

Approval of Minutes from  
the June 17, 2022  
Regular 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, June 20, 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

Nick Carter

David Pitchford

Absent: Jimmy Burk

Also present were Robb Starr, Benny Lewis and Carla Belt as well as other employees of the District, Jared Defrancis 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 where the prayer was led by Director Smith and pledge was led by President Carter.

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

Agenda Item No. 3: **Minutes from May 16, 2022 Board Meeting.** The meeting Minutes of May 16, 2022 were unanimously approved as presented.

Agenda Item No. 4: **Administer Oath of Office to newly elected Board members, Positions 1.**

The Oath of Office was administered to David Pitchford for Position 1.

Agenda Item No. 5: **Capacity and Construction Approval – Take 5 Oil Change – 123 North LHS Drive- Riverbirch and South LHS Drive Partners LP, developer.** The Board recognized Jared Defrancis who provided the conceptual site plan for Take 5 Oil Change at its proposed location

as well as the water and sewer capacity study dated June 2022. Mr. Defrancis noted in the conclusions to the report that the existing water production and water storage facilities was sufficient to provide service to the proposed development and meet TCEQ design criteria, and as to the sanitary sewer collection system, the developer would need to construct approximately 100 linear feet of 10-inch sanitary sewer gravity line from the development to the existing 10-inch sanitary sewer line on the west side of U.S. Highway 69. Mr. Defrancis noted the wastewater treatment plant had adequate capacity for the development. After discussion and upon motion duly made by Director Smith and seconded by Director Pitchford, the Board unanimously granted capacity and construction approval for Take 5 Oil Change, 123 North LHS Drive - Riverbirch and South LHS Drive Partners LP, developer, subject to the construction of the improvements provided for in the engineering report.

**Agenda Item No. 6: Capacity and Construction Approval – Collision Solutions Inc – 1130 South**

**Main- Davis Fenner, owner.** The Board recognized Mr. Defrancis who presented the location map for the commercial connection at 1130 South Main. Mr. Defrancis reviewed the water and sewer capacity study dated June 2020, and noted as to the water system facilities, the existing 2-inch water line serving the immediate area to the proposed development was inadequate to supply fire protection for existing and proposed connections in this area, and it was recommended the developer construct approximately 650 linear feet of a new 6-inch water line on the west side of U.S. Highway 96 from the existing 6-inch water line at Church Loop. The developer would be required to coordinate construction of the 6-inch water line subject to District water line construction criteria. Mr. Defrancis advised the existing 6-inch sanitary sewer gravity line on the west side of U.S. Highway 69 had sufficient capacity to serve the development and sufficient capacity in the wastewater treatment plant. A brief discussion followed on fire protection criteria. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the Board unanimously provided capacity

and construction approval for Collision Solutions Inc., 1130 South Main-Davis Fenner, owner, subject to the construction of the required improvements by the developer.

Agenda Item No. 7: **Construction Approval – Rikenjaks – 358 North LHS Drive – Frankie Randazzo, owner.** The Board recognized the District Manager who indicated this commercial connection and capacity had been approved by the Board at a previous meeting. The Board recognized Mr. Randazzo who provided an update on the proposed project delays experienced due to weather events in the Lumberton area and affecting other of his projects in the Lake Charles area. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously provided construction approval for Rikenjaks, 358 North LHS Drive, Frankie Randazzo, owner.

Agenda Item No. 8: **Review Brampton-Essential Facilities and Creation Costs Reimbursement Agreement – Project Management and Contract Award.** The Board recognized legal counsel who advised he had provided pages from the Facilities and Creation Costs Reimbursement Agreement for the defined area which outlined the manner by which utility facilities would be constructed by Brampton-Essential as the developer within the defined area, how utility projects would be managed and designed by the developers and engineers in collaboration with the District in satisfaction of the construction standards and how contracts were to be awarded after presentation to the Board. Legal counsel noted for the record the improvements proposed in the contract to be considered that all costs would be undertaken by the developer who subsequently would request reimbursement of the utility and infrastructure cost through tax bond issues as outlined in the Facilities and Creation Costs Reimbursement Agreement. Legal counsel went on to note that only the properties within the defined area would pay the debt service on bonds issued to fund the reimbursement to the developer for utility infrastructure constructed in the defined area.

Agenda Item No. 9: **Presentation by Developer/Engineers – bids for Construction of Water, Sanitary Sewer and Drainage Facilities, Longleaf Section 1 Phase 1 (the “Project”) – Brampton-Essential.** A representative of Brampton-Essential restated remarks made by legal counsel and noted the developer had followed the requirements of the Texas Water Code and TCEQ for competitive bidding of the proposed utility system infrastructure improvements, and bids had been received by the engineers on April 27, 2020. It was noted after opening and reading the bids and determining the responsiveness of the bids, the engineers and the developer had reviewed the bidders to determine their capabilities to perform the work. After review, both the developer and its engineers recommended an award of the initial contract for utility and infrastructure improvements to Eastex Utility Construction, and questions followed from the Board.

Agenda Item No. 10: **Award of the Project to Eastex Utility Construction, LLC – Brampton-Essential.** It was noted the request for approval from Brampton-Essential and its engineers was for the award of the initial contract for the defined area to Eastex Utility Construction, LLC on a base bid amount of \$5,004,940.00. After presentation and upon motion duly made by Director Pitchford and seconded by Director Smith, the Board unanimously awarded Phase 1, Project 1 for the defined area infrastructure improvements to Eastex Utility Construction, LLC. The representative of Brampton-Essential was asked about the bid alternatives and was advised some of these alternatives were items that would be essential for the initial development of the property but would be proposed for contract by Brampton-Essential, not through reimbursement under the Facilities and Creation Costs Reimbursement Agreement.

Agenda Item No. 11: **Approval of 2022-2023 Proposed District Budget.** The Board recognized Mr. Starr who reviewed his budget summary. Mr. Starr was then asked by President Carter to review the capital projects proposed and outline any projects being deferred from the proposed 2022-2023

budget year. Mr. Starr proceeded to review the capital projects proposed for the upcoming budget year and certain capital projects including water tank repair and replacements being deferred due to the cost of other anticipated projects. Director Desormeaux thanked Mr. Starr for the detailed report and budget summary and after discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved the \$9,763,425.00 2022-2023 District budget.

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

**A. Presentation of Financial Statement and Accounts Payable.** The Board recognized Carla Belt for the presentation of financial statements and accounts payable. Ms. Belt presented the bank statements and check register for PNC Bank and Wells Fargo along with collateral pledges for its depositories. Ms. Belt noted there was a reduction in the number of accounts at PNC as it was no longer offering certificates of deposit. Ms. Belt then reviewed the accounts payable in the amount of \$405,757.70 and noted several larger invoices. There being no questions on the accounts payable, Ms. Belt reviewed the budget year-to-date showing revenues of \$624,287.51 and disbursements of \$610,711.16 for a net income for the month of May of \$13,576.35. Ms. Belt noted there were no capital disbursements in the preceding month, but Mr. Starr stated the District had several capital items ordered which had not been received. Ms. Belt then discussed the 5-year to month average report on revenues, overtime for the 2021-2022 fiscal year as well as utility adjustments. Ms. Belt then presented the graphs on historical cash and investment balances, revenue and expense year-to-date actual vs. budget and closed with the service revenues vs. total revenues within the fiscal year. The Board thanked Ms. Belt for her presentation.

**B. Presentation of Production Report and Operations Report.** The Board recognized Mr. Lewis who presented the Operations Report. Mr. Lewis moved to page 3 noting the 13 ammonia exceedances in the previous month, but stated the District was seeing lesser concentration of ammonia. The Board was also advised of a recorded injury with little to no loss time due to an incident involving a crew and a manhole repair for an employee who injured his knee. Mr. Lewis reviewed the overtime and noted overtime on the water system was high due to the leak that had been mentioned in the May Board meeting, but otherwise the overtime was down in the production report. Mr. Lewis stated due to the leak which had previously been reported, the District's water volume was high, but due to the low rainfall events in the previous months as showing in the charts and graphs, the water production and consumption levels was near an all time high. The Board was then presented with the charts and graphs of customer usage profile, wastewater plant flow and usage year-to-date along with vehicle mileage and maintenance reports. Mr. Lewis indicated one of the goals of the District was to eliminate customer complaints but noted there were 34 water leak complaints in the previous month due to the dry weather and related soil conditions. The Board then thanked Mr. Lewis for his presentation.

**C. Presentation of Current Projects.**

**1. Public Forum – 2021 Consumer Confidence Report.** The Board recognized the District Manager who stated it would be the plan for the District to present the 2021 Consumer Confidence Report at its July 18, 2022 regular Board meeting.

**2. Notice to Purchasers.** The District Manager recognized legal counsel who advised in discussions with Brampton-Essential, the District would be revising in the future, its Notice to Purchasers whenever the developer initiated and sold its ad valorem tax

bonds to reimburse for infrastructure improvements. It was further noted based upon the review of the ballot propositions at the creation of the District, a maintenance and operations tax had not been approved for imposition in the defined area, but if and when such a tax was on a ballot proposition and passed, the developer could initiate a maintenance and operation tax which would also be part of any future Notice to Purchasers published by the District.

**3. Letter of commendation from HCESD #2.** Mr. Starr provided two letters of commendation from HCESD #2 in recognition of service of District employees, Larry Coplen and Bruce Elkins who had each been instrumental in assisting an individual who had been overcome by smoke in a fire event handled by the Lumberton Fire EMS. Mr. Starr went on to thank the employees, and the Board also congratulated and thanked their employees for the services provided above and beyond the call of duty.

**4. Update on Texas Water Development Board Bond.** The Board recognized Mr. Starr and legal counsel who advised on June 9, 2022, the TWDB had approved the \$44 million funding commitment from the TWDB's Clean Water State Revolving Fund. Legal counsel advised they anticipated receiving the executed financing commitment Resolution in the next few days.

**5. Plumbing Inspection.** The Board again recognized Mr. Starr who advised by letter dated June 10, 2022, District employee, Tim Williamson, had passed all four portions of his plumbing examiner report administered by the Texas State Board of Plumbing Examiners, and this gave the District an in-house plumbing inspector at a time when plumbing inspections were increasing significantly as there was a shortage of plumbing inspectors in the area. Mr. Starr went on to advise of two companies' upcoming plans to install fiber optic cables throughout the District which would require almost daily line locates, and the District

was only given 48-hour notice to perform the line locates. Upon questioning, Mr. Starr noted these two companies had advised it would probably take a year or more to complete the proposed installations. The Board thanked Mr. Starr for his report.

**D. Presentation of Directors' Reports.** None.

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 Desormeaux, the accounts payable were approved for payment as presented.

Agenda Item No. 15: Executive Session. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 7:38 p.m. as to the evaluation of the District Manager.

Agenda Item No. 16: Action of Executive Session. The Board reconvened from executive session at 8:08 p.m. and noted further action as to the evaluation of the District Manager would be taken up at a future Board meeting.

Agenda Item No. 17: Adjournment. There being no further business, the meeting was adjourned at 8:10 p.m.

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President of the Board

ATTEST

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Secretary of the Board