

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

May 21, 2013

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 May 21, 2013, 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 Karla Efigenio of McLennan & Associates; Teri Schoener of TOPS; David Dybala of Jacobs Engineering Group, Inc.; Cathy Wheeler of Wheeler & Associates; Sergeant Blackledge and Deputy Jennifer McCants of Harris County Constable’s Office, Precinct 4; and Clark Lord and Debbie Russell of Bracewell & Giuliani LLP.

APPEARANCES BEFORE THE BOARD

No one was present to address the Board.

APPROVE MINUTES

The Board reviewed the minutes of April 16, 2013. Following discussion, upon a motion made by Director Going and seconded by Director Farrell, the Board voted unanimously to approve the minutes of April 16, 2013.

APPROVE DIRECTORS’ SWORN STATEMENTS, OFFICIAL BONDS, AND OATHS OF OFFICE

The Board next considered approving Directors’ Sworn Statements, Official Bonds, and Oaths of Office executed by Directors Farrell, Going and Schoelman in conjunction with their re-election to the Board of Directors. Following discussion, a motion was made by Director Mendel and seconded by Director North to approve the Sworn Statements, Official Bonds, and Oaths of Office for Directors Going, Farrell and Schoelman. The motion carried by unanimous vote.

AUTHORIZE FILING DISTRICT REGISTRATION FORM WITH TCEQ

The Board next considered authorizing Bracewell & Giuliani LLP to prepare a District Registration Form to reflect the newly elected Directors, to be filed with the Texas Commission on Environmental Quality (the "TCEQ"). Director Mendel moved that the Board authorize preparation and filing of the District Registration Form. The motion was seconded by Director North and carried by unanimous vote.

SECURITY REPORT

Deputy McCants reported on security matters within the District for the month of April 2013.

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

Ms. Efigenio presented the bookkeeper's report, a copy of which is attached to these minutes, for the period April 16, 2013 to May 21, 2013. 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 April 30, 2013.

Following discussion on the bookkeeper's report, upon a motion made by Director North and seconded by Director Farrell, 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. Wheeler next presented the tax assessor/collector's report for the month of April, a copy of which is attached. She reviewed the report, stating that as of April 2013, the District's 2012 taxes are 97.55% collected and the 2011 taxes are 99.85% collected. Ms. Wheeler also presented checks nos. 2351-2358 for payment.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Farrell and seconded by Director Schoelman, 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. Ms. Wheeler reported that the delinquent tax statements were sent out in May. The Board then discussed the delinquent account of Walter Paige. Ms. Wheeler stated that numerous attempts have been made to have Mr. Paige file for deferment of his delinquent taxes. The Board requested that the delinquent tax attorney contact Mr. Page regarding the possible payment of his account by payment plan.

OPERATOR'S REPORT

Ms. Schoener presented the operator's report for April 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 94%.

Ms. Schoener reported on repairs and maintenance at District facilities. She stated that the lift pump at 14414 Philippine was overhauled and returned to service.

Ms. Schoener requested approval of the District's annual Red Flag Compliance Report relating to Advantage Water's policies and procedures for prevention of identity theft. After discussion, Director North moved that the Board approve the Red Flag Compliance Report. Director Farrell seconded the motion and it carried unanimously.

Ms. Schoener presented the draft of the District's Consumer Confidence Report ("CCR") for the Board's review. Upon a motion made by Director Farrell and seconded by Director North, the Board voted unanimously to approve the draft CCR, subject to final review by the District's attorney.

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.

Compromise and Settlement Agreement with the Subsidence District

Ms. Schoener then reported on issues with the renewal of the District's water well permits. She stated that the Subsidence District notified the District that during the permit period of June 1, 2011 through May 31, 2012, well no. 3279 exceeded the 30/70 special provision by 202 million gallons resulting in the unauthorized groundwater withdrawal, constituting a violation of District Rule 5.2. Ms. Schoener stated that the Subsidence District proposed a settlement of the violation in the amount of \$2,194.00 and 103.00 million gallons of "A" groundwater credits and 99.00 million gallons of "B" groundwater credits. Mr. Lord stated that in his opinion the District should approach the Subsidence District to address the year ending 2012 and the current year. After discussion, Director Farrell moved that the Board approve the agreement with the Subsidence District subject to final negotiation of the settlement offer with the Subsidence District for the year ending 2012 and the current year. Director North seconded the motion and it carried unanimously.

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 North to terminate utility service to customers with delinquent accounts. Director Farrell 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:

Status of Water Transmission Line to Water Plant No. 2

Mr. Dybala reported that the 16-inch waterline along Fairbanks North Houston has been inspected and accepted by the City of Houston (the "City"). He stated that he met with representatives of the City at the off-site meter location to discuss the issues that still prevent the District from receiving water from the City. Mr. Dybala next reported that he has requested a final punchlist of HOA items to be completed prior to release of the retainage to the contractor. He stated that all work at the water plant is complete except for the installation of the analyzers which should be installed by the end of May.

Mr. Dybala next presented pay estimate no. 9 in the amount of \$16,110 from James Construction Group ("JCG") and recommended same for payment.

After review and discussion, Director Schoelman moved that the Board approve pay estimate no. 9 to JCG as presented. Director Farrell seconded the motion and it carried by unanimous vote.

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

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

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") has completed the well construction and is removing the drilling equipment. Mr. Dybala stated that Payton is currently mobilizing and setting up the test pump for developing the well. He next presented the Terms and Conditions package from Centerpoint Energy for providing underground electrical service to Water Plant No. 1. Mr. Dybala then presented pay estimate no. 4 in the amount of \$444,406 from Payton and recommended same for payment. He next presented change order no. 1 in the amount of \$13,000 which represents the amount related to the change from overhead electrical service to underground.

After review and discussion, Director Schoelman moved that the Board approve pay estimate no. 4, change order no. 1 and the Terms and Conditions proposed by CenterPoint, as presented. Director Farrell seconded the motion and it carried by unanimous vote.

Water/Storm Sewer Line Issue

Mr. Dybala reported that Harris County is requiring that the District reroute the waterline that pierced a storm sewer line near the intersection of Windlawn and Windy Acres. He stated that the waterline will be routed around and under the storm sewer line at an approximate cost of \$15,000 to \$20,000. Mr. Dybala noted that Harris County will dispose of the asbestos cement that is in the storm sewer line.

After discussion, Director Schoelman moved that the Board accept the engineer's report and authorize the rerouting of the waterline as discussed. Director Going seconded the motion and it carried unanimously.

ATTORNEY'S REPORT

Approve Proposals for Insurance Coverage

The Board reviewed insurance renewal proposals for the District's coverage for the period effective July 31, 2013. Following discussion, a motion was made by Director Farrell and seconded by Director Schoelman to approve insurance renewal proposals submitted by The Highpoint Group in the total premium amount of \$20,800.00 for the policy period effective July 31, 2013. The motion passed unanimously.

Status of Application for Funds for a Hike and Bike Trail

Director Schoelman had nothing new to report in connection with the application for funds for a trail in the District.

BUILDING OFFICE MANAGER'S REPORT

There was no report from the DAB manager for the month.

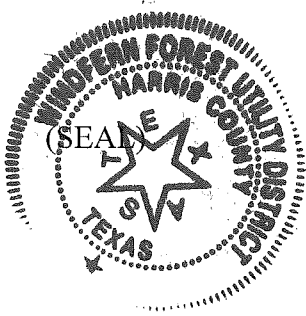
REPORT ON MATTERS DISCUSSED AT THE MEETING OF THE WHITE OAK BAYOU JOINT POWERS BOARD

Director Mendel stated that he had not received the minutes of the April 23, 2013 meeting. He discussed work that needs to be done at the White Oak Plant and stated that Jones & Carter would be making a presentation regarding same at the next Board meeting. The Board took no action in connection with same.

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



Secretary, Board of Directors



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