

Approval of Minutes
from July 19, 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, July 19, 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

Nick Carter

Also present were Robb Starr, Benny Lewis and Carla Belt as employees of the District, Toby Davis 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, and the prayer and the pledge were led by President Carter.

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

Agenda Item No. 3: Minutes. The Minutes of June 21, 2021 were reviewed and approved as presented.

Agenda Item No. 4: Construction Approval River Birch Phase II Section II – E - 18 lots – James Abshire, owner. The Board recognized Mr. Starr who provided information concerning the proposed additional phase to River Birch Addition, but noted that in discussions with the City, the City would not provide a final plat to support the construction approval. Mr. Starr noted a final plat approval had been a standard in the District's subdivision rules. A discussion followed, and the Board was advised the City had amended its plat procedures under its ordinances, and the District would receive only a

preliminary plat for the authorization of construction approval. After discussion, the Board stated that while contrary to District policy, the Board provided construction approval upon motion duly made by Director Smith and seconded by Director Desormeaux. The Board asked the District Manager and legal counsel to coordinate an agenda item for the next regular Board meeting for any changes necessary for construction approval requirements.

Agenda Item No. 5: Construction Approval – Heritage Highlands Subdivision – 33 lots – Greentree Enterprise LLC, owner. The District Manager provided information concerning the proposed construction approval and noted the site for the proposed addition. It was again noted this too would be a request for approval without the presentation of a final plat. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the Board provided construction approval.

Agenda Item No. 6: Amended Capacity – revised 9 lots to 12 lots – Tranquility Forest Phase II – Clint Baxxlee, owner. The Board recognized Toby Davis who presented the engineering report dated June 2021 as to the referenced project noting the location of the project, the available water and sanitary sewer facilities and the expected flows due to the modified site plan. In conclusion, Mr. Davis noted the District had existing water facilities to provide for the additional residential connections within TCEQ designed criteria and concurrently had adequate sanitary sewer collection and wastewater treatment plant capacity for the requested development. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board provided amended capacity approval.

Agenda Item No. 7: Designate Shirley Cook, Hardin County Tax Assessor-Collector, to calculate and publish the No-New-Revenue Tax Rate and Voter-Approval Tax Rate for Lumberton Municipal Utility District, pursuant to §26.04 of the Property Tax Code; and, as the governing

body's designee, it will be the duty of Shirley Cook to submit updated electronic data to Hardin County Appraisal District as required by §26.17 of the Property Tax Code. Legal counsel noted the Hardin County Tax Assessor Collector had requested a letter designating her to perform tax rate calculations pursuant to Chapter 26, Texas Property Tax Code. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board approved the designation of Shirley Cook, Hardin County Tax Assessor Collector, as the District's designee to make tax calculations pursuant to Chapter 26, Texas Property Tax Code.

Agenda Item No. 8: Wastewater Treatment Plant and Collection System Improvement Bond Report – LJA Engineering, Inc. The Board recognized Toby Davis who advised that after the Board had previously received the Bond Engineering Report, LJA had determined there were slight modifications needed in the Cost of Issuance, so the Bond Report was amended to show a total project including wastewater system and other improvements of \$74,275,000. The Board reviewed the Bond Engineering Report as presented and approved same upon motion duly made by Director Burk and seconded by Director Desormeaux.

Agenda Item No. 9: Presentation and Discussion – LMUD Water Tower Inspections. The Board recognized Mr. Starr who provided the detailed Water Tower Inspection Report provided by Dunham Engineering dated June 29, 2021. Mr. Starr reviewed the summary statement from Dunham Engineering identifying specific issues with the tanks and noting possible cost associated with improvements to each of the well sites. Mr. Starr noted the District would be continuing maintenance on the well and begin evaluation of funding sources for the recommended budgets presented by Dunham Engineering for each of the well sites and proposed rehabilitation projects. Questions followed, and it was noted this was not an action item.

Agenda Item No. 10: Resolution 2021-6, a Resolution establishing a new fee structure to be charged for water and sewer service. Director Burk requested the rate structure be tabled until the District could have a workshop to discuss the matters in the report. The Board agreed, and the matter was tabled.

Agenda Item No. 11: Manager's Report.

A. **Presentation of Financial Statement and Accounts Payable.** The Board recognized Carla Belt who provided a review of the bank balances and noted BBVA Compass Bank was now a part of PNC Bank. Ms. Belt reviewed accounts payable in the amount of \$398,300.85 and included payments to Dunham Engineering and the annual TML Inter-Governmental Risk Pool Insurance coverage. Ms. Belt then reviewed the budget year-to-date and noted that for the month of June, the District had an operating profit of \$44,826.79. Ms. Belt reviewed the capital budget year-to-date showing an expenditure for a rebuild of the Ash Lift Station and other expenditures. Ms. Belt then presented the 5-year to month average reports, the overtime report and customer adjustments.

B. **Presentation of Production Report and Operations Report.** The Board then recognized Mr. Lewis who provided the Operational Report showing wastewater treatment facility excursions of 14 due to ammonia and one due to total suspended solids, but and no report of loss time injuries or other events. Mr. Lewis then reviewed the Production Report and noted in the monthly presentation of charts and graphs on system operation and customer profiles, the District had pumped over 70 million gallons of water in the previous period. Mr. Lewis closed after review of the charts and graphs, system operations and customer profile with the presentation of the vehicle maintenance and mileage report and the customer complaint log.

C. **Presentation of Current Projects.**

1. **LEPC Meeting at LMUD office on July 20, 2021.** The Board then recognized Robb Starr who advised of the LEPC meeting at the District's office on July 20th and his plans for future bond issue meetings beginning after the District called the bond election. Mr. Starr closed with a discussion of a meeting with DR Horton Homes and as to a green belt area along the boundary of the wastewater treatment plant. Mr. Starr indicated the amount of property requested by the District for a green belt exceeded the amount the developer felt would be available in order to meet its development plans and suggested the Board request the possibility of setting up a defined area under Chapter 54 of the Water Code. The Board thanked Mr. Starr for his report.

2. **Future Bond Meetings.** See above.

D. **Presentation of Directors' Reports.** Legal counsel noted the Board would need to meet in special session on Thursday, August 5, 2021, to adopt the Order Calling the Election for the November 2nd election, approve the Joint Election Agreement with Hardin County and adopt a Reimbursement Resolution. The Board discussed and requested the meeting be set for 8:00 a.m. on Thursday, August 5, 2021.

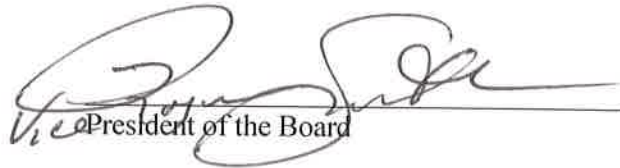
Agenda Item No. 12: Public Comments. None.

Agenda Item No. 13: Payment of Bills. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the accounts payable were approved for payment as presented.

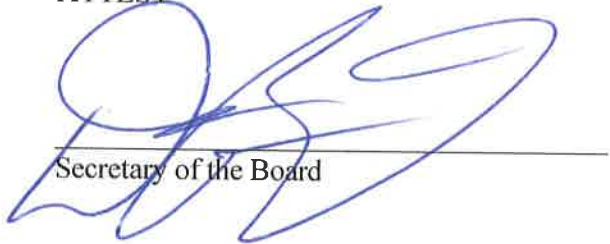
Agenda Item No. 14: Executive Session. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 7:55 p.m. for evaluation of the District Manager.

Agenda Item No. 15: Action of Executive Session. The Board reconvened at 8:40 p.m., and it was noted by President Carter the District Manager had received a favorable evaluation and would proceed with a salary adjustment.

Agenda Item No. 16: Adjournment. There being no further business, the meeting was adjourned at 8:45 p.m.


Vice President of the Board

ATTEST


Secretary of the Board