

Approval of Minutes

June 16, 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, June 19, 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

Nick Carter

David Desormeaux

Roger Smith

Absent: David Pitchford

Also present were Robb Starr, Carla McGallion, Mike Tywater and Benny Lewis as employees of the District, 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 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 May 15, 2023 were approved as presented.

Agenda Item No. 4: **Minutes.** The Minutes of May 30, 2023 were approved as presented.

Agenda Item No. 5: **Capacity and Construction Approval for BCS Lumberton, LLC, 3-unit Commercial Complex at 309 North LHS Drive.** The Board recognized Jared Defrancis who presented the capacity study for the BCS Lumberton LLC request for a 3-unit commercial project at 309 North LHS Drive. Mr. Defrancis reviewed the site of the project. Questions followed by Director Desormeaux, and the District Manager noted the report addressed only sewer as water service was available to the location and required only taps to be constructed for the strip center units. Mr.

Defrancis reviewed the existing water, sanitary sewer and wastewater treatment plant facilities and noted the District had adequate capacity in the water system to provide the service, and as to the sanitary sewer connection system facilities, the developer would be required to extend the 10-inch sanitary sewer line from Jordan Drive along Blanco Street to the rear of the proposed development where the new 10-inch sanitary sewer service would tie into the proposed 10-inch sanitary sewer line. After discussion and upon motion duly made by Director Burk and seconded by Director Smith, the Board provided capacity and construction approval for BCS Lumberton, LLC, 3-unit Commercial Complex at 309 North LHS Drive.

Agenda Item No. 6: **Presentation by Engineers – Wastewater Plant and Collection System Improvements Update, LJA Engineering.** The Board recognized Jared Defrancis who presented the wastewater treatment plant expansion project status report dated June 19, 2023. Mr. Defrancis noted that on May 31, LJA Engineering and the District had met with the City of Lumberton and the City engineers to discuss drainage requirements for the wastewater treatment plant project. The City agreed the project would not require detention for drainage. Mr. Defrancis also noted that LJA Engineering concluded the cut and filled balances for the removal of the existing holding ponds and provided an updated site plan in their report. Mr. Defrancis noted there were no project cost estimate changes, and while the plans were to be submitted by mid-June, the production was only about 75% complete, so the 90% submittal would be provided in August at which time it was anticipated the submittal would be closer to 100% complete. Mr. Defrancis noted there were no changes in this reporting period for the TCEQ Permit which was still under review, and the design of the Matthews Lane Lift Station was approximately 90% complete, and there were no other changes to the lift station design plans at this time.

Agenda Item No. 7: **Resolution 2023-02 – Interlocal Purchasing System Agreement.** The Board recognized the District Manager who provided a report on the reason for the request to add another

cooperative purchasing program for the District. Mr. Starr noted the Tips Purchasing Cooperative Offer by Region VIII, Education Service Center would be able to provide the four (4) trucks the District was having difficulty acquiring. After its presentation and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved Resolution 2023-02.

Agenda Item No. 8: 2023-2024 Proposed Lumberton Municipal Utility District Budget. The Board recognized Robb Starr who presented the proposed 2023-2024 budget and summary outlining capital items proposed for purchase and concluded with budgeted operation revenues and operating disbursements. Questions followed including questions concerning operating revenues generated from imposition of District fees. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved the 2023-2024 budget with total proposed revenues of \$13,604,020.00 and proposed operating disbursements and debt service for general obligation and revenue bonds of \$13,599,820.00. The motion passed unanimously.

Agenda Item No. 9: Manager's Report.

A. Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the financial statements and accounts beginning with a review of the bank deposits and collateral pledges from PNC Bank and Wells Fargo Bank showing deposits at Wells Fargo of \$35,915,187.98 and PNC Bank of \$439,688.53. Ms. McGallion then reviewed the monthly accounts payable and noted higher over budget items including printing and postage with the monthly accounts payable totaling \$328,280.32. Ms. McGallion reviewed the budget year-to-date showing revenue of \$722,314.58 and monthly budgeted disbursements of \$603,641.67 for a monthly operating income of \$219,176.87. Ms. McGallion then reviewed the capital budget year-to-date, 5-year to monthly average on revenues followed by the overtime for the month and the customer adjustments. The

summary of financial charts and graphs were then presented, and Ms. McGallion closed with a notation of the bond issue expenses for the month including invoices from LJA Engineering.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who presented the production and operations report noting two ammonia exceedances at the wastewater treatment plant, but no other accidents or significant events. Mr. Lewis reviewed the production report noting the water loss as being high again, not due to water loss, but due to the billing cycle issues and changes that were being proposed to rectify the cyclical nature of the water loss during the year. Mr. Lewis then presented the system operation reports, charts and graphs of utility system operations, customer usage and customer profiles, the vehicle mileage and maintenance report and the log of complaints. President Carter asked if there were any questions from Board, and there being none, the Board moved to current projects.

C. Presentation of Current Projects.

1. Public Forum – 2022 Consumer Confidence Report. The Board discussed the public forum on the 2022 Consumer Confidence Report issues concerning postage rates and mail charges as well as the District’s Manager’s evaluation form. The District Manager noted the conduct of the proposed form on the Consumer Confidence Report prior to the July Board meeting.

2. Postage, Rates and Presort Mail. Mr. Starr then recognized Mr. Mike Tywater who presented his report on the United States Postal Service rate increases effective July 9, 2023, and how those rates would affect District’s postage and mail expenses.

3. District Manager Evaluation Form. The District Manager then presented his Manager Evaluation Form.

D. Presentation of Directors' Reports. Mr. Starr discussed with the Board the recent power outages caused by storm events and the improved coordination between the District and other utilities to ensure the proper maintenance of water and wastewater services by the District.

Agenda Item No. 10: Public Comments. None.

Agenda Item No. 11: Payment of Bills. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the accounts payable were approved for payment as presented.

Agenda Item No. 12: Adjournment. There being no further business, the meeting was adjourned at 7:26 p.m.


Vice President of the Board

ATTEST


Secretary of the Board