

**MINUTES OF THE REGULAR TELEPHONIC MEETING OF
THE BOARD OF DIRECTORS OF
NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT
HELD ON MAY 12, 2020**

The Board of Directors of the **NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT** held a telephonic meeting on Tuesday, May 12, 2020, at 2370 Eastex Freeway, Beaumont, Texas.

Present were Mark McKee, Lisa Fenner, Kyle Knupple, Robert Griffin and Roger Croley. Also present were Paul Sweatt, Kathy Smartt of Piney Woods Sanitation, Joey Keel of Keel Enterprises 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 4:10 p.m. by President McKee.

Agenda Item No. 2: Recognize newly appointed Director Roger Croley. The Board recognized Director Croley, and legal counsel advised that he needed to contact his office or go online to make certain he had taken the Public Information Act and Open Meetings Act training provided on the Texas Attorney General website and to print and provide back the Certification of Completion for the District's records.

Agenda Item No. 3: Public Comments. None.

Agenda Item No. 4: Minutes. The Minutes of the meeting of April 7, 2020 were approved upon motion duly made by Director Knupple and seconded by Director Griffin.

Agenda Item No. 5: Presentation by Kathy Smartt regarding Contract w/Piney Woods Sanitation. The Board recognized Kathy Smartt to discuss the Piney Woods Sanitation Contract. It was requested by Director Knupple that the Board secure from Piney Woods Sanitation proposals both for continuation of twice a week service at the proposed increased price of \$15.75 and the alternate proposal for once a week service for \$13.00 as the District's contract with Piney Woods was to expire in the next few months. The Board could approve a contract extension and any change in contract terms effective with the beginning date of a new contract. The Board thanked Ms. Smartt for her participation in the call, and she noted that she would be providing shortly a proposal for contract extensions for consideration.

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

- **Report from utility operator.** The Board recognized Mr. Keel who gave his report as utility operator and provided an invoice from Magna Flow Environmental in the amount of \$3,500.00 for the proposed cleaning of the lift station. A lengthy discussion followed concerning the lift station cleaning project, and Mr. Keel noted there was an excessive amount of debris which may be occasioned by residents, including tenants, placing matters into the sewage system that were inappropriate. A discussion followed, and it was agreed that the Board needed to undertake an education process on the inappropriate placement of grease and other waste materials in the sewer system. Mr. Keel also stated there was possible additional chemical treatment solutions to mitigate some of the cost associated with the lift station cleaning that should be explored. Director Knupple asked if the Board could undertake a policy to impose more stringent matters on residents misusing the District's utility systems. Legal counsel stated he would provide a draft Water and Sewer Use Order similar to that provided to a neighboring jurisdiction to eliminate certain matters as the District receives its water supply and sewer service from

the City of Beaumont. President McKee asked Director Fenner to assist in drafting educational material to place in the billing and with the Homeowner's Association as to these waste product issues of the District.

- **Meter repairs.** Mr. Keel noted there had only been a minor number of meter repairs.
- **Meter reading/disconnects.** Again, Mr. Keel noted there had been a decrease in the meter readings and disconnects, and the Board did inquire as to the meter reading and disconnect at 13065 Aspen. Director Fenner stated she would investigate the matter and determine if it was a disconnect/reconnect due to a non-payment or a service change due to sale of the property. The Board discussed the meter reading and disconnects further, and it was asked that in the drafting of the Water and Sewer Use Order, payment of cutoffs and re-establishment of service fee be addressed.
- **Cleaning of roadway ditches leading to lift station.** The Board asked, and it was confirmed about the areas along the roadway and roadside ditches leading to the lift station that were the responsibility of the District, and the Board directed Mr. Keel to clean, slope and grade those areas.
- **Correspondence with ESD #1 on fire hydrants and reflectors.** It was noted that the Fire District had asked that the City of Bevil Oaks, Northwest Forest Municipal Utility District and Meeker Municipal Water District collaborate in the paying and replacement of reflectors on fire hydrants. President McKee noted he had stated to the representatives of the ESD that the District would be happy to participate, but felt it should be on a pro rata basis based on the hydrant count rather than simply dividing the cost among the three entities equally. President McKee noted he had not heard back from the ESD, but the project had been concluded.

Agenda Item No. 7: Pump issues. President McKee and Director Knuppel both stated along with Mr. Keel that the recent storm events had led to significant issues with the new pump not priming, and that related facilities were being damaged due to overheating as well as continuing priming issues. Mr. Keel stated these issues would definitely affect the life expectancy of the plant, and the design of this particular system may not have simply taken in sufficient data related to demands from the service provided by the City of Beaumont to the City of Bevil Oaks and to technical capabilities of the existing pump. Mr. Knuppel was asked to have a representative of PEMSCO and the pump manufacturer available for the next regular scheduled meeting of the Board.

Agenda Item No. 8: Water meter replacement project. President McKee stated he was going to secure one more quote and then present to the Board proposals to be discussed for either a partial or complete new replacement project. The Board received information from Mr. Sweatt as to the District's net income from year to date of approximately \$116,000.00. Legal counsel noted the Board could determine whether to do a contract for replacement of all meters or do it over a stage process, but the maintenance and operation of the tax district could not increase significantly for additional capital projects due to caps placed on increases of maintenance and operation tax by the 2019 Texas Legislature.

Agenda Item No. 9: Utility system billing, remittances and reconciliation corrections:

- **Customer service issues.** The Board recognized Director Fenner who gave a report on customer service issues including the write-up of collectable accounts in the amount of approximately \$1,426.03.
- **Write-offs on uncollectible accounts.** A discussion followed including recommendations from legal counsel and Director Croley that uncollectible accounts be written off annually prior to the initiation of the annual audit of the District. After discussion and upon motion duly made by Director Fenner and seconded by Director Croley, the Board authorized the write-offs of uncollectible accounts up to \$1,500.00 for the current fiscal year.
- **Service cut-off process.** The Board then moved to a discussion of the service cut-off process and the requirement for a service reconnect to be based on payment of the outstanding amount of prior past due utility service cost. The discussion led to a request from Director Knipple which was provided by a screen for benefit of the Board of the segregation by the District's operator and invoices into three separate invoices, one comprising of contracted billing operation and meter reading cost together with mowing, a separate invoice for meter connects and disconnects and a third for service calls not related to meter connects or disconnects. Mr. Keel stated he would work with his staff to provide a proposal for providing that additional service to the District. The Board thanked Mr. Keel who left the meeting.

Agenda Item No. 10: Action on FEMA/Harvey Disaster Recovery Projects.

- **Review responses to PW-123 and PW-5839.** President McKee stated that PW-123 had been closed out, and the District's remaining PW's were PW-1257 for the well site. Mr. Knipple noted that in this project, the foundation had been leveled by National Foundation, and an invoice had been submitted to the District for payment, and Lunceford was continuing to work on the fencing, but Director Knipple was not satisfied with the speed in which the work was being completed. It was noted by President McKee and Director Knipple that possible interim securing with temporary fencing might be required by District. Director Knipple stated he would be providing an updated report from Lunceford on a completion date for the fencing. President McKee then noted that the additional outstanding FEMA Project Worksheet was 5837 having to do with direct administrative costs. He noted that all the documentation had now been filed for the requested reimbursement of \$9,642.67.

Agenda Item No. 11: Administrative, financial and Board reports:

- **Monthly financial report.** Mr. Sweatt provided the final April financial report which included the investment report. Mr. Sweatt again noted the District had received and the reason the accounts payable were higher for the month was due to the additional invoices including that of National Foundation for the work at the lift station. Mr. Sweatt also noted that based upon the comments being with the PW's, the District had received two deposits from FEMA, one in the amount of \$1,547.58 and one in the amount of \$3,189.90, and there was no explanatory information given for these direct deposits. Legal counsel stated it would not be matters related to the current conditions but would have to be related to payments being processed for the Texas Department of Emergency Management on behalf of FEMA, and as that was the source of the funds, they were probably related in

some manner to project worksheets in the process of completion. President McKee and Mr. Sweatt stated they would determine the deposits and if they were in fact to be provided by the District based upon current projects.

- **Investment Report.** See above.
- **Administrative Report (Sweatt & Ellsworth).** See above.

Agenda Item No. 13: **Reorganization of Board Officers.** It was noted the District should reorganize the Board following each election even with the election being canceled due to no contested races. After discussion and upon motion duly made by Director Fenner and seconded by Director Griffin, the Board unanimously approved the following slate of officers: President, Mark McKee; Vice President, Kyle Knupple and Secretary, Lisa Fenner.

Agenda Item No. 14: **Comments form Board Members.** Director Knupple stated the District should restart its efforts to set up a website. After discussion, the Board recommended that a website committee be set to ensure that the project proceeded.

Agenda Item No. 15: **Adjournment.** There being no further business before the Board, the meeting was adjourned at 6:00 p.m.

Northwest Forest Municipal Utility District

President

ATTEST:

Secretary