

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

September 20, 2016

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 Lane, Houston, Texas, on September 20, 2016, 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 Diane Doyle of McLennan & Associates; Avik Bonnerjee and Rebecca Olvera of B & A Municipal Tax Service, LLC; Eric Martin and Deano Wright of TOPS; Shawn Sharkey of Jacobs Engineering Group, Inc.; Drew Masterson of Hilltop Securities; Sergeant Curry of the Harris County Constable’s Office, Precinct 4; Carol Lueb of the DAB; and Clark Lord and Debbie Russell of Bracewell LLP.

APPEARANCES BEFORE THE BOARD

There were no appearances before the Board.

SECURITY REPORT

Sergeant Curry reported on security matters within the District for the month of August 2016.

APPROVE MINUTES

The Board reviewed the minutes of August 16, 2016. Following discussion, upon a motion made by Director Going and seconded by Director North, the Board voted unanimously to approve the minutes of August 16, 2016, as revised.

PROPOSED TAX RATE FOR 2016 AND AUTHORIZE PUBLICATION OF NOTICE OF HEARING AND MEETING DATE FOR PUBLIC HEARING

Mr. Masterson reviewed a tax rate analysis with the Board for the year 2016. Following discussion, a motion was made by Director Mendel and seconded by Director Going to adopt a proposed tax rate of \$0.49 per \$100 valuation, comprised of a \$0.24 component for debt service and a \$0.25 component for maintenance and operation, authorize publication of a Notice of

Hearing regarding the proposed tax rate, and establish October 18, 2016 to conduct the hearing on the tax rate. The motion carried by unanimous vote.

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

Ms. Doyle presented the bookkeeper's report, a copy of which is attached to these minutes, for the period August 16, 2016 to September 20, 2016. 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, 2016. Ms. Doyle then presented the monthly investment report for the period ending August 31, 2016.

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

Operating Budget for Fiscal Year Ending September 30, 2017

The Board next reviewed the draft operating budget for the fiscal year ending September 30, 2017. After review and discussion, Director North moved that the Board the operating budget as presented. Director Hlavenka seconded the motion and it carried by unanimous vote.

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

Mr. Bonnerjee 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 2016, the District's 2015 taxes are 99.44% collected and the 2014 taxes are 99.68% collected. Mr. Bonnerjee also presented the checks for payment. He then requested the Board's approval to move the uncollectable personal property accounts to uncollectable roll.

Following discussion on the tax assessor/collector's report, upon a motion made by Director Hlavenka 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 from Perdue Brandon Fielder Collins & Mott.

OPERATOR'S REPORT

Mr. Martin presented the operator's report for August 2016, 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 92%. Mr. Martin reported on repairs and maintenance at District facilities.

Upon a motion made by Director Schoelman and seconded by Director Hlavenka, 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. 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 Schoelman to terminate utility service to customers with delinquent accounts. Director Hlavenka seconded the motion, which 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 to the investment policy are necessary at this time, but noted that the broker/dealer list has been updated to reflect any banking changes. 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 Schoelman seconded the motion and it carried unanimously.

Attendance at the AWBD Conference

The Board next discussed attendance at the January AWBD conference. Upon a motion made by Director Going and seconded by Director Schoelman, the Board voted unanimously to authorize all interested directors to attend the conference.

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

The Board next discussed installation of the generator at water plant no. 1. Mr. Sharkey reported that Power Secure completed the start-up and testing procedures on the generator on September 8, 2016. He also reported that the Emergency Preparedness Plan is complete and will be submitted to the TCEQ. Mr. Sharkey reminded the Board that the GenMax: Interactive Distributed Generation Program will begin in January 2017.

TCEQ Elevated Storage Tank Waiver Application

Mr. Sharkey next informed the Board that the engineer for Harris County Municipal Utility District No. 261 has indicated that the Elevated Storage Tank Waiver Application needs to be updated with current water production data. He noted that once this update is complete, the Application will be submitted to the TCEQ.

Booster Pump

Mr. Sharkey informed the Board that the booster pump performance tests indicate that the current booster pump capacity is in compliance with the TCEQ's minimum water system capacity requirements. After discussion, Director North moved that the Board accept the engineer's report. Director Going seconded the motion and it carried unanimously.

BUILDING OFFICE MANAGER'S REPORT

Ms. Lueb reported that the re-stripping of the parking lot is complete. She stated that she has requested a bid from Teakwood for power washing the building. Ms. Lueb next reported that the work on the playground area is on hold until the weather improves.

Building Rental Fees

Director Schoelman suggested that the Board consider increasing the rental fees for the building and use same to purchase amenities for the building and District. He also suggested renting the building for commercial events. After further discussion, Director Hlavenka moved that the Board authorize the following rental fee increases effective January 1, 2017: Fridays and Saturdays - \$200, Sundays - \$100 and Monday through Thursday - \$75. Director Schoelman seconded the motion and it carried by unanimous vote. Director Schoelman stated that the increase in fees could be used to fund the purchase of an electronic sign for the front of the building. He presented a sample proposal for same for the Board's review. Director Mendel stated that he was not in favor of using the fees for amenities. Directors Going, Hlavenka and North expressed an interest in obtaining more information for such a sign. Director Schoelman stated that he would obtain an additional proposal for a sign and would notify the Board of the location of sign that is currently in use at another district so that everyone can evaluate the sign.

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 of the White Oak Bayou Joint Powers Board.

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

Secretary, Board of Directors

(SEAL)

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