

Approval of Minutes from
August 16, 2021
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, August 16, 2021, 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 Pitchford

David Desormeaux

Roger Smith

Jimmy Burk

Absent: Nick Carter

Also present were Robb Starr, Benny Lewis and Carla Belt as employees of 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, and the prayer was led by Director Pitchford, and the pledge was led by Vice President Smith.

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

Agenda Item No. 3: Minutes. The Minutes of July 19, 2021 were reviewed and approved as corrected to show Director Pitchford as making the motion on payment of bills under Agenda Item No. 13.

Agenda Item No. 4: Capacity Approval – 8 Townhomes – 5670 Shadowbend Circle West – Dennis Williams, owner. The Board recognized Robb Starr who stated due to COVID issues at LJA Engineering, no one from the firm would be attending the meeting. Mr. Starr reviewed the LJA Engineering water and sewer capacity study report dated August 2021 noting the District had both adequate water system facilities along with sanitary sewer collection and treatment facilities for the

proposed 8 townhomes as requested. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the Board provided unanimous capacity approval on 8 townhomes, 5670 Shadowbend Circle West, Dennis Williams, owner.

Agenda Item No. 5: Construction Approval – Woodcrest Church Pre-School. The Board again recognized the District Manager who reviewed the request of Woodcrest Church and the items in the LJA Engineering capacity study. Mr. Starr advised the Board the District had adequate water and wastewater transportation and treatment facilities to accommodate the proposed service at Woodcrest Church. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously granted capacity and construction approval for Woodcrest Church Pre-School.

Agenda Item No. 6: Construction Approval – 12 lots - Tranquility Forest Phase II – Clint Baxxlee, owner. The Board recognized the District Manager who advised that construction approval had previously been sent to the Board but were awaiting corrected information from the owner on the 12-lot construction approval. Mr. Starr noted the information had been received, and after discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted construction approval of 12 lots, Tranquility Forest Phase II, Clint Baxxlee, owner.

Agenda Item No. 7: Approval – Write-offs for the fiscal year July 1, 2019 thru June 30, 2020. The Board recognized the District Manager who indicated due to the lengthy No Disconnect Policy which had been placed on the District during the prior fiscal year, he was not unhappy with the proposed write-offs of uncollected accounts in the amount of \$18,621.09. A discussion followed and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board

unanimously approved the write-offs for fiscal year July 1, 2019 thru June 30, 2020 in the amount of \$18,621.09.

Agenda Item No. 8: **2021 Certified Tax Roll.** The Board was presented with the Hardin County Appraisal District 2021 Certification showing a certified total taxable value of \$1,468,328,599.00 and a total value withheld (still under protest) of \$39,818,690.00. The Board reviewed the report and after discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the 2021 Tax Roll as provided by the Hardin County Appraisal District.

Agenda Item No. 9: **Proposed Tax Exemption for the District.** The Board recognized the District Manager who provided the proposed tax exemptions for 2021 which were those which had been approved in the prior fiscal year providing for a 20% homestead exemption, \$10,000 disability exemption and a \$10,000 over-65 years of age exemption. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the property tax exemptions as presented by the District Manager.

Agenda Item No. 10: **Set the 2021 proposed tax rate at a tax per \$100 valuation not greater than the 2020 voter approved rate.** The Board received the 2021 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts provided by the Hardin County Tax office showing a 2021 Voter-Approval Tax Rate of \$0.076000/\$100 valuation. Legal counsel noted the 2021 voter-approved tax rate was concurrently the 2021 debt tax rate assessed by the District. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board set the 2021 proposed tax rate at \$0.076000/\$100 valuation.

Agenda Item No. 11: **Set date for Public Hearing on 2021 Proposed Tax Rate.** The Board recognized the District Manager who stated historically the District set its public hearing on the adoption of a proposed tax rate at its regularly scheduled meeting in September and conducted

immediately prior to the regular meeting. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously set the public hearing on the 2021 tax rate for Monday, September 20, 2021 at the District's office to begin at 6:00 p.m. to be followed by the regular Board meeting.

Agenda Item No. 12: **Approval – Billing Services Agreement with City of Lumberton.** The Board recognized the District Manager who stated there had been no changes in the Billing Services Agreement with the City from the prior agreements. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the Board unanimously approved the Billing Services Agreement with the City of Lumberton.

Agenda Item No. 13: **Resolution 2021-8, a Resolution designation of newspaper of general circulation.** Legal counsel noted the District had not updated its action to designate a newspaper of general circulation as provided in the Government Code. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board unanimously approved Resolution 2021-8, designating the newspaper of general circulation as the *Beaumont Enterprise*.

Agenda Item No. 14: **Voter Information Form.** Legal counsel noted that after discussions with District staff, a word change in footnote 3 was made, otherwise, the Voter Information Form as presented had been reviewed by legal counsel, engineers and financial advisors. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the Voter Information Form for Proposition A as the issuance of the District's \$74,275,000.00 Unlimited Tax Bonds, requesting legal counsel and District staff translate, post and publish the Voter Information Form along with other election documents.

Agenda Item No. 15: **Resolution 2021-9, amending the standards for water and sewer construction and approval procedures for subdivisions.** The Board recognized the District

Manager and legal counsel who advised in prior meetings, it had been noted there were inconsistencies in these two sections of the District's Subdivision Standards, and the inconsistencies and other corrections had been made as noted in the document provided. Legal counsel noted that rather than final plat approval, preliminary plat approval had been provided in order to request construction approval for subdivisions. The Board discussed the other corrections, and after discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board approved Resolution 2021-9 with the additional corrections as noted during the meeting for the standards for water and sewer construction and approval procedures for subdivisions.

Agenda Item No. 16: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who reviewed the bank accounts and accounts payable in the amount of \$268,762.71. Ms. Belt noted certain items including the salaries were included and represented a 5-week month as well as items for safety awards along with the payment of a 2.8% unemployment tax, comments followed from the Board. Ms. Belt then reviewed the budget year-to-date which was the first month of the new fiscal year showing revenues in the amount of \$586,217.15 and disbursements of \$566,957.16 for a monthly income of \$19,259.99. The Board then briefly reviewed the capital budget for July 2021 showing certain water production and equipment purchases in the amount of \$18,359.00. The Board reviewed of the 5-year to monthly average document and the Overtime Report which was explained to include certain maintenance of the office building. Ms. Belt closed with a presentation of customer refunds.

B. Presentation of Production Report and Operations Report. The Board then recognized Mr. Lewis who provided the Operation Report showing 26 exceedances, one

2-hour peak, 12 ammonia with 7 total suspended solids and 6 BOD's. Discussions followed from Mr. Lewis and the District Manager in response to questions from the Board. Vice President Smith inquired as to information in the Production Report compared with the information found in the LJA capacity or construction reports as well as to continuing inflow and infiltration issues, and a response followed from the District Manager. Mr. Lewis reviewed the monthly presentation of system and customer charts and graphs and also reviewed page 17 of the Vehicle Report showing the Spectrum generator repairs. Mr. Lewis noted that Vehicle N-17 was in the shop and was one of the vehicles proposed for replacement, but the District was still anticipating a 4-5 month time before the replacement vehicle would be received.

C. Presentation of Current Projects.

- **White Board.** The Board then recognized the District Manager who advised the District was continuing to prepare its white board presentation on the bond issue which would be posted on the updated District website.
- **Funding Application.** The Board then reviewed the Funding Application to the Texas Water Development Board, and it was noted the District had scored very highly and would be in line for an allocation of funds in the 2022 Clean Water State Revolving Fund Program. A discussion then followed on the timing of an initial payment under the proposed bond issue if passed, and legal counsel noted that with interest payments in February and interest payments in August, it was unlikely if the bond issue passed, the District would

have any payment obligation until August 2022, and at that time, since the District would not have assessed any tax for an initial payment, the District would have to pay any initial bond payment out of District funds. Legal counsel noted this matter would be discussed with its financial advisor to tailor an initial payment in an amount to be met in the 2023 budget.

- **Update on Policy and Procedures for Customer Accounts.** Mr. Starr also spoke about the policies and procedures for customer accounts and possible amendments and indicated work was still being done at the request of the Board President, and this matter may be an agenda item in September.

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 7:31 p.m.

ATTEST

Secretary of the Board

President of the Board