

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

September 17, 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 September 17, 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 Drew Masterson of First Southwest Company; Karla Efigenio of McLennan & Associates; Teri Schoener and Corey Bostick of TOPS; David Dybala and Tojuana Cooper of Jacobs Engineering Group, Inc.; Cathy Wheeler of Wheeler & Associates; Sergeant Blackledge and Deputy Jennifer McCants of Harris County Constable's Office, Precinct 4; Carol Lueb, administrator of the DAB; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP. And J.C. Rubiano, Warren Nelson, and Joyce Nelson, residents of the District.

APPEARANCES BEFORE THE BOARD

Mr. Nelson addressed the Board regarding the business that is located immediately behind his residence in Laurel Creek. He stated that the business disrupts his enjoyment of his property with the noise level and the outside lighting and wondered if the District could assist in the construction of a barrier between his home and the business. Mr. Lord explained that the District can only expend funds for something that is a public benefit. The Board suggested that Mr. Nelson check the Houston ordinances to determine whether the business is violating same with the noise and lights.

Mr. Rubiano addressed the Board regarding the maintenance of the amenity pond in Woodwind Lakes, Section 4. Mr. Lord stated that the developer for that subdivision had agreed that because the detention pond that was planned for the subdivision was to become an amenity lake, that the HOA for the section would be expected to maintain it.

APPROVE MINUTES

The Board reviewed the minutes of August 20, 2013. Following discussion, upon a motion made by Director Farrell and seconded by Director North, the Board voted unanimously to approve the minutes of August 20, 2013 as revised.

SECURITY REPORT

Deputy McCants reported on security matters within the District for the month of August 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 August 21, 2013 to September 17, 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 August 31, 2013.

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

PROPOSED TAX RATE FOR 2013 AND AUTHORIZE PUBLICATION OF NOTICE OF HEARING

Mr. Masterson reviewed a tax rate analysis with the Board for the Year 2013. The Board discussed the need to generate funds to conduct the repairs needed at the White Oak Joint Wastewater Treatment Plant (the "Plant"). Following lengthy discussion, a motion was made by Director Mendel and seconded by Director Schoelman to adopt a proposed tax rate of \$0.52 per \$100 valuation, comprised of a \$0.30 component for debt service and a \$0.22 component for maintenance and operation, and authorize publication of a Notice of Hearing regarding the proposed tax rate. The motion carried by unanimous vote.

Ms. Wheeler stated that she will publish a Notice of Hearing in the Houston Chronicle and added that the tax hearing will be held at the District's regularly scheduled meeting on October 15, 2013.

OPERATING BUDGET

The Board next reviewed the draft operating budget for the fiscal year ending September 30, 2014, and requested revisions to same to reflect the additional income generated by the increased rate for maintenance and operations. The Board also discussed increasing the District's water and sewer rates to increase the income from same to contribute to the repairs at the Plant and requested that an item be included on the agenda for the next meeting to amend the District's rate order. After further discussion regarding the draft budget, Director Farrell moved that the Board adopted the operating budget as revised. Director North seconded the motion and it carried by unanimous vote.

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

Ms. Wheeler next presented the tax assessor/collector's report for the month of August, a copy of which is attached. She reviewed the report, stating that as of August 2013, the District's

2012 taxes are 99.05% collected and the 2011 taxes are 99.86% collected. Ms. Wheeler also presented checks nos. 2380-2382 for payment.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Farrell 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'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. Director Schoelman requested that the tax assessor/collector prepare a letter to Mr. Paige regarding the delinquency and explaining that the District plans to authorize the delinquent tax attorney to file suit at the October meeting. The Board requested that no action be taken for one additional month and agreed to consider authorizing a lawsuit against Mr. Paige at the October meeting.

OPERATOR'S REPORT

Ms. Schoener presented the operator's report for August 2013, a copy of which is attached to these minutes.

Ms. Schoener then introduced Mr. Bostick who explained how the water from the City would be blended with the District's water.

Ms. Schoener next reported that the coloring books and water kits had been delivered to the schools in conjunction with the District's participation in the Waterwise Program. She noted that brochures regarding same would be included in the District's water bills for the month.

The Board then discussed the implementation by the Governor of the Stage 1 drought plan. Mr. Lord stated that Harris County MUD No. 261 will be adopting an amended Drought Contingency Plan to conform with the requirements of the North Harris County Water Authority. The Board requested that a blacklined copy of the District's current plan be emailed to the Directors showing the proposed changes to the plan.

Ms. Schoener then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month was 95%.

Ms. Schoener reported on repairs and maintenance at District facilities.

Following discussion on the operator's report, upon a motion made by Director North and seconded by Director Going, 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 North to terminate utility service to customers with delinquent accounts. Director Going 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 City of Houston (the "City") still needs to complete the inspection of the off-site meter station in connection with finalizing the 12-inch waterline along Fairbanks North Houston. He stated that once the District receives final approval it will begin receiving water from the City at water plant no. 2.

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 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 the contractor anticipates completion of construction by the end of December, but noted that the completion date is dependent on the completion of the 12-inch water transmission line project and the completion of the methane gas venting system and disinfection system upgrades. Ms. Cooper informed the Board of special electrical requirements associated with equipment within a 25-ft radius of methane release points. She inquired if the Board desired to upgrade from a WP-1 motor (\$40,000) to a TEFC motor (\$61,900) that is less susceptible to a hostile environment. She recommended that the Board keep the WP-1 motor, which has been ordered but was temporarily placed on hold, and extend the well casing and air release valve vent piping 31 ft. in the air to get outside the 25 ft. radius. Ms. Cooper informed the Board that Jacobs will not utilize the previously authorized \$17,000 to design a forced-air ventilation fan for the ground storage tank (GST) because Water Equipment & Treatment Services (WETS) provides a recommended design. However, Jacobs performed calculations to determine the required fan capacity and they will need to evaluate ventilation equipment WETS' proposes, evaluate existing electrical equipment within 25-ft of methane release points, and design the electrical system for the fan and any required changes to existing electrical. Ms. Cooper said Well 3 must not operate without the GST fan in service. She discussed the possibility of purchasing a spare fan, but recommended using Well 1 instead of Well 3 if the fan becomes disabled. Ms. Cooper provided pictures of an air stripper and said that one could be required if methane levels exceed the level in the sample

collected in June. She also provided a "Methane Gas & Groundwater" information sheet to the Board. She informed the Board that due to the decision to keep Well 1 in service, the existing LAS storage tank is adequate, but duplicate chlorination and LAS equipment are required. Ms. Cooper requested authorization to utilize the remainder of the previously approved \$17,000 for electrical design associated with the fan and additional disinfection system equipment. Mr. Dybala then presented pay estimate No. 8 in the amount of \$129,447 from W.W. Payton Corporation ("Payton") and recommended approval of same.

Mr. Dybala recommended that the Board authorize an inspection of the ground storage tank and the hydropneumatic tank (collectively the "Tanks") while the well is down.

After review and discussion, Director Going moved that the Board approve the installation of the WP-1 motor, the use of the remaining \$17,000 for design, pay estimate No. 8 as recommended by the District's engineer and inspection of the Tanks. Director Farrell seconded the motion and it carried by unanimous vote.

ATTORNEY'S REPORT

Resolution Regarding Annual Review of Investment Policy and Disclosure Statement

Mr. Lord informed the Board that the District is required to annually review its investment policy and adopt a resolution in connection therewith. He stated that no changes are necessary at this time. Mr. Lord also reported that the District's investment officer must annually prepare a disclosure statement that will be filed with the Texas Ethics Commission. He stated that the District's bookkeeper who is also the investment officer has prepared the statement for filing. After review and discussion, Director Farrell moved that the Board adopt the Resolution Regarding Annual Review of Investment Policy, a copy of which is attached to these minutes, and accept the Disclosure Statement from the Investment Officer. Director Going seconded the motion and it carried unanimously.

BUILDING OFFICE MANAGER'S REPORT

Ms. Lueb stated that work to replace the marquis portion of the sign in front of the building is ongoing.

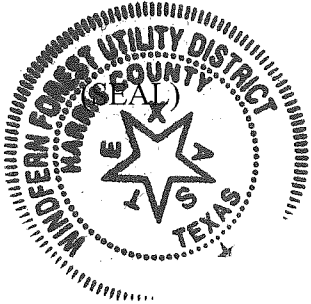
REPORT ON MATTERS DISCUSSED AT THE MEETING OF THE WHITE OAK BAYOU JOINT POWERS BOARD

Director Mendel review the minutes of the August meeting. He stated that the board is waiting on Jersey Village to decide how it will finance the repairs to the Plant before taking any other action.

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

KESchock

Secretary, Board of Directors



ATTACHMENTS

bookkeeper's report	2
tax assessor/collector's report for the month of August	2
delinquent tax attorney's report	3
operator's report for August 2013.....	3
engineer's report	4
Resolution Regarding Annual Review of Investment Policy	5