

Approval of Minutes
from
March 22, 2021
Board Meeting

**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, March 22, 2021, 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

David Desormeaux

Nick Carter

Roger Smith

Jimmy Burk

Also present were Robb Starr, Benny Lewis and Carla Belt as employees of the District, Toby Davis of LJA Engineering and Guy 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, the prayer and the pledge were led by President Carter.

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

Agenda Item No. 3: Minutes. The Minutes of February 22, 2021 were reviewed and approved as presented.

Agenda Item No. 4: Capacity Approval – Commercial Building – South LHS Drive and River Birch Drive – Vaquero Ventures, owner. The Board recognized Mr. Robb Starr followed by a presentation from Toby Davis on this proposed single facility commercial building connection who provided the mapping of the location and the capacity study completed by LJA Engineering dated March 13, 2021. Mr. Davis reviewed the report and noted certain effects on the water and wastewater system for the commercial connection and the proposed water consumption, the resulting water

pressure, the loading and the effect on the wastewater treatment plant. In conclusion, Mr. Davis noted the water facilities were adequate for the proposed development, but the District would be required to construct approximately 100 linear feet of 8" waterline from the proposed development to the 8" water line at the intersection of U.S. Highway 69 and River Birch Drive, and such line to be designed and constructed to meet the District's criteria and standards. Mr. Davis also stated the developer would be required to construct approximately 100 linear feet of 10" (anticipated diameter) sanitary sewer gravity line from the proposed development to the existing 10" sanitary sewer gravity line at the intersection of U.S. Highway 69 and River Birch Drive with said facilities as well to be designed and constructed per District specifications. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board provided capacity approval to the commercial building, South LHS Drive and River Birch Drive, Vaquero Ventures, owner.

Agenda Item No. 5: Construction Approval – Woosley Palms, Phase V – 18 lots – Chuck King, owner. The Board again recognized Mr. Starr who provided the map for the proposed 18-lot subdivision and noted the District had previously provided capacity approval. After discussion and upon motion duly made by Director Smith and seconded by Director Pitchford, the Board provided construction approval to Woosley Palms, Phase V, 18 lots, Chuck King, owner.

Agenda Item No. 6: Capacity Approval – Amendment to Capacity 2019 – 6 lots – Tranquility Forest Phase II, 9 lots – Clint Baxxlee, owner. The Board recognized Mr. Starr who reviewed the proposed revision and noted this project had been approved before, but the time period for the capacity study had expired, so the District had required the developer to provide an updated capacity study. Mr. Davis reviewed the capacity study, the water and sanitary sewer connection facilities, the effects on water pressure and District flow rates to the wastewater treatment plant. In conclusion, Mr. Davis stated the District's water production, storage and distribution facilities along with its sanitary sewer

collection and treatment facilities were adequate to provide capacity to the proposed revised addition. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board provided capacity approval for nine (9) lots, Tranquility Forest Phase II, Clint Baxxlee, owner.

Agenda Item No. 7: **Resolution 2021-02 Adopting Application for Residential Multi-Use Water/Sewer Construction.** The Board recognized Mr. Starr who stated the next three agenda items were matters related to the continuing review of the District's Water and Sewer Application and Construction Standards. Mr. Starr reminded the Board that due to differentiations between residential, multi-use water service and commercial water sewer service, the District was separating the applications, and Resolution 2021-02 would adopt the application for residential multi-use water/sewer construction. After review of the Resolution and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved and adopted Resolution 2021-02 Adopting Application for Residential Multi-Use Water/Sewer Construction.

Agenda Item No. 8: **Resolution 2021-03 Amending Application for Commercial Water/Sewer Construction.** Mr. Starr stated this was a continuation of the prior agenda item, and the Board reviewed the Commercial Water/Sewer Construction Application. After discussion and upon motion duly made by Director Smith and seconded by Director Pitchford, the Board unanimously approved Resolution 2021-03 Amending Application for Commercial Water/Sewer Construction.

Agenda Item No. 9: **Resolution 2021-04 Amending Construction Standards.** The District Manager noted this was not a comprehensive review of the District's construction standards, but rather a clarification of two exhibits that were currently shown incorrectly in the construction standards. Mr. Starr asked for the Board's consideration of Resolution 2021-04 which would provide an amendment to the District's construction standard for two exhibits as noted in the Board packet.

After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved Resolution 2021-04 Amending Construction Standards of the District.

Agenda Item No. 10: **Reimbursement – Robb Starr – District Manager – Zoom Video Communication and License Renewal.** The Board approved the reimbursement to Robb Starr for Zoom Video Communication in the amount of \$225.48 upon motion duly made by Director Smith and seconded by Director Desormeaux.

Agenda Item No. 11: **Manager's Report.**

A. Presentation of Financial Statement and Accounts Payable – Carla Belt.

The Board recognized Ms. Belt who reviewed the District's bank relations and noted the District had been advised that its depository at Wells Fargo would be changing, and there would still be a local office for Wells Fargo, but the primary relationship was with the Wells Fargo facility in Silsbee, Texas. The Board was advised it was paying approximately \$855.00 currently for fees to Wells Fargo Bank. Ms. Belt noted the additional depository, BBVA, was continuing to maintain its local office, but depository banking relations were more difficult to manage than those maintained with Wells Fargo. Legal counsel noted that under Chapter 49, Texas Water Code, the District was not required to go out and bid or solicit proposals for depository services, but if the Board wished to do so, his offices did prepare such request for depository services and could work with Ms. Belt and Mr. Starr to prepare a depository agreement. The Board asked for further information and then moved to consideration of the check register.

Director Burk asked specifically as to the payment in the amount of \$2,400 to National Network, and Mr. Starr reviewed the services including e-mail management, WiFi, the

firewall as well as monitoring maintenance for scanners and printers which were being handled by National Network, but due to other issues, he indicated that a possible change in the service provider may occur. The Board then finished its review of the accounts payable in the amount of \$290,103.13.

Ms. Belt then reviewed the budget year-to-date showing revenues and expenses and an income for the month of \$116,620.56. Ms. Belt then reviewed the budgeted capital improvements showing no outstanding disbursements for the month of February. The Board reviewed its 5-year to month average, overtime report and adjustments. Ms. Belt reviewed several items for adjustment including a significant water leak for certain customers and a misread of a meter resulting in an adjustment to a local commercial apartment. The Board discussed the recent events and the continued request for adjustments for customers who experienced line breaks and service outages following the winter storm.

B. Presentation of Production Report and Operations Report – Benny Lewis. The Board then recognized Mr. Lewis who began with a review of the System Operations Report showing seven ammonia exceedances. Mr. Lewis indicated the District had acquired 41 new aerator discs, installed those, and it seemed to be substantially enhancing the management of the ammonia issue at the wastewater treatment plant until the freeze. Mr. Lewis also provided the Board with two special reports on pages 4 and 5 of the Manager's Report detailing consumption callouts, overtime services and other matters related to the freeze followed by a graph showing water consumption during the freeze event in February 2021. Mr. Lewis continued by noting the substantial rise in callouts for the month which tripled during the freeze event, specifically the substantial after hour calls from approximately 15 per month to over 400 calls during the freeze events. Mr. Lewis then reviewed the monthly

report of activities on water pumpage and use average versus current pumpage along with average versus current billings followed by the wastewater treatment plant flow and the monthly review of the 3-year moving average of the wastewater treatment plant ammonia issues as well as the customer profile and usage reports. Mr. Lewis then reviewed the Production Report, and President Carter asked for some updated information on the number of subdivisions the District had approved, and Mr. Lewis stated he would try to provide this information. In the vehicle mileage and maintenance report, it was noted the District had expended \$12,664.91 on a Komatsu Mini PC-35, and questions followed on its age and the usage of the equipment. The Board was then provided with the monthly log of calls and the number of events around the storm all related to water leaks. The Board thanked Mr. Lewis for his report and moved to a consideration of the current projects.

C. Presentation of Current Projects – Robb Starr.

1. **Development of Property located Northeast of WWTP II.** The Board received a presentation from Mr. Starr on the possible purchase of property located northeast of Wastewater Treatment Plant #2 by DR Horton Homes and possible development and related issues and questions that might arise in the future about the possible request by a purchaser of said tract for access to District properties for location of drainage of facilities to serve the property.

2. **Community Bond Committee.** The Board then discussed the Community Bond Committee, and it was noted the District had recently filed its Project Information Sheet with the Texas Water Development Board updating cost for the proposed wastewater treatment plant project which would require some modification of information to be provided to the committee. Mr. Starr stated he hoped to have a committee meeting by mid-

May followed by a subsequent meeting as necessary for June recognizing the District had to complete its bond report and information to voters by July for an August date to call a November election. Mr. Starr also noted there was a recent problem near a manhole on Matthews and U.S. 69, and after further discussion, the Texas Department of Transportation stated it was their problem and asked the District to assist with some cost on that project.

D. Presentation of Directors' Reports.

1. **Payroll Calculation Changes.** The Board recognized Director Burk and Director Pitchford who reviewed a proposed outline of modification of a disaster pay plan for District employees, both hourly and exempt employees. The committee noted its desire was to define a disaster event as including not only state or county-wide events, but those which might be imposed only within the District, and they further noted the exact dollar effectiveness was yet to be determined, but the proposal might be for across the board approval. President Carter asked that the Board move to closed session as there were some legal issues which needed to be addressed with legal counsel before the disaster pay plan could be continued.

Executive Session. Pursuant to §551.072, Texas Government Code, the Board moved into executive session at 8:50 p.m.

Action Regarding Deliberation of the Executive Session. The Board reconvened at 9:40 p.m., and President Carter indicated there was no action taken as a result of the executive session, but legal counsel and the District Manager had been provided requests from the Board to clarify certain issues which may arise as the Board continued to consider the disaster pay plan, the events that would trigger and the persons that might be entitled to benefit from the plan.

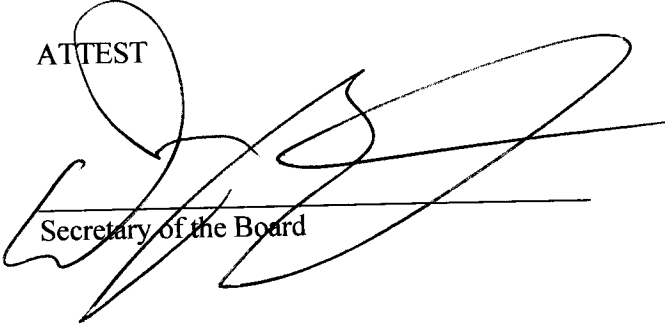
Agenda Item No. 12: Public Comments. None.

Agenda Item No. 13: 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. 14: Adjournment. There being no further business, the meeting was adjourned at 9:42 p.m.



President of the Board

ATTEST


Secretary of the Board