

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

June 18, 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 June 18, 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 except for Director Going, thus constituting a quorum.

Also present were Karla Efigenio of McLennan & Associates; Teri Schoener of TOPS; David Dybala of Jacobs Engineering Group, Inc.; Stacey Wagner of Wheeler & Associates; Sergeant Blackledge and Deputy Jennifer McCants of Harris County Constable's Office, Precinct 4; Bethany Miller and Tobin Synatschk of Jones and Carter Inc.; Carol Lueb, administrator of the DAB; 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 May 18, 2013. Following discussion, upon a motion made by Director Farrell and seconded by Director North, the Board voted unanimously to approve the minutes of May 18, 2013.

SECURITY REPORT

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

REPORT ON THE WHITE OAK BAYOU REGIONAL WASTEWATER TREATMENT PLANT

Ms. Miller reported on the aging infrastructure at the White Oak Bayou Regional Wastewater Treatment Plant (the "Plant"). She stated that the age of the equipment is making it difficult if not impossible to locate replacement parts when equipment fails. Mr. Synatschk proposed possible solutions for replacing aging equipment and reducing energy costs. The

Board discussed possible means of raising funds to pay the District's portion of the cost of the rehabilitation of the Plant and agreed to discuss further at the July meeting.

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 City of Houston (the "City") still needs to complete the inspection of the off-site meter piping and backflow prevention devices in connection with finalizing the 12-inch waterline along Fairbanks North Houston. He stated that that once the District receives final approval it will begin receiving water from the City at the water plant no. 2. Mr. Dybala next reported that he arranging meeting with the contractor, the inspector and representatives of the HOAs regarding the list of HOA items to be completed prior to release of the retainage to the contractor.

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") is developing the well with the test pump. Mr. Dybala reported that he anticipates that the pump test results will be in by mid-July and a determination can then be made of the pump and motor selection. He next presented blanket easement document from Centerpoint Energy for providing underground electrical service to Water Plant No. 1 for the Board's approval. Mr. Dybala then presented pay estimate no. 5 in the amount of \$15,750 from Payton and recommended same for payment.

After review and discussion, Director Farrell moved that the Board approve pay estimate no. 5 and the blanket easement proposed by CenterPoint, as presented. Director North seconded the motion and it carried by unanimous vote.

Compromise and Settlement Agreement with the Subsidence District

Mr. Lord reported on the meeting with Ms. Schoener, Mr. Dybala and the Subsidence District. He stated that after lengthy negotiations, the Subsidence District agreed to amend the District's permits for 2013. Mr. Lord next presented information regarding the Subsidence District's waterwise program. He stated that the District can sponsor a fourth grade class at a local elementary school for \$35.00/student and will receive groundwater credits in return. Ms. Schoener stated that even if the District does not need all of the credits received, there a commodity that can be sold to other municipalities.

After discussion, Director Schoelman moved that the Board approve the Compromise and Settlement Agreement between the District and the Subsidence District and authorize participation in the Water Wise Program. Director North seconded the motion and it carried unanimously.

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 May 22, 2013 to June 18, 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 May 31, 2013.

Following discussion on the bookkeeper's report, upon a motion made by Director Farrell and seconded by Director Schoelman, 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. Wagner next presented the tax assessor/collector's report for the month of May, a copy of which is attached. She reviewed the report, stating that as of May 2013, the District's 2012 taxes are 98.29% collected and the 2011 taxes are 99.86% collected. Ms. Wagner also presented checks nos. 2359-2367 for payment. She also presented the preliminary value for the District for 2013 and stated that value increased by \$17,700,000.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Farrell and seconded by Director North, 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. The Board discussed the delinquent account of Walter Paige. Ms. Wagner stated that the District's delinquent tax attorney had made several additional attempts to reach Mr. Paige without success and had recently sent a demand letter.

OPERATOR'S REPORT

Ms. Schoener presented the operator's report for May 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.

Ms. Schoener next reported that the resident at 14714 Windlea Lane had illegally reconnected to the District's facilities. She noted that the residence has again been disconnected, but in such a way as to prevent a future connection.

Ms. Schoener then informed the Board of new construction in Stoney Way that has led to lowered water pressure. She stated that the solution is the installation of individual meters. Ms. Schoener also reported on complaints regarding water quality in Laurel Creek. She stated that an investigation revealed that problems with the air lock had allowed settlement to be sucked into the distribution system, but noted that the issue has been resolved.

Ms. Schoener presented the final draft of the District's Consumer Confidence Report ("CCR") for the Board's approval. Upon a motion made by Director Schoelman and seconded by Director Farrell, the Board voted unanimously to approve the CCR and authorize distribution of same.

Ms. Schoener reported that the District has completed the rerouting of the waterline that pierced a storm sewer line near the intersection of Windlawn and Windy Acres. .

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

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

ATTORNEY'S REPORT

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

Ms. Lueb stated that she had received a proposal for replacement of the carpet in administration building for \$20,000. She also received a bid for replacement of the tile in the

kitchen. Ms. Lueb stated it would cost approximately \$2800 to paint the walls in the building. She stated that she would attempt to get additional bids for the carpet and repainting.

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

Director Mendel distributed the minutes of the May 28, 2013 meeting.

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

KE School
Secretary, Board of Directors



ATTACHMENTS

| | |
|---|---|
| engineer's report | 2 |
| bookkeeper's report | 3 |
| tax assessor/collector's report for the month of May..... | 3 |
| delinquent tax attorney's report | 3 |
| operator's report for May 2013 | 3 |