

Approval of Minutes from
August 21,2023
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, August 21, 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:

Jimmy Burk

David Desormeaux

Roger Smith

David Pitchford

Nick Carter

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

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

Agenda Item No. 3: **Minutes.** The Minutes of July 17, 2023 Public Forum were approved as presented.

Agenda Item No. 4: **Minutes.** The Minutes of July 17, 2023 Board meeting were approved as presented.

Agenda Item No. 5: **Presentation by Engineers – Wastewater Plant and Collection System Improvements Update, LJA Engineering.** The Board recognized Jared Defrancis who advised that on July 26, Ovivo along with representatives of LJA Engineering met regarding the submerged

effluent clarifier launders and discussed designs for the Carrousel aeration system. District representatives and LJA Engineering representatives reviewed a facility in Corpus Christi on August 1, 2023 and were continuing to work on specifications and cost estimates. It was noted there were no updates as to the TCEQ permit which was still in review. Mr. Defrancis noted the geotechnical testing on foundation thickness had been completed and did not affect the proposed design. Mr. Defrancis also noted LJA Engineering was continuing to press the TWDB on the environmental information document review which had been filed on February 22 and should be completed in approximately 60 days. Mr. Defrancis noted the Engineering Feasibility Report would not be approved by the TWDB until the Environmental Review was complete. The Board thanked Mr. Defrancis for his report and review of the proposed project cost estimates.

Agenda Item No. 6: Possible Amended Capacity and Construction Approval – additional 6 lots, 6460 North Fawn Andrew Withers, owner. The Board recognized Mr. Defrancis who presented the mapping and the water and sewer system capacity report for six lots at 6460 North Fawn. He reviewed the proposed development and the system capacities/operating facilities and noted the District had adequate water and wastewater system improvements to serve the proposed additional six lots. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the Board unanimously granted capacity and construction approval for the six lots, 6460 North Fawn, Andrew Withers, owner.

Agenda Item No. 7: Amended Capacity and Construction Approval – additional 20 lots, 10580 Sweetgum Mike and Dawn Swarthout, owners. The Board recognized Jared Defrancis who provided the mapping and the water and sewer capacity study for the proposed additional 20 residential lots. Mr. Defrancis reviewed system facilities in the area of the proposed residential development as well as water and sewer system requirements. He then concluded that the existing

water and wastewater system of the District would be adequate to serve the additional lots. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board provided amended capacity and construction approval for the additional 20 lots, 10580 Sweetgum, Mike and Dawn Swarthout, owners.

Agenda Item No. 8: **Final Approval – 15 lots, Willford Estates, Mike and Dawn Swarthout, owners.** The Board recognized Robb Starr who indicated the 15 lots in Williford Estates were complete and after discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board gave final approval on the 15 lots of Williford Estates, Mike and Dawn Swarthout, owners.

Agenda Item No. 9: **Final Approval – 35 lots, Woosley Palms, Phase 6 and 7, Chuck King, owner.** The Board recognized Rob Starr who indicated again that all actions had been taken by Mr. King as owner of the 35 lots in Woosley Palms, Phase 6 and 7 in compliance with District regulations. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board gave final approval on the 35 lots of Woosley Palms, Phase 6 and 7, Chuck King, owner.

Agenda Item No. 10: **Close Out PNC account and transfer funds to First Financial.** The Board was presented with information which included an Incumbency Certificate to provide signature identification information for the closeout of the PNC account and transfer of funds to First Financial. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously approved the closeout of the PNC account, the transfer of funds to First Financial and execution of the Incumbency Certificate.

Agenda Item No. 11: **Resolution 2023-3 Designating First Financial Bank as the Lumberton Municipal Utility District Revenue Bond Reserve Account.** The Board reviewed Resolution 2023-3 and after discussion and upon motion duly made by Director Desormeaux and seconded by Director

Smith, the Board unanimously approved the execution of Resolution 2023-3 Designating the District Revenue Bond Reserve Account at First Financial Bank.

Agenda Item No. 12: **Write-offs for the fiscal year July 1, 2021 thru June 30, 2022.** The Board was presented with write-offs as of July 1, 2021 through June 30, 2022. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the write-offs for the fiscal year July 1, 2021 through June 30, 2022.

Agenda Item No. 13: **2023 Certified Estimate Tax Roll.** It was noted the information on the certified tax roll and tax rate of the District was not available, so the Board tabled items 13, 14, 15 and 16.

Agenda Item No. 14: **Establish Proposed Tax Exemption for the District.** This agenda item was tabled.

Agenda Item No. 15: **Set the 2023 Proposed Tax Rate at a tax per \$100 valuation not greater than the 2023 Voter Approved Rate.** This agenda item was tabled.

Agenda Item No. 16: **Set date for Public Hearing on 2023 Proposed Tax Rate.** This agenda item was tabled.

Agenda Item No. 17: **Billing Services Agreement with City of Lumberton.** Mr. Starr reviewed the prior Billing Services Agreement with the City. After discussion and upon motion duly made by Director Burk and seconded by Director Smith, the Board unanimously approved the Billing Services Agreement between the District and the City of Lumberton.

Agenda Item No. 18: **Interlocal Agreement for water service to the City of Lumberton.** The Board reviewed the Interlocal Agreement and after discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the Interlocal Agreement for water service to the City of Lumberton for its recreational facilities.

Agenda Item No. 19: **Authorizing District Manager to sell Surplus Equipment.** The Board received a report from Mike Tywater and Robb Starr outlining equipment the District had determined to be surplus. Mr. Tywater and Mr. Starr noted that certain information had been added to the surplus equipment proposal, as the District had finally received vehicles that had been on order. Mr. Starr and Mr. Tywater noted the proposal was to present the surplus equipment for online sale rather than previous physical delivery to local auction businesses. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the Board unanimously authorized the sale of the surplus property as presented and authorized the online sale of the authorized equipment as requested.

Agenda Item No. 20: **Authorizing District Manager to approve contract for Janitorial Service for District Office.** The Board recognized Mr. Tywater who indicated they had received two responses to the request for janitorial services to the District. Mr. Tywater indicated he had reviewed the references presented and felt they were capable of providing the District with janitorial services as expected. After discussion and upon motion duly made by Director Desormeaux and seconded by President Carter, the Board unanimously approved the janitorial service contract for \$1,600.00/month.

Agenda Item No. 21: **Manager's Report.**

A. Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the bank accounts from the current depositories, PNC Bank and Wells Fargo Bank along with collateral pledges and bank balances. Ms. McGallion then reviewed the accounts payable in the amount of \$474,783.02. She then noted check no. 53472 was for acquisition of the two Chevy Silverado units mentioned earlier in the meeting. The Board then reviewed the budget showing monthly revenues of \$801,129.17 and monthly expenditures of \$800,779.17 for a cash income for the month of \$350.00. Ms. McGallion

then reviewed the 2023-24 capital budget items, and it was noted the District had acquired the two half-ton trucks and an air compressor for total disbursements in the capital budget of \$94,594.86 and the maintenance budget disbursements of \$12,330.98. The 5-year to month average report was then reviewed, and Ms. McGallion noted a transfer of \$65,000.00 had been made for the August bond payment. The Board was then presented with the overtime report adjustments and invoices as to the wastewater treatment plant bond project. Ms. McGallion then closed with a presentation of the financial graphs and charts. The Board thanked Ms. McGallion for her presentation.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who presented the Production Report and Operations Report. Mr. Lewis began with a review of the Operations Report including a notation that there had been six exceedances at the wastewater treatment plant which all were as to ammonia. It was also noted there was an accident when a District employee thought he had been bitten while cleaning out a meter box. The accident was reported, but it was a no time loss accident. Mr. Lewis reviewed the Production Report and advised the Board of the 84 million plus gallon pumpage for the month of July. Mr. Starr stated that based on additional activities in the District, it was anticipated the monthly pumpage in September may be shown as over 100 million gallons. The Board was then presented with the overtime comparison, the charts and graphs on system operations and the customer usage and profile for 2023. Mr. Lewis also reviewed the vehicle report and the complaint log. It was noted a significant portion of the complaints had to do with water leaks which occurred due to the absence of rainfall, and there were also a number of requests for re-reads due to high volume. The Board thanked Mr. Lewis for his report.

C. Presentation of Current Projects. After presentation of the report, the Board recognized Mr. Starr who discussed current projects.

1. Capacity Studies. Mr. Starr began by stating that certain entities had voiced concern on attempting to secure guarantees of capacity before service was initiated. Mr. Starr noted that legal counsel proposed providing guarantees, which took capacity away from the District and did not match service demands.

2. Water Demand. Mr. Starr went on to say the August water demand would probably crest 100 million gallons per day.

3. Additional Rate Class. Mr. Starr noted that as with the City of Lumberton, the District may recommend the creation of a special rate class for emergency service providers which would allow a more favorable rate for those using water services for emergency management.

D. Presentation of Directors' Reports. The Board thanked Mr. Starr for his report and moved to presentation of Directors' Reports.

Agenda Item No. 22: **Public Comments.** None.

Agenda Item No. 23: **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. 24: **Executive Session.**

Executive or Closed Session to Discuss Pending or Contemplated Litigation and/or the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline or Dismissal of District Employees as Permitted by Chapter §551.074 of the Texas Government Code.

A. **Evaluation of the District Manager.** Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 7:51p.m. to discuss the evaluation of the District Manager.

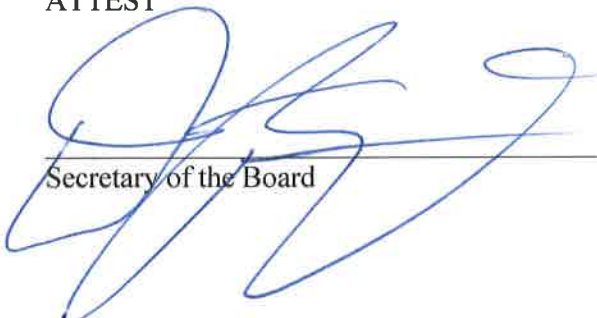
Agenda Item No. 25: Possible Action of Executive Session. The Board reconvened from executive session at 8:31 p.m., and President Carter noted the District Manager had received a favorable evaluation and an adjustment in compensation. The District Manager was thanked for his service to the District.

Agenda Item No. 26: Adjournment. There being no further business, the meeting was adjourned at 8:35 p.m.



President of the Board

ATTEST



Secretary of the Board