

Approval of Minutes from
August 15, 2022
Board Meeting

Agenda Item No. 5: Update by Bond Counsel and Financial Advisor on Texas Water Development Board Resolution 22-050. The Board recognized its legal counsel and financial advisor who provided a presentation on the financing to be approved at the meeting with the TWDB under TWDB Resolution 22-050. The Board followed with questions concerning the projects.

Agenda Item No. 6: Consideration and Possible Action to Adopt:

**ORDER AUTHORIZING THE ISSUANCE OF
LUMBERTON MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX BONDS, SERIES 2022B;
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; AUTHORIZING THE EXECUTION OF A
PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT;
COMPLYING WITH THE LETTER OF REPRESENTATIONS ON FILE WITH THE
DEPOSITORY TRUST COMPANY;
AND PROVIDING AN EFFECTIVE DATE**

President Carter read the Order Authorizing the Issuance of the Unlimited Tax Bonds, Series 2022B, and following the presentation of the Order and comments from legal counsel, the Board unanimously approved and adopted the Order Authorizing the Issuance of the Unlimited Tax Bonds, Series 2022B upon motion duly made by Director Burk and seconded by Director Pitchford.

Agenda Item No. 7: Paying Agent/Registrar Agreement and an Escrow Agreement with BOKF, NA. Legal counsel noted the District had previously established its Paying Agent/Registrar relations with BOKF, NA. Legal counsel further noted that in the Board packet, there were copies of the proposed Paying Agent/Registrar Agreement and Escrow Agreement as required by the TWDB for the Series 2022B Bonds. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved and authorized the Paying Agent/Registrar Agreement and Escrow Agreement with BOKF, NA for the Unlimited Tax Bonds, Series 2022B.

Agenda Item No. 8: **Authorize Execution and Delivery of additional documents, affidavits, notices and certificates as may be necessary to proceed with issuance and sale of \$44,000,000 Lumberton Municipal Utility District Unlimited Tax Bonds, Series 2022B and authorize the President, Vice President and Secretary and such other District Officials to take such action to execute such documents as may be necessary for the issuance of the Bonds.** Legal counsel noted this action item as read into the record by President Carter would allow for the President, Vice President and Secretary to execute other documents and affidavits necessary to proceed with the issuance and sale of the \$44,000,000 Unlimited Tax Bonds, Series 2022B Bonds. After review and upon motion duly made by Director Burk and seconded by Director Smith, the Board unanimously approved the agenda item as presented.

Agenda Item No. 9: **Authorize all accounts and funds necessary with the District's depository or paying agent/registrars as may be required by the Texas Water Development Board Resolution 22-050 or as required by the Bond Order.** Legal counsel and financial advisor noted the TWDB and the Order Authorizing the Issuance of the Unlimited Tax Bonds, Series 2022B call for the establishment of certain depository of paying agent accounts. After review and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board approved the agenda item as presented.

Agenda Item No. 10: **Construction Approval Woosley Palms Phases 6 and 7, 35 lots, Chuck King, owner.** After comments from Mr. Starr on the prior construction approval and upon motion duly made by Director Burk and seconded by Director Smith, the Board provided construction approval for Woosley Palms Phases 6 and 7, 35 lots, Chuck King, owner.

Agenda Item No. 11: Approval – Write-offs for the fiscal year July 1, 2020 thru June 30, 2021.

After discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board unanimously approved the write-offs in the amount of \$30,168.23.

Agenda Item No. 12: 2022 Certified Tax Roll. The District Manager presented the 2022 Certified Tax Roll showing the total District's taxable value of \$1,592,066,716. It was also noted the Uncertified Tax Roll was estimated as probable value of \$35,061,469. After discussion and upon motion duly made by Director Smith and seconded by Director Burk, the Board approved the 2022 Certified Tax Roll of \$1,592,066,716.

Agenda Item No. 13: Establish Proposed Tax Exemption for the District. The Board reviewed and approved its previously adopted exemptions upon motion duly made by Director Burk and seconded by Director Pitchford.

Agenda Item No. 14: Set the 2022 proposed tax rate at a tax per \$100 valuation not greater than the 2022 voter approved rate. The Board recognized the District Manager who provided the 2022 Voter-Approval Tax Rate Worksheet showing the 2022 debt rate of \$0.245500/\$100 valuation which was the voter approved rate. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board set the proposed 2022 tax rate of the District at \$0.245500/\$100 valuation.

Agenda Item No. 15: Set date for Public Hearing on 2022 Proposed Tax Rate. It was noted the District had previously set its public hearing to immediately precede its September Board meeting, and President Carter suggested the meeting begin at 6:15 p.m. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board set the public hearing on the 2022 proposed tax rate for Monday, September 19, 2022 at 6:15 p.m.

Agenda Item No. 16: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who presented the bank balances and collateral pledges at Wells Fargo Bank and PNC Bank. Ms. Belt then reviewed the accounts payable check register in the amount of \$437,319.23 and specifically noted the acquisition from Patterson Equipment Company of the Jet Machine Unit #2042 in the amount of \$74,501.25. The Board then reviewed the budget year-to-date showing revenues of \$722,314.58 and expenses of \$720,097.83 for a monthly income of \$2,216.75. Next, the Board reviewed the capital budget year-to-date, and Ms. Belt noted the acquisition of orbital parts in the amount of \$26,840.20. Ms. Belt reviewed the 5-year to month average report, the overtime report and customer refunds. Questions then followed from the Board and after response, Ms. Belt closed with a presentation of the financial charts and graphs for the month.

B. Presentation of Production Report and Operations Report. The Board then recognized Benny Lewis who presented the Production and Operations Report. Mr. Lewis began with reporting on a back-up collision in a private parking lot with no injuries, but noted there was a loss time injury with an employee who had recovered from COVID and became overheated on a job site and was then transported to the hospital for an overnight stay. Mr. Lewis also responded to comments from the Board on the wastewater treatment facility permit exceedances and noted one of the additional aeration equipment constructed by the District was out of service due to an electrical issue. Mr. Lewis responded to other questions concerning the wastewater treatment facility and then presented information concerning the overtime report and the report done by District staff in the preceding month. Mr. Lewis reviewed the Production Report noting the decrease in water loss as well as the system charts and graphs and the utility/customer profile accounts along with the yearly averages. The

Board was also presented with the vehicle maintenance report and the customer complaint log. Mr. Lewis finally reviewed page 7 & 8 of the water pumpage and billing and the relative amount of each compared to the 5 and 10-year averages. Mr. Lewis responded to questions from the Board as to the amount of overtime spent that the District customer count had increased.

C. Presentation of Current Projects. The Board then recognized the District Manager who advised of matters including the completion on August 18 of the sale of the District's \$30,275,000 Unlimited Tax Bonds, Series 2022A.

D. Presentation of Directors' Reports. None.

Agenda Item No. 17: Public Comments. None.

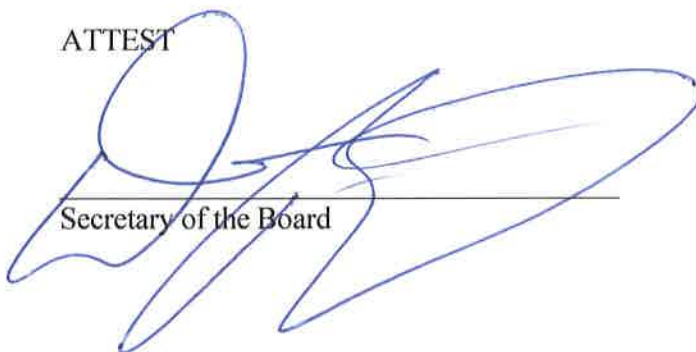
Agenda Item No. 18: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 19: Adjournment. There being no further business, the meeting was adjourned at 7:43 p.m.



President of the Board

ATTEST



Secretary of the Board