

Approval of Minutes from  
April 24, 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, April 24, 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 was led by Director Smith and pledge was led by President Carter.

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

Agenda Item No. 3: **Minutes.** The Minutes of March 20, 2023 were approved as presented.

Agenda Item No. 4: **Presentation by Engineers – Wastewater Plant and Collection System Improvements Update – LJA Engineering.** The Board recognized Jared Defrancis who presented the wastewater treatment plant and collection system improvement project status report dated April 24, 2023 and reviewed the project benchmarks. Mr. Defrancis noted the District and LJA Engineering were to meet on April 28<sup>th</sup> to discuss the approved 60% plan set and begin preparation of the 90% design submittal. Mr. Starr noted the TCEQ permit was targeted to be received on or about May 5<sup>th</sup>.

Mr. Defrancis then reviewed the site grading of the electrical distribution system and the sanitary sewer collection system projects. Mr. Defrancis presented the summary of opinion of probable construction costs showing reallocation of funds with the total probable project costs remaining at \$61,233,154.00, which included a \$1,532,422.00 contingency. Mr. Defrancis reviewed the timetable showing the projects and provided the updated proposed site plan. Mr. Defrancis closed with a presentation of the 60% submittals with items being verified with no change. President Carter asked for an explanation of the difference between the status which was provided by Mr. Defrancis, and the Board thanked Mr. Defrancis for his report.

**Agenda Item No. 5: Construction Approval – Evergreen Subdivision – 38 lots – CHM Homes, owner.** The Board recognized Mr. Starr who indicated the capacity had previously been granted and was satisfied that construction approval could be granted. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously granted construction approval for Evergreen Subdivision, 38 lots, CHM Homes, owner.

**Agenda Item No. 6: Final Approval – River Birch Phase II Section II – E – 18 lots – James Abshire, owner.** The Board recognized Mr. Starr who stated all District requirements had been satisfied. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously provided final approval to River Birch Phase II Section II – E, 18 lots, James Abshire, owner.

**Agenda Item No. 7: Presentation of Proposed Revisions to District Construction Standards.** The Board recognized legal counsel who advised he had prepared edits to the District's Standards for Water & Sewer Construction effective August 16, 2021. Legal counsel advised of certain changes made, and it was noted the copy of the proposed revisions which were redlined by legal counsel did not come through as redlines on the document provided to the Board, and it was agreed the Board

would take comments, but the matter should be placed back on the May agenda when the Board had a better opportunity to review the changes made by legal counsel.

Agenda Item No. 8: **Implementation Approved Holiday Schedule.** The Board recognized President Carter who indicated he brought this matter back to the Board's attention due to concerns about the implementation and possible cost to the taxpayers. It was suggested the holiday schedule be implemented over the succeeding fiscal years of the District. Comments came from the Board including Director Pitchford who stated he felt there would be no effective cost to the District, and the minor amount of lack of productivity was well worth the employee morale. President Carter stated his request would be to simply implement the holiday schedule effective beginning with those added holidays in the 2023-2024 fiscal year. After further discussion and upon motion duly made by Director Pitchford and seconded by Director Smith with President Carter in opposition, the Board ratified the approval of the amended holiday schedule.

Agenda Item No. 9: **Manager's Report.**

**A. Presentation of Financial Statement and Accounts Payable – Carla McGallion .** The Board recognized Carla McGallion who presented the reports of deposits and pledges from the depository including PNC Bank with total deposits of \$689,698.53 along with the collateral pledge and the deposits at Wells Fargo Bank in the amount of \$36,437,297.24 with pledged collateral and FDIC insurance. The Board then reviewed the accounts payable for the month in the amount of \$492,989.18, and questions followed from Director Pitchford. Ms. McGallion reviewed the budget year-to-date which showed revenues of \$871,489.39 and disbursements of \$712,350.11 for a cash income for March of \$159,139.28. Ms. McGallion noted a small capital budget item at the wastewater treatment plant in the amount of \$7,132.88 and scheduled maintenance and repair budget of \$12,045.30

for orbal parts. Ms. McGallion then reviewed the 5-year to month average, the overtime report and the adjustments. In the adjustments, Director Pitchford raised questions concerning two accounts due to the near or over half million-gallon water use readings. An explanation followed from Ms. McGallion, and she closed her report with a presentation of the financial charts and graphs including the TCEQ and TWDB Clean Water State Revolving Fund Bond proceed expenses and remaining proceeds along with an invoice from LJA Engineering in the amount of \$365,032.40. The Board thanked Ms. McGallion for her report.

**B. Presentation of Production Report and Operations Report – Benny Lewis.** The Board recognized Benny Lewis who advised the District was still experiencing issues with its ammonia and had nine exceedances for the month of March, seven due to ammonia and two to E. coli. Mr. Lewis indicated the E-coli report was a failure, it was not customary and was unusual for a report to fail twice. Mr. Lewis also noted one near miss having to do with a near dog attack while taking water samples. Mr. Lewis reviewed the overtime summary and noted on page 5 of the Production Report the unaccounted for water at 22% and on page 7 of charts and graphs, the very high pumpage at the water production wells. Mr. Lewis then reviewed the vehicle report and noted on page 15 repairs to several of the District's vehicles. Questions then followed concerning repairs to the 2006 unit, and the cost to replace that unit was over \$450,000.00. Questions were raised about the possibility of a lease of similar equipment. The Board thanked Mr. Lewis for his report.

**C. Presentation of Current Projects – Robb Starr.** Mr. Starr noted the District was getting ready to get involved with the annual regional school and also indicated the depository proposals had been received, were under review and would be scheduled for


consideration by the Board in May. The Board then discussed the issues raised by a number of residents concerning the high appraisals.

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

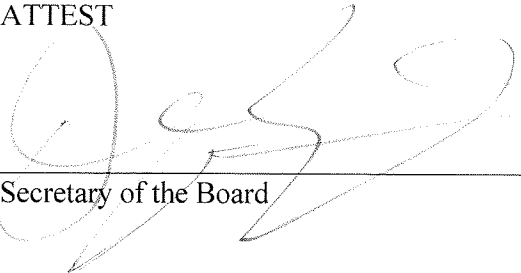
Agenda Item No. 10: Public Comments. None.

Agenda Item No. 11: 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. 12: Adjournment. There being no further business, the meeting was adjourned at 8:00 p.m.

  
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President of the Board

ATTEST

  
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Secretary of the Board