

**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, June 17, 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

Jimmy Burk

Absent: Nick Carter

Also present were Roger Fussell, Carla Belt and Robb Starr as employees of the District, Mr. Hoffman as a representative of Brampton Essential, LP, 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 Pitchford at 6:45 p.m. Director Pitchford noted that Vice President Smith was delayed and would be joining the meeting shortly, and Board President Carter was unable to attend due to business commitments. The prayer was led by Director Burk and the pledge followed by Director Pitchford.

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

Agenda Item No. 3: Minutes. The Minutes of May 20, 2019 and special meeting of June 3, 2019 were approved as presented.

Agenda Item No. 4: Resolution 2019-2, a Resolution adopting a proposed plan for improvements in the Brampton-Essential defined area and a proposed plan of taxation to apply to the Brampton-Essential defined area. The Board recognized its legal counsel who presented the proposed timetable for the Brampton-Essential defined area project of the District. Legal counsel noted that his Associate, Kate Leverett, had prepared the schedule in accordance with the requirements of the Texas Water Code, Chapter 54. The Board reviewed the Resolution, and legal counsel noted the developer had advised that

the defined area would likely include additional acreage. Legal counsel noted that Mr. Hoffman with Brampton-Essential was present at the meeting and would address the matter in his portion of the presentation. Legal counsel reviewed other elements of the Resolution in addition to the boundary description of the proposed defined area. Legal counsel further reviewed the proposed projected bond requirements for water, sewer, drainage and paving. Legal counsel also reviewed the Notice of Hearing on the defined area and the procedures that would be required for publication and posting. The Board then moved to recognition of representatives of Brampton-Essential who reviewed the defined area and possible additional tracts to be included along with reviewing the proposed plan of taxation to apply to the Brampton-Essential defined area. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved Resolution 2019-2.

Agenda Item No. 5: Setting the date for Publication of Notice of the adoption of the proposed plan for the Brampton-Essential defined area. After review and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board set the dates for publication of the Notice on adoption of the proposed plan for Brampton-Essential as Sunday, June 30, 2019 and Sunday, July 7, 2019 with publication of the Notice to be in the District's newspaper of general circulation, the *Beaumont Enterprise*.

Agenda Item No. 6: Setting the date to conduct a Public Hearing on the proposed plans for the Brampton-Essential defined area. The Board noted that the public hearing was to be set at 6:30 p.m. on July 15, 2019, along with the regular meeting of the Board. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the date of the public hearing on the proposed plans for the Brampton-Essential defined area was unanimously approved and set as stated.

Agenda Item No. 7: Capacity and Construction Approval – Fletcher Road – 10 lots – Christopher Arnand, owner. The Board recognized Jeff Leavins who presented his capacity study dated June 2019. Mr. Leavins reviewed various aspects of the proposed development and the District's existing water, sanitary sewer and wastewater treatment facilities. Mr. Leavins recommended approval as there was adequate water system, sewer collection system and wastewater treatment plant capacity to serve the

proposed development. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board granted capacity and construction approval to Fletcher Road, 10 lots, Christopher Arnand, owner. Vice President Smith then joined the meeting.

Agenda Item No. 8: Capacity and Construction Approval – Briarwick Drive – 1 lot – 2 connections – George Killam, owner. The Board again recognized Jeff Leavins who reviewed the capacity study dated June 2019 for the proposed service. Mr. Leavins provided a location of the proposed service via the District's water and sewer maps and noted there were no issues with service capacity. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board provided capacity and construction approval for Briarwick Drive, 1 lot, 2 connections, George Killam, owner.

Agenda Item No. 9: Final Approval – Woosley Palms, Phase III – 35 lots – Chuck King, owner. The Board recognized Mr. Fussell who indicated that the letter of credit required for the 1-year maintenance of approved facilities had been provided to the District, and the District had made final inspection of the water and sewer facilities and recommended approval. After discussion and upon motion duly made by Director Burk and seconded by Vice President Smith, the Board provided final approval of Woosley Palms, Phase III, 35 lots, Chuck King, owner.

Agenda Item No. 10: Texas Railroad Commission Agreed Order, Docket No. 061413. The Board recognized Mr. Fussell who reviewed findings from the Texas Railroad Commission Agreed Order, Docket No. 061413 and the fine of \$1,000.00 that had been assessed due to the District damaging an existing gas utility line. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board approved the execution of Texas Railroad Commission Agreed Order, Docket No. 061413 and payment of the administrative penalty.

Agenda Item No. 11: 2019-2020 proposed Budget. The Board received the previously presented budget and noted the District revenues proposed of \$7,779,458.00 and proposed operating capital defined area and debt service expenses of \$7,740,296.00. After discussion and upon motion duly made by Director Desormeaux and seconded by Vice President Smith, the Board approved the budget as presented.

Agenda Item No. 12: 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 Bank. The Board then moved to the consideration of the accounts payable in the amount of \$285,342.13. Ms. Belt reviewed the May 19 budget to date for the 11-month period showing an operating income of \$54,148.32. It was also noted that the District had expended \$4,622.00 for the sanitary sewer initiative wastewater collection system program in the District's capital budget. Ms. Belt then presented the monthly comparison of system revenues along with overtime history and customer refunds. The Board then thanked Ms. Belt.

B. Presentation of Production Report and Operations Report. The Board recognized Robb Starr who provided the Production & Operations Report. Mr. Starr stated that the District's wastewater treatment facilities had two exceedances due to equipment malfunctions due to a bearing shaft at the wastewater treatment plant. Mr. Starr indicated that the equipment had been repaired. Mr. Starr also noted that the monthly report was a 5-week reporting period, so the overtime was higher than normal. The Board reviewed the Production Report, the Vehicle Mileage & Maintenance Report, information on dirty water reports and the Complaint Log which were due to a line blowout and was subsequently repaired. Mr. Starr also asked if the Board wanted to continue presentation of monthly charts and graphs concerning billing, water plant production, yearly usage and 5 and 10-year average vs. current usage. Mr. Starr also asked if the Board would like to continue to receive the usage and profile reports. The Board thanked Mr. Starr for these reports and asked that they continue to be provided. The Board reviewed the Vehicle Mileage & Maintenance reports, and the Board then thanked Mr. Starr for his report.

C. Presentation of Important Dates. The Board then recognized Mr. Fussell who advised that the District had participated in Entergy load balancing with Entergy, Texas, whereby, the District operated on generator power for a period of time, and Entergy took the District's load off its system. Mr. Fussell then noted that the District would receive a check

for the time in which Entergy's services were not being provided to the District. Mr. Fussell noted that the District's conference room was planned for use on June 26 and 27 for a flood resiliency program and in July would be used for a TCEQ program. Mr. Fussell also noted that he was continuing to work with the new FEMA project representative on closeout of 11 projects. Mr. Fussell closed with advising the Board that the contractor who had been selected to handle the emergency repair at the District's lift station would be unable to complete the project as proposed, and so the District was reviewing the proposals from the second proposer for the project, Allco, Inc., to determine if they could be awarded the emergency repair. Mr. Fussell indicated he would stay in contact with the Board in this regard.

Agenda Item No. 13: Public Comments. None.

Agenda Item No. 14: Payment of Bills. After discussion and upon motion duly made by Director Desormeaux and seconded by Vice President Smith, the accounts payable were approved for payment as presented.

Before concluding, Vice President Smith asked the status of the mobile home park in the District that had resulted in a TCEQ investigation. Mr. Fussell stated he understood that the matter was still being handled by TCEQ with the owners with the prospect that the matter would be taken to litigation if not resolved imminently.

Agenda Item No. 15: Adjournment. There being no further business, the meeting was adjourned at 7:55 p.m.



President of the Board

ATTEST



Secretary of the Board

July 15, 2019

Nick Carter, President
Lumberton Municipal Utility District Board of Directors

Dear President Carter,

This letter is my official notice to you and the Board of Directors of the Lumberton Municipal Utility District that December 31, 2019 will be my last day of work for the District. I am retiring.

I am excited about my upcoming retirement and the opportunities that may lie ahead. I want to thank you for all the support and guidance provided to me in the past 20 years. I have truly enjoyed my time being a part of the District and serving as its District Manager.

Please let me know what I can do to make the transition to my successor an easy task. I plan on working right up to my retirement date and anticipate great things for the District in the future. While I look forward to my retirement, I will miss being a part of the District and I trust the friendships I have developed here will last well into the future.

Again, I have truly enjoyed working here at the District and I wish the best for you, the Board, the staff, and the citizens of Lumberton.

Respectfully,



Roger Fussell