

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

September 15, 2015

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 15, 2015, and the roll was called of the duly constituted officers and members of the Board, to wit:

Eddie Mendel	President
Pat Going	Vice President
Kurt Schoelman	Secretary/Treasurer
Shari North	Assistant Secretary
Karen Hlavenka	Assistant Vice President

and all of said persons were present, thus constituting a quorum.

Also present were Elizabeth Stinsman of Harris County, Precinct 4; Drew Masterson of First Southwest Company; Shane Layson of Shane’s Fence Company; John Elder of Acclaim Energy; Mary Lutz of McLennan & Associates; Ryan Fortner of Wheeler & Associates; Eric Martin and Deano Wright of TOPS; Shawn Sharkey of Jacobs Engineering Group, Inc.; Lieutenant Jolly and Constable Jennifer McCants of the Harris County Constable’s Office, Precinct 4; Carol Lueb, administrator for the DAB; and Clark Lord and Debbie Russell of Bracewell & Giuliani LLP.

APPEARANCES BEFORE THE BOARD

Ms. Stinsman addressed the Board regarding opportunities to work with Harris County, Precinct 4. Director Schoelman questioned whether there could be cooperation through the County to construct a trail. Ms. Stinsman confirmed that was a possibility.

SECURITY REPORT

Constable McCants reported on security matters within the District for the month of August 2015.

APPROVE MINUTES

The Board reviewed the minutes of August 18, 2015. Following discussion, upon a motion made by Director North and seconded by Director Schoelman, the Board voted unanimously to approve the minutes of July 21, 2015, as revised.

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

Ms. Lutz presented the bookkeeper's report, a copy of which is attached to these minutes, for the period August 18, 2015 to September 15, 2015. 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, 2015.

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

OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016

The Board next reviewed the draft operating budget for the fiscal year ending September 30, 2016. After review and discussion, Director Going moved that the Board approve the operating budget for the fiscal year ending September 30, 2016. Director Hlavenka seconded the motion and it carried unanimously.

PROPOSED TAX RATE FOR 2015 AND AUTHORIZE PUBLICATION OF NOTICE OF HEARING

Mr. Masterson reviewed a tax rate analysis with the Board for the year 2015. Following discussion, a motion was made by Director Mendel and seconded by Director Going to adopt a proposed tax rate of \$0.50 per \$100 valuation, comprised of a \$0.25 component for debt service and a \$0.25 component for maintenance and operation, and authorize publication of a Notice of Hearing regarding the proposed tax rate. The motion carried by unanimous vote.

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

Mr. Fortner next presented the tax assessor/collector's report for the month of August, a copy of which is attached. He reviewed the report, stating that as of August 2015, the District's 2014 taxes are 99.25% collected and the 2013 taxes are 99.71% collected. Mr. Fortner also presented checks nos. 2519-2527 for payment.

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 and payment of the tax bills.

DELINQUENT TAX ATTORNEY REPORT

There was no delinquent tax attorney report for the month.

FENCE REPLACEMENT AT THE DAB

The Board next discussed the repair or replacement of the fence at the DAB. Mr. Layson reviewed the options available for same. He also reported on a material that can be applied that will help preserve the wood so that the fence will last longer. The Board also discussed the repairs to the gazebo and the painting of the iron fence. After lengthy discussion, Director Hlavenka moved that the Board authorize replacement of the wood fence, application of the preservation spray material, repair of the gazebo and the painting of the iron fence at a total cost of \$14,835. Director Schoelman seconded the motion and it passed by unanimous vote.

OPERATOR'S REPORT

Mr. Martin presented the operator's report for August 2015, a copy of which is attached to these minutes.

Mr. Martin then reviewed a joint water production and accountability report with the Board and reported that water accountability for the prior month was 91%.

Mr. Martin reported on repairs and maintenance at District facilities. He also reported that additional flushing of the water lines was conducted due to odor complaints. Director Mendel suggested that water well number 3 not be utilized unless it is absolutely necessary. The Board then discussed the length of time that super chlorination of the well would eliminate odors. Mr. Sharkey reported that the effect should last approximately one year. He stated that an additional option for issues of this nature is to add a chlorine injection line as you return the pump to the well after the super chlorination is complete. Director Mendel requested that the engineer provide additional information regarding super chlorination including an estimate of the cost of same.

The Board then discussed the repair charge for the private water line near the Stoney Way Townhomes (the "Townhomes"). Mr. Martin explained that the Townhomes has agreed to pay for the repair and the District has been issued a reimbursement for same.

Mr. Martin next reported that the priority one repairs are complete on the fire hydrants in the District. The Board requested that the operator proceed with the priority two and three repairs over the next few months and then paint the hydrants in January 2016.

Mr. Martin then recommended that the Board authorize the replacement of all water meters with usage in excess of one million gallons.

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 and authorize the replacement of the meters as recommended by the operator.

Amendment to the Agreement with TOPS for Operating Services

Mr. Martin reported on the proposed fee changes to the District's original agreement with TOPS. Director Mendel stated that he objects to the charge for the trucks and trailers that are used to transport equipment to the site of a repair.

After discussion, Director Mendel moved that the Board approve the amendment to the agreement with TOPS to add the new rate schedule as presented with such rates to commence on October 1, 2015. Director Schoelman seconded the motion and it carried by unanimous vote.

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. Mr. Martin 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:

Emergency Generator at Water Plant No. 1

Mr. Sharkey reported that the District could purchase and install an emergency generator for approximately \$300,000. Mr. Elder reported that the District could consider installing a larger generator with an agreement to sell power back to the grid. He stated that the District can receive financing for 15 years for the \$464,000 purchase and installation cost and receive revenue sufficient to pay the cost of same. In response to a question regarding the annual cost of the generator, Mr. Elder responded that the cost for maintaining and monitoring the generator is projected to be \$8,000/year. After discussion, the Board authorized the District's attorney to work with Mr. Elder to finalize the details and negotiate a contract in connection with the possible purchase and installation of a generator as discussed and deferred further action on the matter.

After discussion, Director North moved that the Board accept the engineer's report. Director Schoelman seconded the motion and it carried unanimously.

BUILDING OFFICE MANAGER'S REPORT

Ms. Lueb requested that the Board approve a check to Shane's Fence Company for the down payment on the fence and gazebo work. She also reported that a request was made to use the building for a yoga class. Ms. Lueb stated that the prior policy for use of the building was that it would be only for events that did not generate revenue for the user. The Board approved the check to Shane's Fence Company and agreed that the usage of the DAB would be permitted only if it did not generate revenue for the user.

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

Director Mendel reported on matters discussed at the August meeting. He stated that the new blower for the Plant was delivered. Director Mendel also reported that there will be a meeting with the TCEQ regarding the possible removal of the metals requirement from the permit.

ATTORNEY'S REPORT

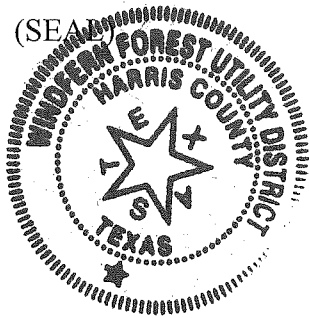
Resolution Regarding Annual Review of Investment Policy and Disclosure Statement

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 Going 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 North seconded the motion and it carried unanimously.

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



Secretary, Board of Directors



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