

**Approval of Minutes from  
December 19, 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, December 19, 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 Pitchford

Jimmy Burk

Nick Carter

Absent: David Desormeaux

Absent: Roger Smith

Also present were Robb Starr, Carla McGallion, Benny Lewis and Mike Tywater as employees of the District, Toby Davis and other representatives 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 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 November 21, 2022 Board Meeting. The Minutes of November 21, 2022 were deferred for approval until the January 2023 Board meeting.

Agenda Item No. 4: Presentation by Engineers – Wastewater Plant and Collection System Improvements Update – LJA Engineering. The Board recognized Toby Davis along with other representatives of LJA Engineering who were working on the wastewater plant and collection system improvement project. Mr. Davis reviewed the project status report and timetable for both the wastewater treatment plant rehabilitation and collection system improvements. Mr. Davis reviewed

the critical path ahead as the project was proceeding through Texas Water Development Board plan review and environmental review and noted an upcoming public hearing on the permit to be issued for the 6.0 MGD wastewater treatment plant. Mr. Davis reviewed the 30% submittal report including the opinion with probable cost noting specifically the cost increase, but based upon the reduced land acquisition plans, \$2 million had been moved from the original project estimate to the realigned project estimate, so there was no additional cost above that as originally projected. The Board also reviewed the map/layout of the anticipated wastewater treatment plant expansion project. After questions from the Board, Mr. Davis mentioned the public hearing of January 23, 2023 and the anticipated environmental approvals to be received by May 2023.

**Agenda Item No. 5: Water Line Easement between Sherie Renee Boykin and District – 0.3892 acre tract located on FM 421.** The Board recognized Mr. Robb Starr who reviewed the plans to realign out of the highway right-of-way service along Highway 421 providing the easement agreement and the location of the new 0.3641 acre tract of land necessary for the wastewater plant improvement project. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved and accepted the waterline easement from Sherie Renee Boykin, as Independent Executor of the Estate of Johnny Clifton Okun, deceased.

**Agenda Item No. 6: Manager's Report.**

**A. Presentation of Financial Statement and Accounts Payable.** The Board recognized Carla McGallion who presented the bank accounts and pledge agreements for PNC Bank and Wells Fargo Bank showing deposits from PNC Bank of \$3,349,497.16 and deposits at Wells Fargo of \$38,451,233.34. Ms. McGallion then reviewed the accounts payable for the month totaling \$394,129.57 as well as the budget year-to-date showing revenues for November 2022 of \$600,057.21 and disbursements for the month including debt

service payments on District revenue bonds with disbursements totaling \$751,417.48 for an operating loss of \$151,360.27. Ms. McGallion noted there were no disbursements from the capital budget for November 2022 and \$3,415.40 of disbursements for the 2022/2023 scheduled maintenance/repair budget. Ms. McGallion finally reviewed the 5-year to month average revenue and expense report, the overtime report and other adjustments including customer refunds as well as the financial graphs and charts.

**B. Presentation of Production Report and Operations Report.** The Board recognized Benny Lewis who indicated the wastewater treatment plant had two exceedances for ammonia daily and weekly limits. Mr. Lewis also reported on one recorded accident without loss time which was an auto accident at Walton and Highway 96. Mr. Lewis indicated the employee had been drug tested after the incident. Mr. Lewis reported on one repair due to damage during operations on a fiber optic cable and noted on pages 7 and 8 of the Production Report, the District was still experiencing high pumpage. Mr. Lewis then presented the plant and water graphs along with the customer usage profile as well as the vehicle report and the complaint log.

**C. Presentation of Current Projects.**

- 1.) **Holiday Schedule.** The District Manager reviewed the anticipated holiday schedule and suggested a meeting be scheduled early in 2023 with the committee to review the Disaster Pay Policy.
- 2.) **Schedule meeting with committee to go over hazard pay.** See above.
- 3.) **Depository Agreement.** Mr. Starr noted the Depository Agreement had been reviewed by Director Burk as head of the Investment Committee and

would be presented to local banks for a response to a Request for Proposal for Depository Services. It was noted the District anticipated directly soliciting proposals from several local depositories.

4.) **Capacity Study Fees.** Mr. Starr closed his report with a discussion of procedures for capacity studies required by the District's Construction and Development Regulations. Mr. Starr suggested the Board may consider requiring a developer to pay for a capacity study prior to the capacity study. The Board reviewed Mr. Starr's recommendation and discussed the requested committee and other agreements for future agendas.

**D. Presentation of Directors' Reports.** None.

Agenda Item No. 7: Public Comments. None.

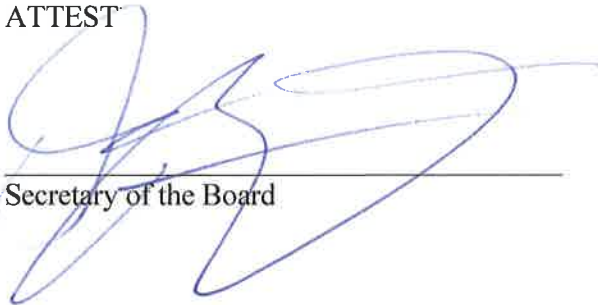
Agenda Item No. 8: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 9: Adjournment. There being no further business, the meeting was adjourned at 7:16 p.m.



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President of the Board

ATTEST



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Secretary of the Board