

Approval of Minutes from
July 18, 2022
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, July 18, 2022, 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 Robb Starr, and Carla Belt as employees of the District, James Gilley of U.S. Capital Advisors as financial advisors for the District 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 where the prayer and pledge were both led by Vice President Smith.

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

Agenda Item No. 3: **Minutes from June 17, 2022 Regular Board Meeting.** The meeting Minutes of June 17, 2022 were unanimously approved as presented.

Agenda Item No. 4: **Report on the District's Unlimited Tax Bonds, Series 2022A; Presentation of bids received for the Bonds by U.S. Capital Advisors LLC as financial advisor and recommendation of award of sale of the Bonds.** The Board recognized James Gilley who provided the U.S. Capital Advisors results of competitive bond sale for the \$30,275,000 Unlimited Tax Bonds, Series 2022A. Mr. Gilley reviewed the competitive bids received for the sale of the Bonds and noted

the best bid based on the regulatory requirements of the Texas Government Code was Hutchinson Securities, and questions followed from the Board.

Agenda Item No. 5: Award bid for sale of the Bonds. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously awarded the bid for the sale of the Bonds to Hutchinson Securities.

Agenda Item No. 6: Consideration and Possible Approval of:

**ORDER AUTHORIZING THE ISSUANCE OF
LUMBERTON MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX BONDS, SERIES 2022A;
LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE
PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS
AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE
ISSUANCE, SALE AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL
AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO;
AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR
AGREEMENT AND AN OFFICIAL BID FORM; COMPLYING WITH THE LETTER
OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY;
AND PROVIDING AN EFFECTIVE DATE**

The Order Authorizing the Issuance of Lumberton Municipal Utility District Unlimited Tax Bonds, Series 2022A was presented. The Board recognized legal counsel who reviewed the Order and identified corrections to the Order had been made, and Board questions followed. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board unanimously approved the Order Authorizing the Issuance of Lumberton Municipal Utility District Unlimited Tax Bonds, Series 2022A.

Agenda Item No. 7: Authorize Execution and Delivery of Documents, affidavits, notices, and certificates as may be necessary to proceed with issuance of the Bonds and to authorize the District Officials to take such action and to execute such documents as may be necessary for such Bond issue. The Board recognized legal counsel who advised that in order to ensure the execution and delivery of all necessary documents as may be required for the issuance of the Bonds,

including those that may be required by the Public Finance Division of the Office of the Attorney General, this item was requested. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously granted authorization as requested.

Agenda Item No. 8: **Authorize Solicitation of requests for proposals for banking depository services for the District.** The Board recognized the District Manager who indicated he along with Carla Belt had worked with legal counsel to prepare the solicitation for banking services. Director Desormeaux commented on the depository service proposal, and legal counsel noted the District could directly solicit responses from local depositories. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously approved authorizing the District to solicit Request for Proposals for banking depository services.

Agenda Item No. 9: **Approval – Development of property at end of Beaver Brook – Trent Tate, owner.** The Board recognized the District Manager who provided copies of mapping and photographs of the area at the end of Beaver Brook Road, an area within the District for which utility services were presently unavailable. Mr. Starr noted that while the District's existing construction standards for new developments could be applied, the distance of providing service to these properties was beyond the capability of the District, and as in certain other areas of the District, the Board could consider allowing the developer to have the property remain in the District, but to provide onsite water and septic systems. Mr. Starr noted these costs would be borne by the property owners and not by the District, but the District's plans were to continue to develop water distribution and sewer collection infrastructure in this area. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously authorized the District to allow the development of the property at the end of Beaver Brook, Trent Tate, owner, without connection to

the District's water and sewer system and to allow for the development of onsite water and sewer facilities on the properties.

Agenda Item No. 10: Construction Approval – South Fawn Drive – 23 units Evergreen Subdivision – CHM Homes, owner. The Board was provided a copy of the construction approval for the 23-unit Evergreen Subdivision. It was noted the District had previously provided capacity approval. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted construction approval for 23 units, Evergreen Subdivision, South Fawn Drive, CHM Homes, owner.

Agenda Item No. 11: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who provided her statement of bank accounts and check registers noting deposits and collateral pledge by Wells Fargo and PNC Bank. Ms. Belt then presented the accounts payable for the month noting payables in the amount of \$369,573.66. After review of the accounts payable, Ms. Belt reviewed the budget year-to-date showing a net loss for the month of \$414.81 on revenues of \$7,681,900.00, collections for revenues of \$756,500.74 and disbursements of \$756,915.55. The Board then reviewed the capital budget noting disbursements for June in the amount of \$31,231.90. The Board reviewed the 5-year to month averages, customer billing adjustments as well as charts on historical cash and investment balances and revenue expenses for year to date actual vs. budget. Director Pitchford identified an issue concerning a pool adjustment and the concern over the information provided by the property owner. A question also followed on capital expenses as to rebudgeting of cost due to vehicles which were ordered but not delivered, and the District Manager indicated those costs had been re-budgeted into the 2022-23 budget from the prior year budget.

B. Presentation of Production Report and Operations Report. The Board recognized the District Manager who indicated Mr. Lewis was out sick, and he presented the Operations Report noting a substantial decrease in the Wastewater Treatment Plant facility permit exceedances. Mr. Starr noted the efforts that had been made by Mr. Lewis and his staff to manufacture parts and to place in service equipment to enhance the operations at the Wastewater Treatment Plant due to the District not receiving equipment from suppliers. Mr. Starr also noted there were no events or injuries for the month. Mr. Starr then reviewed along with the information provided by Carla Belt, the overtime summary and the Production Report showing the daily pumpage and monthly pumpage as the highest for the District due in part to the low rainfall event. Mr. Starr then reviewed the monthly charts and graphs on water production, pumpage and usage along with the yearly rainfall chart and customer usage and customer profile information.

C. Presentation of Current Projects.

1. Water Quality Update. Following the presentation of the vehicle, maintenance and mileage report, the District Manager noted a higher number of water quality complaints due to discolored water, and the District was working with one of its suppliers to provide testing on the system. Mr. Starr further discussed water quality issues and the actions being taken due to the high pumpage and high volume of water being required for system operations.

2. Hosting Class next week from 3:00 to 7:00 M-F. Mr. Starr then reported on the hosting of a meeting at the District's offices and the efforts the District had to put into the program.

D. Presentation of Directors' Reports. None.

Agenda Item No. 12: Public Comments. None.

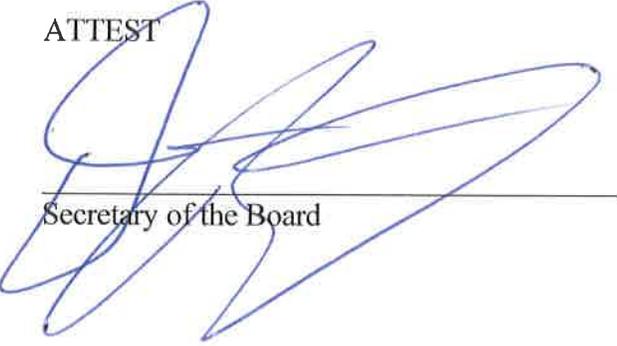
Agenda Item No. 13: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 14: Executive Session. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at ___7:20 p.m.

Agenda Item No. 15: Action of Executive Session. The Board reconvened from executive session at _7:31p.m.

Agenda Item No. 16: Adjournment. There being no further business, the meeting was adjourned at 7:42 p.m.

ATTEST


Secretary of the Board


President of the Board