

**REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The regular meeting of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, November 18, 2019, at 6:30 p.m. at the offices of the District pursuant to notice duly posted in accordance with the law. The following members of the Board were present:

David Pitchford

Jimmy Burk

Nick Carter

David Desormeaux

Roger Smith

Also present were Roger Fussell, Carla Belt and Robb Starr as employees of the District, Jeff Leavins of LJA Engineering and Guy N. Goodson of Germer PLLC as legal counsel for the District.

Agenda Item No. 1: Prayer and Pledge. A quorum being present, the meeting was called to order by Vice President Smith who also led the prayer, and the pledge was led by President Carter.

Agenda Item No. 2: Public Comments of Agenda Items. None.

Agenda Item No. 3: Minutes. The Minutes of October 21, 2019 were approved as presented.

Agenda Item No. 4: Capacity and Construction Approval – Palace Drive – 6 lots – Clint Baxxlee, owner. The Board recognized Jeff Leavins who presented his capacity and construction report for Palace Drive, 6 lots, Clint Baxxlee, owner. Mr. Leavins reviewed the site location of the proposed development and reviewed the plat map. Mr. Leavins then reviewed the water and sewer system capacity study and noted the existing facilities of the District and in conclusion noted that the water production, water storage and water distribution facilities were sufficient for the proposed six (6) residential connections as was the wastewater treatment plant which was currently at 50% of capacity. Director Desormeaux noted a correction that needed to be made in reference to the number of units for development as stated in the capacity study, and Mr. Leavins stated that he would note that change. After discussion and upon motion

duly made by Director Desormeaux and seconded by Director Pitchford, the Board provided capacity and construction approval to Palace Drive, 6 lots, Clint Baxxlee, owner.

Agenda Item No. 5: Capacity and Construction Approval - 7988 Keith Road – 3 lots – Donna Fontaine, owner. The Board again recognized Jeff Leavins who provided the project location prior to reviewing the water and sewer capacity study. Mr. Fussell provided comments noting the proposed plans for development of the three (3) structures on the property under consideration. Mr. Leavins then proceeded to review the existing water, sanitary sewer and wastewater treatment facilities to provide service to the proposed location and reviewed the water demands and the proposed sewer rate flows and concluded that both the water production and water storage facilities were sufficient to serve the proposed development and remain within TCEQ design criteria, and the District currently had sufficient sanitary sewer collection and wastewater plant facilities to serve the proposed development. After discussion and upon motion duly made by Vice President Smith and seconded by Director Pitchford, the Board provided capacity and construction approval to 7988 Keith Road, 3 lots, Donna Fontaine, owner.

Agenda Item No. 6: Amendment to Construction Approval dated May 18, 2018 – Copper Point Phase VII – 28 lots – Kevin Boykin, owner. The Board was presented with the proposed amendment, but due to site review by the developer and its consultants, Mr. Fussell requested that the Board table consideration of Agenda Item No. 6 until the next meeting of the Board.

Agenda Item No. 7: District Participation with the City of Lumberton on development of the Splash Park located at the Lumberton City Park. The Board recognized Roger Fussell who stated that he had hoped that a representative of the City might have been in attendance to discuss in more detail the proposed Splash Park. Mr. Fussell stated that the Board should consider placing this on a future agenda and allow the City an opportunity to provide more detail to the proposed recreational facilities. Mr. Fussell did provide information on anticipated water demands for a 90-plus day high usage period in the summer months and possibly somewhat longer prior to and following the summer months. Mr. Fussell reviewed the possible demand and water cost that the District might incur, and the Board asked that Mr. Fussell

collaborate with the City to try to develop more information on the usage and the role of the District in the facility. Mr. Fussell stated he would try to schedule a future meeting with the City on the Splash Park.

Agenda Item No. 8: Status Update – Legal Counsel – Defined Area – Brampton-Essential. The Board recognized legal counsel who stated since the canvass of returns at the prior special Board meeting, he had contacted the County Clerk who advised that all post-election matters required by the Election Code and/or the Secretary of State had been completed for the constitutional amendment election and the special elections authorized by the County to conduct on behalf of the local government units. Legal counsel noted that because the County would become involved in a number of primary, local government and presidential election matters in 2020, he planned to provide to the County Clerk a detailed certification/affidavit to address the County's participation and services handled in the November 5th defined area election.

Agenda Item No. 9: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who presented the bank statement and check register for BBVA Bank and Wells Fargo Bank noting the account balances at each. The Board was then presented with the accounts payable registry for the month noting a significantly higher November check register in the amount of \$541,877.71. Ms. Belt noted that the significant increase was due to the Jordan Drive Lift Station repair performed by Allco in the amount of \$222,549.00. The Board then was provided with detailed information on the October 2019 budget to date showing revenue of \$639,260.47 and disbursements of \$472,017.26 together with debt service payments and capital expenditures resulting in a cash income for the month of \$48,464.74. Ms. Belt then reviewed the 2019-2020 capital budget noting the purchase of the centrifuge control panel for the wastewater treatment plant in the amount of \$53,388.47 together with additional improvements providing for a total capital budget disbursement for the month of \$54,928.37. Ms. Belt then reviewed the maintenance and repair budget year-to-date, the monthly chart, and the overtime cost summary

followed by customer adjustments. The Board provided questions, and Ms. Belt stated that she would provide supplemental information on adjustments as requested by the Board.

B. Presentation of Production Report and Operations Report. The Board recognized Robb Starr who noted in his Operations Report no water or wastewater plant excursions or sample failures but did provide detailed information on a near miss in the injury report. Mr. Starr noted that the overtime summary showed a lower than average amount, and the Board then was presented with the Production Report, and questions followed. Mr. Starr presented the charts and graphs for water system operations, system pumping and usage, customer usage profiles, wastewater plant flow and the updated report on ammonia followed by his presentation of the yearly rainfall records for a 10-year period showing the District's current rainfall. The Board was then presented with the vehicle maintenance and mileage report followed by the log of complaints. The Board then thanked Mr. Starr for his presentation.

C. Presentation of Important Dates. Mr. Fussell was recognized and provided information on new TCEQ rulemaking on handling of administrative orders and notices of violation, one of which the District would receive and acted upon by December. Mr. Fussell stated he would provide more information at that time. Mr. Fussell also noted that the District's wastewater permit renewal would be in late summer of 2020, and the District was undertaking initial steps through its consulting engineers at LJA and sub-consultants to provide the wastewater permit renewal application. Mr. Fussell did note that as this would occur in the next fiscal year, the District would budget for the approximate \$60,000 to \$80,000 for testing requirements required as a part of the permit renewal process. Finally, Mr. Fussell noted the changes with the manner in which AT&T was authorizing contractors to perform line locates. Mr. Fussell reviewed the 811 law requirements and noted that the District anticipated it would have future issues with line locates through AT&T. Mr. Fussell stated he was continuing to try to work to develop a better collaborative process to ensure the minimal amount of damage in any new line installation. Mr.

Fussell did note that AT&T had advised that it was planning to update a significant portion of its fiber optic system in and around the City of Lumberton, and this would provide additional challenges for the District.

Agenda Item No. 10: Public Comments. None.

Agenda Item No. 11: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 12: Executive Session. The Board moved into executive session at 7:28 p.m. to discuss the status of the new Manager search.

Agenda Item No. 13: Action of Executive Session. The Board reconvened from executive session at 7:39 p.m., and President Carter indicated that the Board had moved to name Rob Starr as the Interim General Manager with a review in 6 months, but with his General Manager compensation to begin as of January 1, 2020. After discussion and upon motion duly made by Director Pitchford and seconded by Vice President Smith, the Board named Mr. Starr as the Interim General Manager.

Agenda Item No. 14: Adjournment. There being no further business, the meeting was adjourned at 7:41 p.m.

ATTEST


Secretary of the Board


Vice President of the Board