

**MINUTES OF THE REGULAR TELEPHONIC MEETING OF
THE BOARD OF DIRECTORS OF
NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT
HELD ON APRIL 7, 2020**

The Board of Directors of the **NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT** held a telephonic meeting on Tuesday, April 7, 2020, at 2370 Eastex Freeway, Beaumont, Texas.

Present were Mark McKee, Lisa Fenner, Kyle Knupple and Robert Griffin. Also present were Paul Sweatt, Roger Croley and Justin Hidalgo as prospective director candidates and Guy N. Goodson of Germer PLLC as legal counsel to the District.

Agenda Item No. 1: Call to Order. A quorum being present, the telephonic meeting was called to order at 3:30 p.m. by President McKee.

Agenda Item No. 2: Executive Session to interview prospective Director candidate Roger Croley. The Board immediately moved to executive session to interview prospective director candidates. President McKee stated that the video session would be locked except to the Board members and the prospective interview candidate. President McKee then opened the executive session to director candidate Roger Croley who was thanked for his interest in the Board and was asked to provide a brief background on his relationship to the District, his personal background and interest in serving on the Board. Mr. Croley asked the Board for their consideration and stated he had moved into his house in District the week before Hurricane Harvey hit. Comments from the Board followed, and Mr. Croley then advised he was the CPA associated with a local CPA firm and part of their practice was the auditing of special districts, such as Northwest Forest MUD along with emergency service districts and other governmental clients, and because of his participation in audits for other special districts, he became interested in the business of the District. Mr. Croley then acknowledged that the District had a CPA as part of its management team and had another local accounting firm providing the independent audit. Mr. Croley went through a number of items of interest to him, and the Board provided questions. At 3:45 p.m., the interview with Mr. Croley was closed.

Agenda Item No. 3: Executive Session to interview prospective Director candidate Justin Hidalgo. Board President acknowledged that prospective director candidate Justin Hidalgo had joined the meeting. Mr. Hidalgo joined the meeting by video conference and provided information concerning his background, both in the public sector and private sector, and explained his reasons for his interest in the Board in hopes of continuing to improve the community through service on the Board. Questions then followed from the Board, and at 4:00 p.m., the executive session with Mr. Hidalgo closed. President McKee stated he was reopening the session to the public.

Agenda Item No. 4: Public Comments. The public session opened at 4:02 p.m., and President McKee asked for any public comments. There being no persons on the call other than the Board, Mr. Sweatt and legal counsel, President McKee moved to Agenda Item No. 5.

Agenda Item No. 5: Minutes. The Minutes of the meeting of March 10, 2020 were approved upon motion duly made by Director Knupple and seconded by Director Fenner.

Agenda Item No. 6: District utility system operational issues.

- **Report from utility operator.** President McKee asked if Mr. Keel had been able to join the call, and Mr. Keel did not respond, so the Board moved to the review of the Utility

Operator Report for the month. Director Knipple was recognized who said he still had difficulty with the invoice provided by Utility Specialties and requested that the District secure from its operator in the future three separate invoices (one for monthly operational issues, a separate invoice for disconnects and reconnects and a third for service calls to customer callouts with details).

- **Meter repairs.** Director Knipple stated that he still was concerned about the necessity for certain callouts and charges made by the contractor to the District and noted an example of a callout for water running near a meter, only to determine that the person calling in the service request had no issues with the meter, and the water runoff was a next door neighbor's property who was properly using their water service. Director Knipple stated this was simply to ensure that the District's callout procedure for service calls was followed as well as a better accounting for disconnects and reconnects which would be discussed later in the meeting under Agenda Item No. 10.
- **Meter reading/disconnects.** The Board noted there were still issues with the meter reading, disconnect and reconnects, and an issue was discussed concerning a customer who had come in prior to initiating ownership of service, had paid their deposit and set up for a connection as of the date of the closing and occupancy of her home. After occupying the home, her service was disconnected due to the disconnect request of the prior property owner. The Board indicated there needed to be better coordination with work order disconnects and reconnects, particularly, when at the same address to determine if these were transfers of services and to ensure that in the future, no customers taking possession of a property were disconnected after service was initiated due to a disconnect for prior service request or issues.
- **Authorization or ratification of purchase of material for meter and utility repairs.** The Board indicated this item could be removed.
- **Report/update on issues relative to City of Beaumont/City of Bevil Oaks.** The Board indicated this item could be removed.

Agenda Item No. 7: Presentation by Kathy Smartt regarding our contract w/Piney Woods Sanitation. Director Knipple asked that this discussion begin with whether the Board should make a recommendation and vote on one of the proposals presented by Piney Woods Sanitation for either a rate increase or a service modification. Director Fenner indicated she would support the service modification and lower fee. A discussion then followed concerning what would happen with customer accounts and whether their rate be lowered by a concurrent amount to that provided to the District by Piney Woods, or if the other request was taken and a rate increase was approved would that be absorbed by the District. Director Knipple noted he had not been able to attend the last meeting and requested this matter be tabled until the next Board meeting so there would be an opportunity to review the request and determine if customer input should be received before acting on either a service rate increase or a modification in service.

Agenda Item No. 8: Pump issues. The Board thanked Director Knipple who provided a report which reviewed additional operational improvements that had been made, and it appeared the system was working as anticipated, and the run time of this pump (approximately 1 hour longer than the other pump)

was acceptable. The Board thanked Director Knipple for his report and indicated this agenda item could be removed from the next Board meeting agenda.

Agenda Item No. 9: Water meter replacement project. President McKee noted he had previously provided the Board with a copy of a proposal from Rural Pipe & Supply, had attempted to secure three other proposals and was receiving one from Fluid Meter and Aqua Metric. He stated he would provide those to the Board so this matter could be taken up as an action item in a future meeting. President McKee noted the proposals varied as to whether they would be equipment and technology only or equipment, technology and installation as some companies had proprietary bids and installation included. Director Knipple then noted that the Keel invoice for installation to support a project if awarded to an entity like Rural Pipe & Supply, which was only providing equipment and technology, was a higher rate than the verbal estimate that had been given at an earlier meeting. Director Knipple asked that the Board review the written proposal from Keel Enterprises as the process of water meter installation progressed as they had not committed to Keel Enterprises to perform the installation services at this time.

Agenda Item No. 10: Update and possible action on utility system billing, remittances and reconciliation corrections:

- **Customer service issues.** President McKee thanked Director Knipple for continuing along with Director Fenner to monitor customer service issues.
- **Increase of late fees.** A discussion followed including an explanation from Mr. Sweatt that notwithstanding a payment due date and due to processing issues, no late fees would be assessed until 10 days beyond the date. While this was technically not a grace period, it was required for procedural issues. The Board continued the discussion, and upon motion duly made by Director Knipple and seconded by Director Fenner, the Board adopted a late fee increase from \$1.00 to \$10.00 to be effective in the next billing cycle with a notification of the increasing late fees to be provided on the bills sent to customers.

Agenda Item No. 11: Action on FEMA/Harvey Disaster Recovery Projects.

- **Review responses to PW-123 and PW-5839.** The Board reviewed the bids that had been received for improvements to the District's control building. Director Knipple was recognized and provided the Board with information from National Foundation proposing certain improvements for the addition in leveling of the control equipment slab of eight piers with the project cost of \$4,150.00. Director Knipple also noted he had received a proposal from Lunceford Construction in the amount of \$9,920.00 to completely remove the fencing and reinstall per the proposal that had been secured by Director Knipple. It was also noted from Keel Enterprises, Keel had proposed to fabricate two new aluminum lids at a cost of \$2,850.00. Collectively, it was noted that the proposed improvements as previously generally provided under PW-5839 were aggregated \$16,920.00, and the District had received approximately \$18,900.00 in FEMA reimbursements. After discussion and upon motion duly made by Director Knipple and seconded by Director Fenner, the Board authorized the three proposals from National Foundation, Lunceford Construction and Keel Enterprises to perform the services as outlined in the discussion.
- **Discuss update and further action on mitigation project closure.** It was again noted that a new date for mitigation projects, including project worksheets on direct administrative costs had been set for August 2020.

Agenda Item No. 12: Administrative, financial and Board reports:

- **Monthly financial report.** The Board received, reviewed and thanked Mr. Sweatt for his monthly financial statement including the Investment Report. Mr. Sweatt made comments on certain outstanding administrative issues.
- **Investment Report.** See above.
- **Administrative Report (Sweatt & Ellsworth).** See above.

Agenda Item No. 13: Board vacancy. The Board was asked to give comments on the candidates who participated by executive session including Ms. Conway who had been in attendance at the prior Board meeting. After review of the candidates and upon motion duly made by Director Fenner and seconded by Director Griffin, the Board voted three in favor of director candidate Roger Croley, and Director Knupple abstained.

Agenda Item No. 14: Reorganization of Board Officers. The Board tabled this agenda item until Mr. Croley could enter into service. The Board also noted they would advise the other two candidates they had not been selected, but due to possible additional changes on the Board, they would be contacted if another Board vacancy opened in the future.

Agenda Item No. 15: Comments form Board Members. None.

Agenda Item No. 16: Adjournment. There being no further business before the Board, the meeting was adjourned at 5:44 p.m.

Northwest Forest Municipal Utility District

President

ATTEST:

Secretary