

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT
HELD ON MARCH 10, 2020**

The Board of Directors of the **NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT** held a meeting on Tuesday, March 10, 2020, at 2370 Eastex Freeway, Beaumont, Texas.

Present were Mark McKee, Lisa Fenner and Robert Griffin. Kyle Knipple was absent. Also present were Paul Sweatt, Joey Keel of Keel Enterprises, Kathy Smartt of Piney Woods Sanitation, Ms. Conway as a resident of the District and Guy N. Goodson of Germer PLLC as legal counsel to the District.

A quorum being present, the meeting was called to order at 4:10 p.m. by President McKee.

There were no public comments.

The Board recognized Kathy Smartt who presented the Board with a request for a rate increase of \$15.75 per customer, an increase of \$0.50 from the current rate of \$15.25 for garbage service. Ms. Smartt also stated that Piney Woods would propose a possible contract amendment to provide for only once a week garbage pickup which would reduce the cost to \$13.00 per customer. A discussion followed, and Ms. Smartt noted that the setout for the second day of collection during the week (Friday) was significantly lower than the first setout date (Tuesday). The Board discussed the proposal and tabled the matter until the next meeting so that Director Knipple and any Board member serving the Board vacancy could have input as well.

The Minutes of the January 14 and February 11, 2020 meetings were approved upon motion duly made by Director Fenner and seconded by Director Griffin.

The Board considered the action on Certification and Order as to Unopposed Status of Director Candidates for the May 2, 2020 election, and upon motion duly made by Director Fenner and seconded by Director Griffin, the Certification and Order as to Unopposed Status of Director Candidates was approved as presented.

The Board recognized Joey Keel and President McKee who noted that he and Director Fenner had met with Mr. Sweatt, Mr. Goodson and Heather to discuss certain utility system operational issues and several matters concerning meter reads and disconnects. Mr. Keel provided his utility operations report and indicated there had been a low level of activity in the District during the month. He reported on meter readings, disconnects and affirmed that Keel Enterprises was still performing six or more disconnections and reconnections each month. President McKee stated that the item on purchase of materials could be removed from the agenda, and Mr. Keel stated he had no report or updates on matters relative to the City of Beaumont/City of Bevil Oaks.

Mr. Keel noted that the new pump was running approximately an hour longer per week than the older meter of the District. He then noted that this had some affect on the electrical invoice of the District as it took longer for this pump to engage. Mr. Keel went on to say that PumpTex had done some additional piping and work at the site, but he was not certain of the purpose. It was suggested that PumpTex be requested to attend the next meeting for an updated report.

President McKee provided a report on the water meter replacement project and a proposal presented by Rural Pipe & Supply to provide material only for a meter replacement project. President McKee indicated he had received proposals from two other possible water meter representatives and/or installation companies and was expecting an additional report. A discussion then followed from legal counsel regarding the procurement of the replacement water meters and the subsequent installation of those by the District's

contracted utility operator. Further, the Board discussed the possibility of a pilot project or a one-time complete replacement, and the Board determined that they wished to proceed with pricing and undertaking a project for a complete replacement of existing meters and curb stops as necessary. President McKee asked that this matter be tabled and placed on the next agenda as an action item.

President McKee stated the matter on utility system billing, remittances and reconciliation corrections had previously been discussed and addressed. The Board again tabled consideration of increasing the late fee until the full Board could be in attendance.

President McKee stated he would provide information to the Board and legal counsel so that this agenda item may be eliminated for future Board meetings as there was no report, and the District was simply waiting for action from FEMA/TDEM on closeout of the second project worksheet.

The Board entered a lengthy discussion concerning the need for timely receipt of financial and investment reports. Mr. Sweatt explained that due to the timing of receipt of some of the larger accounts payable of the District, a meeting in or around the 10th of each month was before he would be able to complete an accurate profit and loss statement for the preceding month. The Board indicated they wished to receive in any event the most current monthly financial report information available prior to the date of the meeting when the agenda was received. Legal counsel also noted that the investment report, while being provided monthly, was a quarterly review responsibility of the Board. President McKee stated that notwithstanding the requirements of quarterly review, the Board wanted to receive and review the investment report on a monthly basis.

Legal counsel indicated this agenda item would be to ratify this submitted Jefferson County Tax Roll Resolution previously required to be submitted. Upon motion duly made by Director Griffin and seconded by Director Fenner, the Board ratified the submission of the Jefferson County Tax Roll Resolution.

The Board recognized Mr. Sweatt who presented the February 19, 2020 management letter for the District along with the financial statements for the year ended September 30, 2019. Mr. Sweatt noted that on page 2 of the report under the Independent Auditors Report, the District had received a clean opinion. A brief discussion then followed of the statements of activities, and Director Fenner asked if it would require that the District move to approve the audit. Legal counsel noted the District actually received and filed the audit and that the audit was to be filed with the Texas Commission on Environmental Quality (“TCEQ”) within 135 days of the close of the fiscal year, so the District was already slightly behind. After discussion and upon motion duly made by Director Fenner and seconded by Director Griffin, the Board approved the audit, and then requested its filing with the TCEQ and the County. Legal counsel noted that if the Board had any questions on either the financial statements, the notice to the financial statements or the additional reports required by the TCEQ, this could be added to the next agenda.

The Board recognized Ms. Conway who had attended the meeting and indicated her interest in serving on the Board. She noted that her father had been a Board member. Comments then followed, and President McKee stated there were two other individuals who had expressed interest and who would be given an opportunity to present themselves to the Board. The Board anticipated taking action to fill the Board vacancy at its next meeting based on the decision to table action. The Board tabled action on Agenda Item No. 14 and 15.

Comments from Board members followed.

There being no further business before the Board, the meeting was adjourned at 5:52 p.m.

Northwest Forest Municipal Utility District

President

ATTEST:

Secretary