

Approval of Minutes from  
October 16, 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, October 17, 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

Nick Carter

Also present were Robb Starr, Carla Belt, Benny Lewis and BJ Lee-Lewis as employees of the District, Toby Davis and Jared Defrancis of LJA Engineering, a representative of Elevation Land Solutions, April Mills of Larry Blount & Associates, LLC, representatives of Wathen, DeShong & Juncker, LLP 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 Pitchford and the pledge was led by President Carter.

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

Agenda Item No. 3: Minutes from September 19, 2022 Board Meeting. The Minutes of September 19, 2022 were approved as corrected on the budget and income for the month of August (correction on Page 5).

Agenda Item No. 4: Capacity Approval – Golden Lane Mobile Home Park – 31 lots, Neches Island Inc., owner. The Board recognized Jared Defrancis who provided the mapping of the property for the proposed Golden Lane Mobile Home Park. Mr. Defrancis then presented the capacity study

dated October 20, 2022 reviewing the system design criteria and existing utilities. Mr. Defrancis noted the District had adequate water well and storage capacity in its water system, but the immediate area of the development did not have an existing waterline, and the developer would construct a 6-inch waterline along Golden Lane to service the development. Mr. Defrancis noted the immediate area of the development also did not have an existing sanitary sewer gravity line, and the developer should construct a 6-inch gravity sewer line also along Golden Lane to serve the development. Questions followed from the Board about existing service in the area and after a discussion and upon motion duly made by Director Burk and seconded by Director Smith, the Board unanimously granted capacity approval for Golden Lane Mobile Home Park, 31 lots, Neches Island Inc., owner.

**Agenda Item No. 5: Presentation by Engineers – Wastewater Plant and Collection System Improvements Update – LJA Engineering** . The Board recognized Toby Davis who presented information relative to the wastewater plant and collection system improvement project. Mr. Davis began by providing a project schedule dated October 17, 2022 and reviewed actions that had previously been taken in 2022 and activities that were underway for the balance of the 2023 and into the ensuing years. Mr. Davis reviewed the preliminary site layout and addressed questions from the Board on items concerning the facilities and configuration of the wastewater treatment plant. Mr. Davis reminded the Board that as the wastewater plant collection system improvement project was funded through both the Texas Water Development Board and the TCEQ, the Board should recall that the TWDB only provided for bond proceeds prior to or at closing for planning environmental requirements with the rest of the proceeds to be expended on wastewater treatment and collection system plant improvements only. Mr. Davis then reminded the Board that the proceeds from the public bond sale authorized by the TCEQ was for all other projects and did not require TWDB pre-clearance release. Mr. Davis went on to advise of geo-technical work underway along with site work

and various systems to be incorporated into the wastewater treatment plant and the site visits that had been made by the District's staff and/or engineers as the project design development.

**Agenda Item No. 6: Presentation by Developer/Engineers – bids for Lift Station, Longleaf Section 1 Phase 1 (the “Project”) – Longleaf for B-E Development, Inc.** The Board recognized a representative of Elevation Land Solutions who provided a presentation on the bids for the lift station. The Board was presented with correspondence from Elevation Land Solutions dated October 10, 2022, acknowledging the developer's engineers had received six (6) bids for the project with ZeusCon, LLC submitting the lowest complete proposal in the amount of \$1,079,839.92. It was noted that Elevation Land Solutions and the developer had not worked with this contractor, but its references had been checked, and the recommendation would be made to make the award to the low bidder.

**Agenda Item No. 7: Award of the Lift Station Project to ZeusCon, LLC – Longleaf for B-E Development, Inc.** After discussion and upon motion duly made by Director Smith and seconded by Director Pitchford, the Board authorized the award of the lift station to ZeusCon, LLC in the amount of \$1,079,839.92.

**Agenda Item No. 8: Presentation by Developer/Engineers – Pay Estimate No. 1 – Longleaf for B-E Development, Inc.** The Board again recognized Elevation Land Solutions who presented Pay Estimate No. 1 submitted by Eastex Utility Construction in the amount of \$781,935.33 for the Longleaf Section 1 Phase 1 water sanitary sewer and drainage facility project. Questions followed from the Board and after discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved Pay Estimate No. 1 to Eastex Utility Construction in the amount of \$781,935.33.

Agenda Item No. 9: **Renewal of District Employees Health Insurance.** The Board recognized Mr. Starr and April Mills of Larry Blount & Associates, LLC for the presentation of the District's group health insurance renewal.

Agenda Item No. 10: **Approval – Renewal of Long-Term Disability for District Employees.** After a presentation by Ms. Mills and Mr. Starr and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the renewal of the District's health insurance through Blue Cross Plan G654CHC.

Agenda Item No. 11: **Approval – Resolution 2022-08 Designating PNC Bank as the District Revenue Bond Reserve Account.** Legal counsel was then recognized stating the Board had previously considered and acted upon the designation of PNC Bank as the District's revenue bond reserve account depository; however, as stated by Director Burk as head of the Investment Committee, the action of the Board should be taken by resolution. The Board was being presented with Resolution 2022-08 Designating PNC Bank as the District Revenue Bond Reserve Account. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously approved the designation of PNC Bank Business Checking Plus Account Number Ending 4662 as the Lumberton Municipal Utility District Revenue Bond Reserve Account.

Agenda Item No. 12: **Approval – Resolution 2022-09, a Resolution Amending the District Employees Retirement Contribution to the Texas County and District Retirement System (TCDRS).** The Board then was presented with Resolution 2022-09 Amending the District Employees Retirement Contribution to the Texas County and District Retirement System (TCDRS). The Board received a presentation from the District Manager outlining the resolution previously discussed to be effective January 1, 2023 and had been reviewed by legal counsel and by TCDRS.

After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved Resolution 2022-09, Amending the District Employees Retirement Contribution to TCDRS.

Agenda Item No. 13: Presentation of 2021-2022 audit of District financial records, Wathen, DeShong & Juncker, LLP. The Board recognized representatives of Wathen, DeShong & Juncker who presented the 2021-2022 financial audit. The audit was reviewed including the accounting journal entries, the opinion advising the financial statements presented the financial position of the government activities, business activities and each major fund as of June 30, 2022. The auditors then presented the annual management discussion and analysis, notes to the financial statements and required supplemental reports. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board approved and directed the 2021-2022 audit to be filed as presented.

Agenda Item No. 14: Manager's Report.

**A. Presentation of Financial Statement and Accounts Payable.** The Board recognized Carla Belt who presented the financial statements and accounts payable reports from Wells Fargo Bank and PNC Bank. Ms. Belt reviewed the bank balances from PNC Bank and Wells Fargo followed by the accounts payable in the amount of \$581,732.33. Ms. Belt continued with a review of the budget to date showing monthly loss of \$137,917.39. In review of the budget, Ms. Belt noted there was significant acquisition of inventory items causing the budget deficit for the month. Ms. Belt also reviewed the capital budget year-to-date and the schedule, maintenance and repair summary. Ms. Belt finally reviewed the 5-year to monthly average report along with the adjustments to customer accounts and the financial

graphs and charts for the month. Ms. Belt also noted that in the prior month, the District had paid two bond issue invoices.

**B. Presentation of Production Report and Operations Report.** The Board recognized Benny Lewis who began his report by noting the wastewater treatment plant had three exceedances significantly down from the previous month, noting the gear box was in full operation. Mr. Lewis also noted one significant event with a leak at Tee Cooks Lake Road and Leatherwood. Mr. Lewis then reviewed the monthly production report as well as the charts and graphs. Mr. Lewis reviewed the monthly charts and graphs of system operations, customer usage and customer profiles. Mr. Lewis asked for questions from the Board including questioning from Director Pitchford on the meter misreads, and it was noted this was due to the functioning of some older radio read meters and the need to a manual recount. Mr. Starr reminded the Board they were increasing their purchase orders for meters, but due to the supply chain, these meters were not coming in as quickly as hoped. The Board thanked Mr. Lewis for his report and moved to presentation by the District Manager of current projects including chlorine monitoring equipment, participation in the Election Law Seminar, the Depository Agreement and wastewater plant visits.

**C. Presentation of Current Projects.**

**a. Chlorine Monitoring Equipment.** Mr. Starr began by informing the board that the chlorine monitoring system had been ordered as previously discussed last month. Mr. Starr also reported that he was working with a chemist at the company that supplies phosphate to the district to optimize levels. Mr. Starr stated the District's phosphate supplier was testing the

system to determine if a change in the District's chemical composition to ensure a reduction in brown water complaints.

**b. Election Law Seminar.** Mr. Starr noted the District's staff would be attending the Texas Election Law Seminar in November.

**c. Depository Agreement.** It was then noted legal counsel had made additional changes to the Depository Agreement, and the District would solicit Request for Proposals from local banks.

**d. Wastewater Plant Visits.** Mr. Starr closed with his review of the previously mentioned wastewater treatment plant visits and the carousel plant design. Questions then followed from the Board.

**D. Presentation of Directors' Reports.** It was noted the Investment Committee had met since the prior Board meeting and reviewed the District's investments.

Agenda Item No. 15: Public Comments. None.

Agenda Item No. 16: 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. 17: Executive Session. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 8:28 p.m. to discuss developer construction of water and wastewater facilities and the possible appointment, employment, evaluation, and duties of an Assistant District Manager.

Agenda Item No. 18: Action of Executive Session. The Board reconvened from executive session at 9:04 p.m. and noted there were no actions to be taken as a result of the executive session.



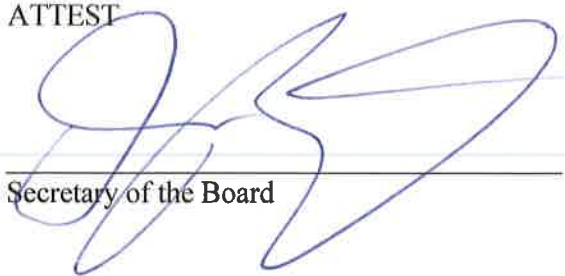
Agenda Item No. 19: Adjournment. There being no further business, the meeting was adjourned at

9:06 p.m.



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President of the Board

ATTEST



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Secretary of the Board