

Approval of Minutes from
September 18, 2023
Board Meeting

**REGULAR MEETING & PUBLIC HEARING
OF THE BOARD OF DIRECTORS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The regular meeting and public hearing of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, September 18, 2023, at 6:00 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, BJ Lee-Lewis, Jeramie Brown and Patrick Plake 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 Hearing on Proposed 2023 Tax Rate for District in an amount not to exceed \$0.222701/\$100 valuation. President Carter convened the public hearing on the proposed 2023 tax rate for the District at 6:02 p.m. noting the amount of the tax rate would not exceed \$0.222701/\$100 valuation. No members of the public were present.

Agenda Item No. 3: Close Public Hearing on 2023 Tax Rate. President Carter stated the Board would continue the hearing for 15 minutes before closing the public hearing. At 6:17 p.m. the public hearing was closed.

Agenda Item No. 4: Minutes. The Minutes of August 21, 2023 regular Board meeting were approved as presented.

Agenda Item No. 5: Minutes. The Minutes of September 5, 2023 special Board meeting were approved as presented.

Agenda Item No. 6: Presentation by Engineers – Wastewater Plant and Collection System Improvements Update, LJA Engineering. The Board recognized Jared Defrancis who advised the Board they were continuing to work on the plans and specifications with a review meeting scheduled with the District staff on September 28. Mr. Defrancis noted the civil design was almost complete, and the electrical and structural engineering was anticipated to be almost complete by October 23. Both as to the TCEQ permit and TWDB environmental review, Mr. Defrancis noted there were no changes, but once the finding of no significant impact was provided by the TWDB, the District would need to advertise for public comments again for an additional 30-day period before final approval could be provided. Mr. Defrancis reviewed the sanitary sewer collection project and noted TCEQ approval of the Matthews Lane and U.S Hwy 69 project along with the U.S. Hwy 69 to Horn Road project. The Board thanked Mr. Defrancis for this report.

Agenda Item No. 7: Adoption of the 2023 Tax Rate for the District in an amount not to exceed \$0.222701/\$100 valuation. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved the 2023 tax rate as \$0.222701/\$100 valuation.

Agenda Item No. 8: 2023 Notice to Purchaser Document. The Board reviewed the Notice to Purchaser, and legal counsel noted certain revisions required by changes in the 87th Legislative Session. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board approved the 2023 Notice to Purchaser, noting the new District tax rate.

Director Pitchford then asked if there were any additional requirements for the tax notification due to the Defined Area, and legal counsel noted at this point, the Defined Area had a zero tax rate due to no tax bonds being issued.

Agenda Item No. 9: Manager's Report.

A. Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the bank account balances at PNC Bank and Wells Fargo Bank and noted District funds were being transitioned to its current depository, First Financial Bank. Ms. McGallion then reviewed the accounts payable totaling \$517,070.10. Ms. McGallion noted total revenues in August of \$891,959 and expenses of \$788,625.09 for a cash income for the month of \$103,333.91. Ms. McGallion moved to the capital improvement budget and noted that a jet aerator and a Cat 304-E had been acquired for a total cost of \$187,656.49. On the maintenance and operation budget, a wastewater plant expenditure of \$4,779.54 was shown. The Board was then provided with a presentation of the 2023-2024 overtime cost summary. Ms. McGallion closed with a review of the customer refunds and the expenditures for the wastewater treatment plant and collection system improvement project. The Board thanked Ms. McGallion for her report.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who presented the Production and Operations Report which showed no exceedances for the month at the wastewater treatment plant and no failed water samples; however, there were three noted accidents. One was a lost time accident due to a back injury of an employee. Mr. Lewis noted one involving a traffic accident when a vehicle attempted to pass a District backhoe and damaged the vehicle of the third-party, but the incident was the fault of the third-party. The third accident was when an employee inadvertently left a truck in gear in the

District's facilities, and it rolled in to a concrete manhole damaging the vehicle. The Board was then presented with the Production Report including the monthly charts and graphs on District weather events and utility system operations, the performance markers as well as the monthly customer usage and customer profiles. The Board was also provided with the vehicle maintenance and mileage report with no unusual expenditures noted for the month as well as the August customer complaints. The Board thanked Mr. Lewis for his report.

C. Presentation of Current Projects. The Board then recognized Mr. Starr who gave a detailed report on a recent event involving an alleged wastewater discharge into a drainage swell along a customer's property. Mr. Starr noted the District immediately sent a crew to investigate the complaint, a determination was made that the material in the water in the swell was not wastewater effluent, reported same to the customer who then went to social media to complain about the actions of the District which engaged persons from the regional office of the TCEQ who made an incorrect initial evaluation of the waste material in the ditch creating an additional social media outpouring of negative comments. Mr. Starr noted the District staff took extraordinary steps to retest the material and had the customer participate in the testing of another sample drawn from the drainage swell. The customer was advised and agreed the material in the drainage swell was not wastewater effluent from the District. The District then took further steps to coordinate with the TCEQ before it would also acknowledge the material in the drainage swell was not effluent from the District, and there would be a close out report with no further action needed by TCEQ. Mr. Starr stated it was unfortunate, time consuming and costly for the District to resolve this matter with the level of engagement on social media with inaccurate and incomplete information. The Board concurred and thanked Mr. Starr for his report.

1. Social Media Complaints. See above report.

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 7:00 p.m.

ATTEST

Secretary of the Board

President of the Board