's contract that increases the rate from \$1,200 to \$1,350. Following discussion, the Board concurred to table this item until next month.

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

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

Ms. Engelbert 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 January 2012, the District's 2011 taxes are 95.11% collected and the 2010 taxes are 99.49% collected. Ms. Englebert also presented Checks No. 2243-2248 for payment.

The Board next discussed the amendment to the tax assessor/collector's contract.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Schoelman and seconded by Director North, 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.

OPERATOR'S REPORT

Ms. Schoener presented the operator's report for January 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 106.8% and a 4-month accountability average of 110.1%. She reported that she is still checking on the high accountability issue.

Ms. Schoener next reviewed the water flow and pumpage reports at White Oak Bayou and Windfern Forest Lift Station. Ms. Schoener also discussed the subsidence report, noting that the District's permit is going to be short, but she believes that the District will have enough credits to cover any short fall.

Ms. Schoener next reviewed the list of delinquent utility customers and stated there were no appeals from residents. She also reported that delinquent letters were not sent last month, but will process the letters and terminations this month. Ms. Schoener also reported that Southwest Water Company is working with the bookkeeper on the information they need for the reports due to some software conversion issues and noted that they hired an outside auditor.

Following discussion on the operator's report, upon a motion made by Director North and seconded by Director Farrell, 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 Farrell and seconded by Director North, 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 is working on receiving approvals for this project from easement grantors, pipeline companies, and review agencies. He next reported that the project is being advertised for bid.

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 implementation of a sanitary control ordinance or land use restriction in lieu of the recorded sanitary control easements needed for construction of a new Water Well No. 3. He noted that the TCEQ sent comments to the order and that those comments have been incorporated into the final order. Mr. Lord next presented the Order Establishing Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to the District's Public Water Supply Wells for the Board's review and approval. A copy of the Order is attached to these minutes. Mr. Lord also noted that the District was required to publish the Order for 2 weeks.

Mr. Webb next asked the Board to accept the contract for the design of Water Well No. 3. Following discussion, upon a motion made by Director Farrell and seconded by Director Going, the Board voted unanimously to accept the contract for the design of Water Well No. 3 in an amount not to exceed \$175,000. He noted the amount included the design, contingency, and reimbursable costs.

Following discussion on the Order, upon a motion made by Director Farrell and seconded by Director Schoelman, the Board voted unanimously to approve the Order Establishing Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to the District's Public Water Supply Wells and authorized the publication of the Order.

New Aerial Map of the District

Mr. Webb updated the Board on the status of the aerial photo.

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

ATTORNEY'S REPORT

Management Agreement with Sterling Association Services, Inc. for maintenance costs associated with Woodwind Lakes Section 4 Lake and surrounding areas

Mr. Lord reported that the engineer researched the ownership of the lake and that the documents indicated that the District owns the property. Director Mendel stated that he wanted to wait and see what the Homeowners Association is going to do regarding the maintenance issue. Discussion then ensued on formalizing an agreement.

REPORT OF DAB OFFICE MANAGER

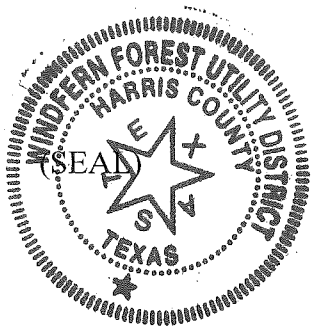
There was no office manager report.

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

There was no report on this item.

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

[Signature page follows]



Ketchum

Secretary, Board of Directors

ATTACHMENTS

Bookkeeper's Report	1
Tax Assessor/Collector's Report	2
Delinquent Tax Attorney's Report.....	2
Operator's Report.....	2
Engineer's Report	3
Order Establishing Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to the District's Public Water Supply Wells.....	3