

**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, August 17, 2020, at 6:00 p.m. via ZOOM Webinar pursuant to notice duly posted in accordance with the law. The following members of the Board were present:

David Pitchford

David Desormeaux

Nick Carter

Jimmy Burk

Roger Smith (absent)

Also participating in the meeting via ZOOM Webinar were Robb Starr, Benny Lewis and Carla Belt as employees of the District, Jeff Leavins and representatives of LJA Engineering and Kate K. Leverett 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, the prayer was led by Director Pitchford 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 July 20, 2020 were approved as presented.

Agenda Item No. 4: Capacity and Out of District Approval - Exxpress Mart - 1465 Hwy 69 South-Tri-Con, owner. The Board recognized Robb Starr who gave a brief overview of the proposed capacity and construction approval request from Tri-Con, owner. Following Mr. Starr's presentation, the Board recognized Jeff Leavins who provided his review of the site and his water and sewer system capacity study. Mr. Leavins informed the Board that the water capacity study concluded there is capacity to serve; however, the area to be served is currently out of the District's CCN. Mrs.

Leverett informed the Board that the District could apply with the PUCT for a CCN modification to include this area into the District's CCN if this were something the District was interested in pursuing. Mr. Leavins went on to explain the cost associated with a CCN modification which would include mapping to include the area. Questions followed by the Board regarding the modification of a CCN and the steps involved. President Carter requested a more detailed presentation be made at an upcoming meeting regarding CCN modification. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the Board granted capacity and construction approval for Exxpress Mart - 1465 Hwy 69 South-Tricon, owner, subject to the required capital improvements set forth by LJA Engineering in its capacity study and confirmation whether the District can serve the area since it is currently outside the District's CCN.

Agenda Item No. 5: Wastewater Treatment Plant Capacity Update - LJA Engineering. The Board received a presentation from Mr. Starr and Mr. Leavins regarding the wastewater treatment plant capacity. Mr. Leavins explained to the Board that the current plant is having ammonia issues. Mr. Leavins went over the cost of a new wastewater treatment plant. Further, Mr. Leavins discussed the issues with the original plant which consist of disc velocity issues and high levels of BOD. Mr. Starr informed the Board that if a new wastewater treatment plant is ultimately needed, the Board would have to consider possibly issuing general obligation bonds to be approved by voters or a possible rate increase. The Board requested another report at its September meeting. No action was taken.

Agenda Item No. 6: Write-offs for the fiscal year July 1, 2018 thru June 30, 2019. The Board again recognized Mr. Starr who informed the Board there were less write offs this year than last year. The write off amount was \$17,405.55. Upon motion duly made by Director Burk and seconded by Director Pitchford, the write-off amount was approved. The motion passed unanimously.

Agenda Item No. 7: **Zoom Communication - Robb Starr, District Manager.** The Board recognized Mr. Starr who explained the additional cost included in continuing to hold the District meetings on the ZOOM platform. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the Board unanimously approved the reimbursement for ZOOM communications to Robb Star in an amount not to exceed of \$250.

Agenda Item No. 8: **2020 Certified Tax Roll.** The Board recognized Mr. Starr who presented the 2020 Certificate from the Hardin County Chief Appraiser. The 2020 Certified Appraisal Roll information stated the total taxable value for 2020 as \$1,315,739,898.00.

Agenda Item No. 9: **Establish Proposed Tax Exemption for the District.** The Board recognized Mr. Starr who stated the prior year exemptions were 20% Homestead Exemption, \$10,000 Disability Exemption, and \$10,000 Over 65 Years of Age Exemption. After discussion and upon motion duly made Director Burk and seconded by Director Pitchford, the Board unanimously approved the same exemptions for 2020.

Agenda Item No. 10: **2020 proposed tax rate at a tax per \$100 valuation not greater than the 2020 voter approved rate.** Mr. Starr presented the tax rate worksheet prepared by Hardin County and informed the Board the Voter-Approval Tax Rate for the year 2020 would be 0.086749. The Board took action to accept the proposed tax rate and would adopt after the public hearing to be held in September.

Agenda Item No. 11: **Set date for Public Hearing on 2020 Proposed Tax Rate.** The Board took action to schedule the public hearing on the 2020 proposed tax rate for Monday, September 21, 2020 at 6:30 p.m.

Agenda Item No. 12: **Manager's Report.**

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who reviewed the bank accounts at BBVA and Wells Fargo showing the account deposits and the collateral pledge from Wells Fargo Bank. The Board then moved to a review of the check register and accounts payable in the amount of \$428,230.21. Ms. Belt then reviewed the budget year-to-date and noted total disbursements for July 2020 equaled \$508,691.36 and cash income equaled \$78,730.69. Ms. Belt then moved to consideration of the capital improvement budget which noted disbursements of \$28,771.39. Finally, Ms. Belt reviewed the 5-year to month average report and noted again the budget items.

B. Presentation of Production Report and Operations Report. Following a review of the financial reports, the Board recognized Benny Lewis who presented the Production & Operations Report. Mr. Lewis noted the wastewater treatment plant had exceedances again which were discussed in the earlier presentation. The Board then recognized Jeff Leavins and other representatives of LJA Engineering who reviewed plant operational issues that were under analysis by LJA Engineering. Mr. Lewis and the representatives of LJA Engineering noted the District had experienced two significant mechanical problems, both issues with a clarifier which had been previously brought to the Board's attention as well as a blower that went out and had to be replaced. Additionally, the Board received the monthly charts and graphs of water usage, billing and customer profiles. Mr. Lewis then moved to a review of the complaint log.

C. Presentation of Important Dates. The Board then recognized Mr. Starr who stated the public hearing on the tax rate would be held at the beginning of the September meeting.

Agenda Item No. 13: Public Comments. None.

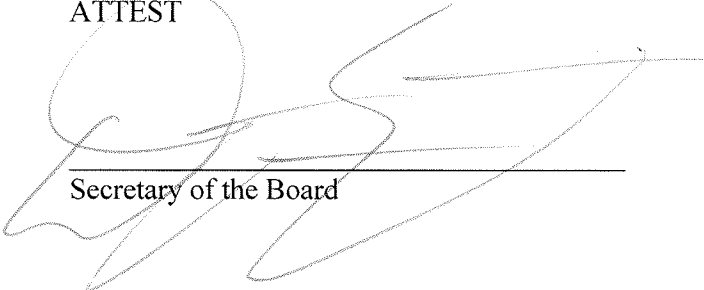
Agenda Item No. 14: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 15: Adjournment. There being no further business, the meeting was adjourned at 8:07 p.m.



President of the Board

ATTEST



Secretary of the Board