

Approval of Minutes from
March 20, 2023
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, March 20, 2023, 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

Jimmy Burk

Nick Carter

David Desormeaux

Roger Smith

Also present were Robb Starr, Carla McGallion, Mike Tywater and Benny Lewis as employees of the District, Jared Defrancis and Tim Ashcroft 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 and pledge were both led by President Carter.

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

Agenda Item No. 3: Minutes from February 20, 2023 Board Meeting. The Minutes of February 20, 2023 were approved as corrected to change truck line to trunk line, which was on page 7.

Agenda Item No. 4: Presentation by Engineers – Wastewater Plant and Collection System Improvements Update – LJA Engineering. The Board recognized Jared Defrancis who presented the project status report of March 20, 2023. Mr. Defrancis began with an update on the wastewater treatment plant expansion project and noted that representatives of LJA Engineering and District staff had traveled to Pensacola, Florida and toured the Westech Oxystream Wastewater Treatment Facility

and discussed in transit multiple design alternatives. Mr. Defrancis also reported on the permitting of the TCEQ and provided information on the clarifiers, the chlorine contact basin and the planned additions to the plant including alum treatment anticipating stricter discharge permit limits which included enhanced biological phosphorus removal. Mr. Defrancis closed with providing additional design progress reports and updates on the site plan. Mr. Defrancis also provided information concerning the sanitary sewer collection system project, a review of the Summary of Opinion of Probable Construction Costs and an updated proposed site plan for the wastewater treatment project. Questions followed from the Board including Vice President Smith on reuse of equipment from the wastewater treatment plant.

Agenda Item No. 5: Approval – Authorizing District Manager for an emergency purchase of a Jet Aerator. The Board recognized Mr. Starr who requested authorization for the emergency purchase of a jet aerator. Mr. Starr reported on mechanical issues being addressed with the high-speed motors at the wastewater treatment plant and the need to add more aeration to the system to try to reduce or eliminate additional exceedance issues. After discussion and upon motion duly made by Vice President Smith and seconded by Director Desormeaux, the Board authorized the District Manager for the emergency purchase of a jet aerator. Legal counsel noted the District would need to submit a notification to the TCEQ of the emergency purchase and the conditions.

Agenda Item No. 6: Action – Review revised Article VI Section 2, Holidays in the District Personnel Policy. The Board recognized Mr. Starr who presented holiday calendars for Hardin County, the City of Lumberton, as well as a state holiday schedule and proposed a new holiday schedule in line with other local and state entities to include the addition of Martin Luther King Day, President’s Day, Texas Independence Day, Columbus Day, Veterans Day and the relative phase of each holiday in addition the current holidays. A lengthy discussion followed and upon a motion duly

made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the revision to Article VI Section 2 on District Holidays.

Agenda Item No. 7: **Amend District Standards for Water and Sewer Construction for Residential Multi-Use subdivisions to allow for installation of on-site water and/or sewer facilities based on capacity study.** The Board recognized Mr. Starr who then recognized legal counsel who advised the Board the District had in August 2021 updated its Standards for Water and Sewer Construction including an Application for Subdivisions along with information and technical specifications. Legal counsel noted the agenda item was to review the District's Standards for Water and Sewer Construction to address those areas where the provision of water transmission lines and sanitary sewer collection facilities may not be installed by a subdivider/developer and were not to be installed by the District. The Board discussed the recent request for service to a tract in the southwesterly portion of the District and the indication that approximately 10,000 linear feet of water transmission and sanitary sewer collection lines would have to be laid in size to accommodate proposed development, and the cost of such may mitigate in favor of the property being developed through approval with County subdivision platting requirements with onsite water and wastewater systems rather than connection to the organized systems of the District. A lengthy discussion followed, including prior projects undertaken and more significantly undertaken by developers to bring existing water and wastewater utilities to main lines of the District. Legal counsel noted the intention would be to amend the District's Standards for Water and Sewer Construction to provide a possible request by a developer following receipt of a capacity study and required water and sewer line extensions for exclusion from certain utility system improvements. It was noted that any such change in District standards would not affect the customer service inspection and the requirements for specific plumbing standards and improvements at each new connection. The District Manager and

legal counsel were requested to provide a proposed revision to the District Standards for Water and Sewer Construction for allowance of onsite septic systems without District responsibility for the installation and operation of said systems.

Agenda Item No. 8: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the bank statements for PNC Bank and Wells Fargo Bank along with the collateral pledge reports. Ms. McGallion noted deposits of \$689,703.53 at PNC Bank and \$36,050,240.39 at Wells Fargo Bank. Ms. McGallion reviewed accounts payable totaling \$476,701.05, and Director Burk addressed invoices. Ms. McGallion then reviewed the budget to date showing revenues of \$617,020.68 and total disbursements of \$846,969.93 for a monthly operating loss of \$229,949.25. Ms. McGallion provided the capital budget with expenditures of \$11,500.00 and the maintenance and repair budget showing monthly disbursements of \$18,802.84. Ms. McGallion then provided the 5-year to month averages, the overtime report, and adjustments in the amount of approximately \$3,000.00. She then presented invoices of LJA Engineering for the bond project along with the financial drafts and charts. The Board thanked Ms. McGallion.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who presented the Operations Report. Mr. Lewis advised there had been nine exceedances for ammonia. The District had not reported any accidents or significant events. Mr. Lewis reviewed the Production Report and presented the monthly charts and graphs on system operations, plant flows, billings, and rainfall data along with customer usage and customer profile data. Mr. Lewis asked the Board to review page 17 of the vehicle report

noting three vehicles with significant repairs and presented the February 2023 complaint log. The Board thanked Mr. Lewis for his report and recognized the District Manager.

C. Presentation of Current Projects.

1. **Depository Agreement.** Mr. Starr advised the banks had requested additional information on the RFP's and hoped to provide a recommendation at its upcoming meeting.

2. **Chamber Banquet.** Mr. Starr provided information on the April 17, 2023 Lumberton Chamber Banquet.

3. **Online Auction.** Mr. Starr advised the District through Mike Tywater was considering transitioning from auctions through Horn Auction to the use of Bates Online Auction Services.

4. **Meter Availability.** Mr. Starr discussed the continued issues with meter availability through Badger Meter noting the 1200-meter order made was hoped to be received by April 15. Questions followed from the Board on alternatives to the current metering system, and Mr. Starr indicated that significant additional radio towers and infrastructure would be required.

D. Presentation of Directors' Reports. None.

Agenda Item No. 9: **Public Comments.** None.

Agenda Item No. 10: **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. 11: **Adjournment.** There being no further business, the meeting was adjourned at 8:20 p.m.

W. White

President of the Board

ATTEST

[Handwritten Signature]

Secretary of the Board