

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

October 15, 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 October 15, 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 and Corey Bostick of TOPS; David Dybala and Tojuana Cooper of Jacobs Engineering Group, Inc.; Cathy Wheeler of Wheeler & Associates; Lieutenant Applewhite of Harris County Constable's Office, Precinct 4; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP.

**PUBLIC HEARING**

The Board convened a public hearing to receive comments regarding a proposed tax rate for 2013. There were no residents in attendance to make comments on the proposed tax rate and the public hearing was adjourned upon a motion made by Director Going and seconded by Director Farrell.

**CONVENE REGULAR MEETING OF THE BOARD**

The Board next convened the regular monthly meeting of the Board of Directors.

**ORDER LEVYING TAXES**

The Board discussed adopting a tax rate for 2013. Following discussion, a motion was made by Director Going and seconded by Director Farrell to adopt an Order Levying Taxes establishing a tax rate for 2013 of \$0.52 per \$100 assessed valuation, consisting of a \$0.30 component for debt service and a \$0.22 component for operation and maintenance. The motion carried by unanimous vote. A copy of the Order, thus adopted, is attached and considered a part of these minutes.

### **AMENDED INFORMATION FORM**

Mr. Lord stated that it is necessary for the District to file an Amended Information Form with the Texas Commission on Environmental Quality (the "TCEQ") and Harris County reflecting the newly adopted tax rate for 2013. Following discussion, a motion was made by Director Going to approve an Amended Information Form and authorize its filing with the TCEQ and Harris County. The motion was seconded by Director North and carried unanimously.

### **DROUGHT CONTINGENCY PLAN**

Mr. Lord next presented an Amended Drought Contingency Plan that conforms to the requirements of the North Harris County Water Authority and noted that Harris County MUD No. 261 had adopted same. After review and discussion, Director North moved that the Board adopt the Amended Drought Contingency Plan as presented. Director Going seconded the motion and it carried unanimously. A copy of the Plan is attached as an exhibit to these minutes.

### **AMENDED RATE ORDER**

The Board then considered adopting an Amended Rate Order to increase the water rates from a minimum of \$5.00 to \$8.00 to generate additional funds to help pay for the improvements at the White Oak Bayou Joint Plant. After discussion, Director Mendel moved that the Board adopt the Amended Rate Order to increase the minimum water rates to \$8.00 with the rate change to be effective on January 1, 2014. Director Farrell seconded the motion and it carried unanimously.

### **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**

Lieutenant Applewhite reported on security matters within the District for the month of September 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 September 18, 2013 to October 15, 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 September 30, 2013.

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 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 September, a copy of which is attached. She reviewed the report, stating that as of September 2013, the District's 2012 taxes are 99.29% collected and the 2011 taxes are 99.86% collected. Ms. Wheeler also presented checks nos. 2383-2388 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. The Board discussed the delinquent account of Walter Paige. Ms. Wheeler stated that the delinquent tax attorney confirmed with HCAD that Mr. Paige has not filed for a deferral. She noted that she had prepared a letter to Mr. Paige regarding the delinquency and explaining the options of filing for deferral or for an installment payment plan. Ms. Wheeler noted that she also informed Mr. Paige that the District plans to authorize the delinquent tax attorney to file suit if contact is not made by the end of the year.

## **OPERATOR'S REPORT**

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

Mr. Bostick reported that the pressure settings were initially started high and gradually reduced until there was a little feedback of water from the line..

Ms. Schoener then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month was 96%.

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

Following discussion on the operator's report, upon a motion made by Director Going and seconded by Director North, 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 Going to terminate utility service to customers with delinquent accounts. Director North 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 contractor needs to address some minor comments at water plant no. 2 in connection with finalizing the 12-inch waterline along Fairbanks North Houston. He stated that he anticipates providing all final closeout documentation at the November meeting.

Mr. Lord reported that he was contacted by the attorney for Harris County MUD No. 23 regarding impact fees that the City of Houston is charging for water. He stated that the City also has taken the position that it does not have to approve the "take" increases when requested by water districts. Mr. Lord stated that discussions are underway regarding the possibility of hiring outside counsel to work with the City regarding these issues with the cost of same to be split by the consortium of districts participating in the discourse.

#### 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 presented Change Order No. 3 to the contract in connection with the mitigation of methane gas from the well, disinfection system improvements to chlorinate water from wells 1 and 3 and monitoring and protective equipment related to methane gas and chemical disinfection at plant. She stated that the change order includes recommended Methane Gas Pilot Testing at a cost of \$3,500, which does not include laboratory analytical costs. Ms. Cooper said the Contractor will bill for lab analytical work at cost plus 20%, and she will provide a budget estimate next month. Ms. Cooper noted that approval of the change order will result in construction completion in January 2014. After discussion, Director Schoelman moved that the Board approve Change Order No. 3 in the amount of \$112,780. Director Farrell seconded the motion and it passed by unanimous vote.

Ms. Cooper requested the Board consider authorizing additional General Consultation ("GC") funds associated with managing the methane gas issue. She stated that such

authorization would utilize any balance remaining from the previously authorized \$17,000 in GC funds for design related to gas mitigation, electrical, and disinfection system improvements for the project. Ms. Cooper stated that the dollar amount for consideration will be presented at the next meeting. Director Mendel expressed disappointment in how piecemeal the project has been brought to the Board. Ms. Cooper stated that the methane issue was not foreseeable when the project scope was developed, and authorization associated with determining a solution for the methane gas problem and coordinating corresponding design efforts was not previously requested because all factors were not foreseeable. Director Mendel requested Jacobs provide documentation at the next meeting to confirm that the District has received all credit previously due to them from Jacobs.

Director Mendel questioned whether the project will exceed the cost of the bond issue. Mr. Dybala stated that he it does appear that it will exceed the cost of the issue.

### **BUILDING OFFICE MANAGER'S REPORT**

Director Schoelman stated that work on the sign in front of the building is complete, but noted that there are some problems with the lock.

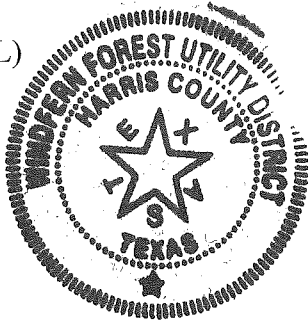
### **REPORT ON MATTERS DISCUSSED AT THE MEETING OF THE WHITE OAK BAYOU JOINT POWERS BOARD**

Director Mendel review the minutes of the September 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.

  
Secretary, Board of Directors

(SEAL)



**ATTACHMENTS**

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