

NOTICE OF ELECTION

TO THE RESIDENT, QUALIFIED VOTERS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT

TAKE NOTICE that an election will be held in the Lumberton Municipal Utility District on November 2, 2021 CONCERNING THE ISSUANCE OF BONDS AND THE LEVYING OF A TAX IN PAYMENT THEREOF, ALL in obedience to an order duly entered by the Board of Directors of the Lumberton Municipal Utility District on August 5, 2021, which order reads substantially as follows:

AN ORDER CALLING A BOND ELECTION TO BE HELD BY THE LUMBERTON MUNICIPAL UTILITY DISTRICT, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO SUCH ELECTION

STATE OF TEXAS §
 §
COUNTY OF HARDIN §

WHEREAS, the Board of Directors (the “Board”) of the Lumberton Municipal Utility District (the “District”), located in Hardin County, Texas (the “County”), hereby finds and determines that an election should be held to determine whether the District shall be authorized to issue bonds of the District in the amount and for the purposes hereinafter identified (the “Election”); and

WHEREAS, as required by §49.106, Texas Water Code, there has been filed in the office of the District open to inspection by the public an engineer’s report and any supplemental letters or amendments covering the land, improvements, facilities, plants, equipment and appliances to be purchased or constructed and their estimated cost together with maps, plats, profiles and data fully showing and explaining the report (the “Engineering Report”), and the Engineering Report has been carefully considered and approved by the Board; and

WHEREAS, the Board finds that the estimate of probable costs as identified in **Exhibit “A”** to this Order of the design, construction, purchase and acquisition of the wastewater system facilities and additions thereto as well as incidental expenses connected with such improvements and the issuance of the bonds contained in the Engineering Report of \$74,275,000 is reasonable and proper and hereby approves same; and

WHEREAS, the Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District for the provision and improvements to a wastewater system in the maximum aggregate principal amount of \$74,275,000 and the levy of taxes in payment of such bonds; and

WHEREAS, the District will enter into Joint Election Agreement with the County, by and through its County Clerk (the “County Clerk”) in accordance with the provisions of Subchapter D of Chapter 31, as amended, Texas Election Code, or other applicable law, pursuant to which the County will assist with certain aspects of the Election on the District’s behalf; and

WHEREAS, as certain political subdivisions also may be conducting elections jointly with the County (such other political subdivisions, collectively, the “Participants”), the District may execute a Joint Election Agreement with the County and/or said Participants as authorized and entered into in accordance with the provisions of §271.002, as amended, Texas Election Code;

WHEREAS, the Board hereby finds and determines that the necessity to construct various capital improvements within the District necessitates that it is in the public interest to call and hold the Election at the earliest possible date to authorize the issuance of general obligation bonds for the purposes hereinafter identified; and

WHEREAS, the Board hereby finds and determines that the actions hereinbefore described are in the best interests of the residents of the District;

WHEREAS, the meeting of this Board of Directors at which this Order was adopted was open to the public and public notice of the date, time, place and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE LUMBERTON MUNICIPAL UTILITY DISTRICT THAT:

SECTION 1: The Election shall be held in the LUMBERTON MUNICIPAL UTILITY DISTRICT on the 2nd day of November, 2021 (“Election Day”), which is a uniform election date under the Texas Election Code, as amended, and is 78 or more days from the date of the adoption of this order (the “Order”), for the purpose of submitting the following proposition to the qualified voters of the District:

LUMBERTON MUNICIPAL UTILITY DISTRICT
(entity ordering the election)

PROPOSITION A

"SHALL THE BOARD OF DIRECTORS OF THE LUMBERTON MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO ISSUE AND SELL BONDS OF THE DISTRICT, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$74,275,000, FOR THE PURPOSE OF PAYING FOR AND FINANCING THE CONSTRUCTION AND EQUIPPING OF PUBLIC WORKS, INCLUDING THE WASTEWATER COLLECTION, TRANSPORTATION AND TREATMENT FACILITIES OF THE DISTRICT AND FOR RENOVATING, IMPROVING, EXPANDING, UPGRADING, MAKING ADDITIONS TO, REHABILITATING AND EQUIPPING EXISTING PUBLIC WORKS IN THE DISTRICT AND FOR MAPPING OF DISTRICT UTILITY SYSTEMS, AS FOLLOWS IN SUCH ORDER OF PRIORITY AS DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT, TO-WIT:

(i) DESIGN, CONSTRUCTION, RENOVATIONS, UPGRADES, EXPANSIONS AND EQUIPPING OF THE WASTEWATER COLLECTION, TRANSPORTATION AND TREATMENT SYSTEM OF THE DISTRICT INCLUDING PRETREATMENT AND POST SECONDARY TREATMENT OF WASTEWATER EFFLUENT,

(ii) DESIGN, CONSTRUCTION, RENOVATION, UPGRADES, EXPANSION AND EQUIPPING OF LIFT STATIONS,

(iii) PURCHASING LAND AND EQUIPPING OF BUILDINGS AND FACILITIES RELATED TO THE COLLECTION, TRANSPORTATION AND WASTEWATER TREATMENT SYSTEM OF THE DISTRICT,

(iv) INFRASTRUCTURE IMPROVEMENTS INCLUDING FLOOD MITIGATION AND DRAINAGE RELATED TO THE HEREINABOVE DESCRIBED PROJECTS,

(v) GEOGRAPHIC INFORMATION SYSTEM MAPPING OF DISTRICT UTILITY SYSTEMS,

(vi) ENGINEERING, SURVEYING, GEOTECHNICAL AND OTHER PROFESSIONAL SERVICES RELATED TO THE HEREINABOVE DESCRIBED PROJECTS, AND

(vii) COST OF ISSUANCE OF THE BONDS

WITH ANY REMAINING SURPLUS FUNDS AFTER PAYMENT OF THE HEREINABOVE PROJECTS AND COST OF ISSUANCE OF THE BONDS TO BE USED FOR CONTINGENCY AND THE CONSTRUCTION OF RELATED PUBLIC WORKS AND THE RENOVATION, ADDITIONS TO, IMPROVING AND EQUIPPING OF THE WASTEWATER TREATMENT SYSTEM IN THE DISTRICT; WHICH BONDS MAY BE ISSUED IN VARIOUS SERIES OR ISSUES, MAY BE SOLD AT ANY PRICE OR PRICES, SHALL MATURE SERIALLY OR OTHERWISE AND BEAR INTEREST AT SUCH RATE OR RATES (FIXED, VARIABLE, FLOATING, ADJUSTABLE OR OTHERWISE) AS SHALL BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT WITHIN ITS DISCRETION AT THE TIME OF ISSUANCE, BUT NOT TO EXCEED THE MAXIMUM MATURITY DATES AND INTEREST RATES NOW OR HEREAFTER AUTHORIZED BY LAW AT THE TIME OF ISSUANCE; AND SHALL THE BOARD OF DIRECTORS BE AUTHORIZED TO LEVY AND PLEDGE AND CAUSE TO BE ASSESSED AND COLLECTED ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE AND THE COST OF CREDIT AGREEMENTS, IF ANY, EXECUTED IN CONNECTION WITH THE BONDS, ALL AS AUTHORIZED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF TEXAS?"

SECTION 2: One or more District election precincts are hereby established for the purpose of holding the Election, and one or more polling places are hereby designated for holding the Election in the District election precincts as identified in **Exhibit "C"** to this Order (which is incorporated herein by reference for all purposes). At least 79 days prior to the scheduled Election Day, or as soon thereafter as is reasonably practicable, the President, Board of Directors, the District Manager, or the respective designees thereof, in coordination with the County Clerk, will appoint the Presiding Judge, Alternate Presiding Judges, Election Clerks, and all other election officials for the Election, together with any other necessary changes to election practices and procedures and can correct, modify, or change the exhibits to this Order based upon the final locations and times agreed upon by the District, the County Clerk, and other Participants, if any and as applicable, to the extent permitted by applicable law.

In the event the District, or its designee, shall determine from time to time that (a) a polling place hereafter designated shall become unavailable or unsuitable for such use, or it would be in the District's best interests to relocate such polling place, or (b) a presiding judge or alternate presiding judge hereafter designated shall become unqualified or unavailable, the District, or its designee, is hereby authorized to designate and appoint in writing a substitute polling place, presiding judge or alternate presiding judge, and correct or modify the exhibits to this Election Order, giving such notice as is required by the Election Code and as deemed sufficient.

The Presiding Judge shall appoint not less than two resident qualified voters of the District to act as clerks in order to properly conduct the Election. To the extent required by the Texas Election Code, as amended, or other applicable law, the appointment of these clerks must include a person fluent in the Spanish language to serve as a clerk to render oral aid in the Spanish language to any voter desiring such aid at the polls on Election Day. If the Presiding Judge appointed actually serves, the Alternate Presiding Judge shall serve as one of the clerks. In the absence of the Presiding Judge, the Alternate Presiding Judge shall perform the duties of the Presiding Judge of the election precinct.

Early voting in the election by personal appearance shall occur on each weekday from October 18, 2021, through October 29, 2021, which is not an official state holiday. The clerk for early voting shall be Hardin County Clerk. Early voting by personal appearance shall be conducted at the polling times and places attached hereto as **Exhibit "B"**. The early voting clerk's official mailing address to which ballot applications and ballots to be voted by mail may be sent is P.O. Box 38, 300 W. Monroe, Kountze, Texas 77625. Additional contact information for the early voting clerk is (409) 246-5185, email at hardincountyclerk@co.hardin.tx.us or website address of co.hardin.tx.us/page/hardin.Elections. Election Day voting held on November 2, 2021 from 7:00 a.m. to 7:00 p.m. will be conducted at the polling places as set forth in **Exhibit "C"**.

For the use of those voters who are entitled by law to vote early by mail, the early voting clerks shall provide each voter with a ballot with instructions to mark the ballot indicating his or her vote "FOR" or "AGAINST" the Proposition.

Additionally, permanent and/or temporary branch offices for early voting by personal appearance may be established and maintained in accordance with the Texas Election Code. In the event such permanent and/or temporary branch locations are established, information regarding the locations, dates, and hours of operation for early voting at these offices shall be determined by the County Clerk.

An Early Voting Ballot Board is hereby established for the purpose of processing early voting results. The Hardin County Clerk shall designate the Presiding Judge of the Early Voting Ballot Board. The Presiding Judge shall appoint not less than two resident qualified voters of the District to serve as members of the Early Voting Ballot Board.

SECTION 3: Electronic voting machines may be used in holding and conducting the Election on Election Day; provided, however, in the event the use of such electronic voting machines is not practicable, the Election may be conducted on Election Day by the use of paper ballots (except as otherwise provided in this section). Electronic voting machines or paper ballots may be used for early voting by personal appearance (except as otherwise provided in this section). As and if required by the Election Code, the District shall provide at least one accessible voting

system in each polling place used in the Election. Such voting system shall comply with Texas and federal laws establishing the requirement for voting systems that permit voters with physical disabilities to cast a secret ballot. As and if permitted by the Election Code, paper ballots may be used for early voting by mail.

Each voter desiring to vote in favor of a Proposition shall mark the ballot indicating "FOR" such Proposition, and each voter desiring to vote against a Proposition shall mark the ballot indicating "AGAINST" such Proposition. Voting shall be in accordance with the Election Code.

SECTION 4: The District shall also utilize a Central Counting Station (the "Station") as provided by §127.001, *et seq.*, as amended, Texas Election Code. The County Clerk, or the designee thereof, is hereby appointed as the Manager of the Station, who will establish a written plan for the orderly operation of the Station in accordance with the provisions of the Texas Election Code. The Board hereby authorizes the County Clerk, or its designee, to appoint the Presiding Judge of the Station, the Tabulation Supervisor, and the Programmer for the Station and may appoint Station clerks as needed or desirable. The County Clerk will publish (or cause to be published) notice and conduct testing on the automatic tabulation equipment relating to the Station and conduct instruction for the officials and clerks for the Station in accordance with the provisions of the Texas Election Code.

SECTION 5: The official ballot shall be prepared in accordance with the provisions of the Texas Election Code, as amended, so as to permit voters to vote "FOR" or "AGAINST" the aforesaid proposition which shall appear on the ballot substantially as follows:

**LUMBERTON MUNICIPAL UTILITY DISTRICT
PROPOSITION A**

FOR	()	"THE ISSUANCE OF \$74,275,000 OF LUMBERTON MUNICIPAL UTILITY DISTRICT UNLIMITED TAX BONDS AND LEVYING THE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS TO PAY FOR AND FINANCE THE CONSTRUCTION AND EQUIPPING OF PUBLIC WORKS INCLUDING (i) DESIGN, CONSTRUCTION, RENOVATIONS, UPGRADES, EXPANSIONS AND EQUIPPING OF THE WASTEWATER COLLECTION, TRANSPORTATION AND TREATMENT SYSTEM OF THE DISTRICT INCLUDING PRETREATMENT AND POST SECONDARY TREATMENT OF WASTEWATER EFFLUENT, (ii) DESIGN, CONSTRUCTION, RENOVATION, UPGRADES, EXPANSION AND EQUIPPING OF LIFT STATIONS, (iii) PURCHASING LAND AND EQUIPPING OF BUILDINGS AND FACILITIES RELATED TO THE COLLECTION, TRANSPORTATION AND WASTEWATER TREATMENT SYSTEM OF THE DISTRICT, (iv) INFRASTRUCTURE IMPROVEMENTS INCLUDING FLOOD MITIGATION AND DRAINAGE RELATED TO THE HEREINABOVE DESCRIBED PROJECTS, (v) GEOGRAPHIC INFORMATION SYSTEM MAPPING OF DISTRICT UTILITY SYSTEMS, (vi) ENGINEERING, SURVEYING, GEOTECHNICAL AND OTHER PROFESSIONAL SERVICES RELATED TO THE HEREINABOVE DESCRIBED PROJECTS, AND (vii) COST OF ISSUANCE OF THE BONDS."
AGAINST	()	

SECTION 6: All resident, qualified voters of the District shall be permitted to vote at the Election, and on Election Day, such voters shall vote at designated polling places. The Election shall be held and conducted in accordance with the provisions of the Texas Election Code, as amended, and as may be required by state or federal law. To the extent required by law, all election materials and proceedings relating to the Election shall be printed in both English and Spanish. The Board hereby finds that holding the Election on such date and for such purpose is in the public interest.

SECTION 7: In accordance with §4.003(a), Texas Election Code, a substantial copy of this Order shall serve as proper notice of the Election. This notice, including a Spanish translation thereof, shall be published at least one time in a newspaper of general circulation in the District, with such publication occurring not more than 30 days and not less than 10 days before Election Day. Additionally, in accordance with §4.003(b) and (f), Texas Election Code, this notice, including a Spanish translation thereof, shall be posted (i) on the bulletin board used for posting notices of Board meetings not later than 21 days prior to Election Day, (ii) in three public places within the District's boundaries not later than 21 days prior to Election Day, (iii) in a prominent location at each polling place on Election Day and during early voting and (iv) during the 21 days prior to Election Day, the District shall, in a prominent manner, post and maintain this Election Order as notice of the Election which contains the content of the Proposition and sample ballot language for the Election on its Internet website at **lumbertonmud.com**. The Secretary of the Board is hereby further directed to provide notice of the election to Hardin County so that the Hardin County Clerk will post notice of the election on the County's internet website and at each polling place location pursuant to House Bill 933, Act of May 23, 2019, 86th Leg., R.S. (amending §4.003(b), Election Code). All notices, instructions, and ballots pertaining to the Election shall be furnished to voters in both English and Spanish and persons capable of acting as translators in both English and Spanish shall be made available to assist Spanish language speaking voters in understanding and participating in the election process.

SECTION 8: As required by and in accordance with §3.009, Texas Election Code, (i) the proposition language that will appear on the ballot is set forth in Section 5 of this Election Order, (ii) the purposes for which the bonds are to be authorized are set forth in Section 1 of this Election Order, (iii) the principal amount of bonds to be authorized is set forth in Section 1 of this Election Order, (iv) if the issuance of bonds is authorized by voters, taxes sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds and the costs of any credit agreements may be imposed, as set forth in Section 1 of this Election Order, (v) bonds authorized pursuant to this Election Order may be issued to mature over a number of years not to exceed the maximum number of years authorized by law and bearing interest at the rate or rates (not to exceed the maximum rate now or hereafter authorized by law), as authorized by law and determined by the Board, (vi) the District as of its fiscal year beginning July 1, 2021, had outstanding an aggregate principal amount of debt equal to \$4,625,000; the aggregate amount of the interest owed on such District debt obligations, through respective maturity, totaled \$418,900; and the District levied an ad valorem debt service tax rate for its outstanding debt obligations of \$0.0867 per \$100 of taxable assessed valuation.

Based upon market conditions as of the date of this Election Order, the maximum net effective interest rate for any series of the bonds is estimated to be 2.50%. Such estimated maximum interest rate is provided as a matter of information but is not a limitation on the interest rate at which the bonds, or any series thereof, may be sold. In addition, the estimate contained in this subsection is (i) based on certain assumptions (including assumptions concerning prevailing

market and economic conditions at the time(s) of issuance of the bonds) and derived from projections obtained from the District's financial advisor, (ii) subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the bonds are issued differ from such assumptions and projections, (iii) provided solely in satisfaction of the requirements of §3.009, Election Code, and for no other purpose, without any assurance that such projections will be realized, and (iv) not intended to and does not give rise to a contract with voters or limit the authority of the Board to issue bonds in accordance with the Proposition submitted by this Election Order.

SECTION 9: The Board authorizes the President, Board of Directors, the General Manager, or the respective designee of either of such parties, to negotiate and enter into one or more joint election agreements, election services contracts, and/or similar contracts or agreements with the County, acting by and through the County Clerk, as permitted and in accordance with the provisions of the Texas Election Code, as amended. In addition, the Board authorizes the President, Board of Directors, the General Manager, or the respective designee of either of such parties to act as required by the Order and to make such technical modifications to this Order that are necessary for compliance with applicable Texas or federal law or to carry out the intent of the Board, as evidenced herein. By incorporating all essential terms necessary for a joint election agreement, this Order is intended to satisfy §271.002(d) of the Texas Election Code, as amended, without further action of the Board of Directors.

SECTION 10: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of fact by the Board.

SECTION 11: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

SECTION 12: This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 13: It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 14: If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

SECTION 15: This Order shall be in force and effect from and after its final passage, and it is so ordered.

PASSED AND APPROVED this the 5th day of August, 2021.

Lumberton Municipal Utility District

EXHIBIT "A"

LUMBERTON MUNICIPAL UTILITY DISTRICT
2021 BOND ELECTION REPORT
TABLE 3 - PROPOSED BOND ELECTION COST

03/23/21

1 Wastewater Treatment Plant Expansion

Construction Costs	\$51,374,812	
Contingency (15%)	<u>\$7,921,483</u>	
Total Construction Costs	\$59,296,295	
Engineering	\$5,703,705	
Land Acquisition	<u>\$3,000,000</u>	
Total		\$68,000,000

2 Collection System Improvements

Collection System Projects Considered to be a Priority

2.1 Manhole Repair - US 96 at Matthew's Lane	\$600,000	
2.2 Ash Lift Station Replacement	\$750,000	
2.3 Old Fire Station Lift Station Replacement	\$1,180,000	
2.4 US 96 Sanitary Sewer Upgrade from Pineburr to Horn Road	\$282,500	
2.5 GIS/Mapping of District Utilities	\$500,000	
Subtotal Construction Costs	\$3,312,500	
Contingency (15%)	<u>\$495,891</u>	
Total Construction Costs	\$3,808,391	
Engineering	\$541,609	
Land Acquisition (Ash and Fire Station LS's)	<u>\$50,000</u>	
Total		<u>\$4,400,000</u>

Total Opinion of Probable Construction Related Costs **\$72,400,000**

3 Non Construction Costs

TWDB Origination Fee (1.75%) \$1,277,457

Bond Issuance Fees - legal fiscal, and ancillary charges \$597,543

Total **\$1,875,000**

TOTAL BOND ISSUANCE REQUIREMENTS **\$74,275,000**

EXHIBIT “B”
EARLY VOTING

The Hardin County Courthouse – 300 Monroe, Kountze, Texas 77625 in the County Courtroom
(Main Early Voting Polling Place)

YYAFA Center – 170 West FM 418, Silsbee, Texas 77656
(Branch Early Voting Polling Place)

Lumberton City Hall – 836 N Main Street, Lumberton, Texas 77657
(Branch Early Voting Polling Place)

The Sour Lake Community Center – 350 South Ann Street, Sour Lake, Texas 77659
(Branch Early Voting Polling Place)

Early voting shall be held at all of the above locations. The main early voting location will be open Monday, October 18, 2021 through Friday, October 29, 2021, which does include Saturday, October 23rd and Sunday, October 24th from 8 a.m. to 5 p.m. The branch early voting locations will be open on Thursday, October 28, 2021 and Friday, October 29, 2021 only from 9 a.m. to 6 p.m.

EXHIBIT "C"
ELECTION DAY VOTING

PCT 6 Crestwood Baptist Church
1150 Hwy 69 S. Kountze, Texas 77625

PCTS 13, 16, 18 & 19 Parkway Life Church
1865 FM 3513, Lumberton, Texas 77657