

**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, September 16, 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 Desormeaux

Roger Smith

David Pitchford

Absent: Jimmy Burk

Absent: Nick Carter

Also present were Roger Fussell, Carla Belt and Robb Starr as employees of the District, Harold Graves of Wathen, Deshong & Juncker, LLP, 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 Director Smith. The prayer was led by Director Pitchford and the pledge followed by Director Smith.

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

Agenda Item No. 3: Minutes. The Minutes of August 19, 2019 were approved as presented.

Agenda Item No. 4: Public Hearing on Proposed 2019 Tax Rate. The public hearing was convened at 6:30 p.m.

Agenda Item No. 5: Close Public Hearing on 2019 Tax Rate. There being no members of the public present, the public hearing was closed at 6:33 p.m.

Agenda Item No. 6: Adoption of the 2019 Tax Rate. After discussion and presentation from the District Manager and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the 2019 tax rate for the District at the amount of \$0.091200/\$100 valuation was adopted as presented.

Agenda Item No. 7: 2019 Notice to Purchaser Document. The District received a presentation from District Manager Roger Fussell noting that the District had no annexed property and reviewed the annual filing of the District's Information Form which would now include the current tax rate of \$0.091200/\$100 valuation. After discussion and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the Board authorized the 2019 Notice to Purchaser. Mr. Fussell stated that he would secure the signatures of all Board members and present to the County for filing.

Agenda Item No. 8: Capacity Approval – Park Road North – 8 lots – PICA Investments, Inc., owner. The Board recognized Jeff Leavins who provided his capacity report which noted no water distribution facilities to the immediate area of the proposed development and a recommendation that a 6" water line be constructed from the proposed development to the 6" water line on the east side of U.S. Highway 69 in accordance with District design construction criteria and standards. Mr. Leavins noted there was sufficient water production and water storage facilities to provide for service to this proposed development. Additionally, it was noted there was no sewer collection system to the immediate area, and it was recommended that a residential sanitary sewer grinder pump station be constructed at each of the 8 lots which would then pump to the existing 20" sanitary sewer force main on the west side of Highway 69. Mr. Leavins closed by noting the District had sufficient wastewater treatment capacity for the addition of this development which would not increase the percentage of permitted usage in the District's wastewater treatment plant. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board granted capacity approval to Park Road North, 8 lots, PICA Investments, Inc., owner.

Agenda Item No. 9: Revised Capacity Approval – 6460 North Fawn – revised from 12 lots to 18 lots – Andrew Withers, owner. It was noted that the developer, Andrew Withers, had requested a revision from 12 lots to 18 lots. The previous capacity approval was reviewed along with the updated capacity information provided by the District Manager denoting that the District had sufficient water system facilities and sanitary sewer collection and treatment facilities to serve the development, as revised. After

discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board granted capacity approval to 6460 North Fawn, increasing the number of residential lots from 12 to 18.

Agenda Item No. 10: **Capacity and Construction Approval – 375 & 385 Talpa Trail – Harper Custom Homes, owner.** The Board received a presentation from Jeff Leavins denoting the property owner had previously proposed the construction of two lots on Talpa Trail and now was revising the plat to show three residential connections, rather than two. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board authorized capacity and construction approval for 375 & 385 Talpa Trail, Harper Custom Homes, owner.

Agenda Item No. 11: **Final Approval – Copper Point Phase II – 37 lots – Kevin Boykin, owner.** The Board received a report from Roger Fussell and after discussion and upon motion duly made Director Pitchford and seconded by Director Desormeaux, the Board authorized final approval of Copper Point Phase II, 37 lots, Kevin Boykin, owner.

Agenda Item No. 12: **Presentation of 2018-2019 audit of District financial records, Wathen, Deshong & Juncker, LLP.** The Board recognized Harold Graves who presented the District's audit noting the District had received a clean audit, and the auditors had no issues with management in relationship to the audit engagement. Mr. Graves then presented the management discussion and analysis with an overview of the financial statements including the fund financial statements, the governmental funds, proprietary funds, notes to the financial statements and other information including that required to be submitted by the Texas Commission on Environmental Quality. Mr. Graves reviewed specifically within the notes to the financial statement, changes in the cash and investments of the District, changes in the long-term debt general obligation and revenue bond and the pension obligations of the District funded through the Texas County and District Retirement System. Mr. Graves also reviewed information on FEMA funds received after Hurricane Harvey. Mr. Graves closed with a review of the statement of revenue expenses and changes in that position and noted certain managerial improvements in inventory

control. Following the presentation, the Board received the 2018 audit as presented by Wathen, Deshong & Juncker, LLP.

Agenda Item No. 13: **Status Update – Legal Counsel – Defined Area – Brampton-Essential.** Legal counsel noted the District was proceeding to collaborate with the County Clerk on the conduct of the November 5th Election.

Agenda Item No. 14: **Manager’s Report.**

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who presented the bank statements from BBVA Compass Bank and Wells Fargo and moved to a review of the check register noting disbursements in the amount of \$303,179.34, including one Harvey item in the accounts payable. Ms. Belt then reviewed the budget year-to-date followed by a review of the capital budget, five year-to-month averages for revenues and certain over budget items in the financials.

B. Presentation of Production Report and Operations Report. The Board recognized Robb Starr who indicated the District had experienced no injuries in the prior month, and there had been no excursions and all test results and plans were within permit. Mr. Starr noted the overtime was normal and then reviewed the Productivity Report, the Vehicle Report, the Monthly Chart and the Customer Usage Profile.

C. Presentation of Important Dates. The Board then recognized Mr. Fussell who indicated certain matters regarding people claiming to be representatives of the District at customers residences which were non-district employees, and the matter was reported to the authorities. Mr. Fussell also reported on an anticipated TCEQ enforcement issue and on the discussion with the latest FEMA representative on various portions of outstanding project worksheets for the District.

Agenda Item No. 15: Executive Session. The Board then moved into executive session at 7:42 p.m. The Board reconvened from executive session at 7:54 p.m. The meeting was then reconvened, and it was announced there was no action to be taken as a result of the executive session.

Agenda Item No. 16: Public Comments. None.

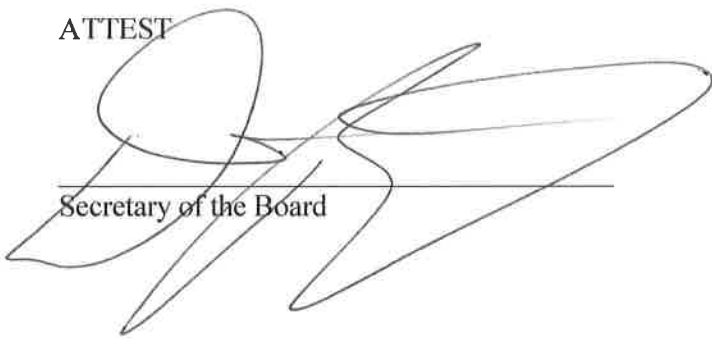
Agenda Item No. 17: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the accounts payable were approved for payment as presented.

Agenda Item No. 18: Adjournment. There being no further business, the meeting was adjourned at 7:55 p.m.



President of the Board

ATTEST



Secretary of the Board