

Approval of Minutes from  
November 18, 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 Thursday, November 18, 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 Desormeaux

Roger Smith

Nick Carter

Jimmy Burk

David Pitchford

Also present were Robb Starr, Benny Lewis and Carla Belt as employees of the District, Toby Davis and Jared Defrancis of LJA Engineering, a representative of DR Horton Homes, April Mills of Larry Blount & Associates 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. The meeting Minutes of October 18, 2021 were reviewed and approved as presented.

Agenda Item No. 4: Capacity and Construction Approval – Family Worship Center – 341 North VCP. The Board recognized Mr. Defrancis who presented the proposal for one commercial connection for the Family Worship Center located at 341 North VCP. Mr. Defrancis reviewed the request for capacity and construction approval and the available water, sanitary sewer collection and treatment facilities to serve the requested commercial connection. After discussion and upon motion

duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted capacity and construction approval for the Family Worship Center, 341 North VCP.

**Agenda Item No. 5: Capacity and Construction Approval – First Financial Bank – 119 North**

**LHS Drive.** The Board again recognized Mr. Defrancis who stated this was a request by First Financial Bank at 119 North LHS Drive for a connection and diagram of the proposed banking facility which was provided along with the LJA water and sewer system capacity study. Mr. Defrancis reviewed the requirements for the proposed connection and identified the existing water system, sanitary sewer collection system and wastewater treatment facilities to serve the proposed banking facility. Mr. Defrancis noted the District had adequate water well and storage capacity to meet TCEQ requirements for the existing connections and to provide further development including that proposed capacity approval for First Financial Bank. It was also noted that for the one commercial connection and with the expected flows, there was currently adequate capacity in the sanitary sewage collection system and wastewater treatment plant capacity. After discussion and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the Board unanimously granted capacity and construction approval to First Financial Bank, 119 North LHS Drive.

**Agenda Item No. 6: Capacity and Construction Approval – Emerson Construction Strip Center**

**– Beverly Street – Mike Emerson.** The Board again recognized Mr. Defrancis who presented the water and sewer capacity study dated July 16, 2021 which was one commercial connection on the southeast corner of U.S. Highway 69 and service road at Beverly Street. Mr. Defrancis reviewed the required design criteria and the existing water system, sanitary sewer system and wastewater treatment plant facilities. He then followed with recommendations for the proposed capacity to serve the commercial connection and concluded that the District had adequate water system, sanitary sewer collection system and wastewater treatment plant capacity to serve the proposed strip center on Beverly Street. Mr. Starr noted the prior use of the property and after discussion and upon motion

duly made by Director Smith and seconded by Director Pitchford, the Board provided unanimous capacity and construction approval to the Emerson Construction Strip Center, Beverly Street, Mike Emerson.

**Agenda Item No. 7: Capacity and Construction Approval – 110 lots – Longleaf Development**

**Phase I Section A-B.** The Board recognized Robb Starr who indicated the request was for capacity and construction approval, but as the District had not received and adequately reviewed complete information from the developer, the request would be considered only for capacity approval. The project consisted of 110 lots, Longleaf Development Phase I Section A-B. The Board then recognized Mr. Defrancis who provided a mapping of the proposed service area adjacent to the Lumberton City Park and a schematic drawing of the proposed plat of lots as requested for service along FM 421. Mr. Defrancis presented the water and sewer system capacity study dated November 16, 2021 and the design criteria for service to the project. He then reviewed the existing facilities in the area which included a 12” water main along the south side of FM 421, noting the water distribution system was fed by Water Well #3 on Forest Road. It was further noted by Mr. Defrancis this waterline is not within a looped system. Mr. Defrancis then advised there were no existing sanitary sewer collection facilities to the development and closed with a review of the existing facilities noting the District would have existing capacity to serve the proposed development, as requested.

Mr. Defrancis reviewed his recommendations and noted the existing 12” water line along FM 421 would provide adequate service for the proposed development without a significant impact on the pressures within the District’s water system and provided the data in support of that recommendation. Mr. Defrancis then stated as to sanitary sewage collection facility improvements, the developer construct an off-site lift station to pump sanitary sewer flow through an 8” force main within a dedicated easement to the wastewater treatment plant headworks. Mr. Defrancis further stated the Longleaf Lift Station could provide additional connections in the future, the lift station shall

be multi-staged and able to be expanded with the development. In conclusion, Mr. Defrancis indicated the District had existing water production, water storage and water distribution facilities sufficient to meet TCEQ design criteria to meet the requirements. It was recommended the District extend the 12” water main on the south side of FM 421 at approximately 1,200 linear feet to the new development. Additionally, it was recommended the developer construct an off-site lift station that would pump sanitary sewer flows to the District’s wastewater treatment plant headworks, and the District’s wastewater treatment plant had sufficient capacity to serve the proposed development. Director Smith then asked if the waterline could be looped in the future, and Mr. Starr indicated this was the plan for a looped system off Callahan. After further discussion and upon motion duly made by Director Smith and seconded by Director Burk, the Board provided capacity approval to 110 lots, Longleaf Development, Phase I Section A-B.

Agenda Item No. 8: Lumberton MUD New Service Application. The Board then recognized District Manager who stated as part of the policy updates, he was presenting an updated Service Application. Mr. Starr provided a copy of the current Service Application as well as the proposed new Service Application together with detailed information and the Retail Customer Service Agreement from 30 Texas Administrative Code, §290 Rules. Mr. Starr stated he appreciated any comments from the Board on the proposed Application. After discussion, Director Pitchford suggested the enumeration of “undesirable” practices be revised to state “including but not limited to” to the then outlined five items. Director Burk who had originally moved for approval of the new Service Application withdrew his motion and the second was withdrawn. The Board then made a motion to approve the new Service Application with the noted revision by Direction Pitchford. After further discussion and upon motion duly made by Director Pitchford and seconded by Director Smith, the new Service Application was approved as revised with Director Burk in opposition to the motion.

Agenda Item No. 9: Approval – Renewal of Long-Term Disability for District Employees. Mr. Starr stated the Board was being presented with the revised proposal from the District's current long-term disability and other employee benefits from the Principal Group. The Board was also being provided both proposals from Sun Life and Guardian Insurance. Director Desormeaux noted certain differences in the plans and that except for long-term disability, the other employee benefits were paid exclusively by the employee. After further discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved renewal of the long-term disability plan with Guardian Life.

Agenda Item No. 10: Manager's Report.

**A. Presentation of Financial Statement and Accounts Payable.** The Board recognized Carla Belt who indicated there was no BBVA report and then reviewed the deposits and collateral pledge from Wells Fargo Bank. The Board reviewed accounts payable in the amount of \$378,023.86 which included as special items the payment to the TCEQ of permit fees in the amount of \$21,407.02. The Board then reviewed the budget year-to-date which showed revenues of \$576,059.71 and disbursements of \$620,406.96 for a cash loss for the month of \$44,347.25. Ms. Belt noted this was a five-payroll month giving rise to a higher than normal disbursement in the Account No. 6011. Ms. Belt also noted the additional Worker's Compensation payment and the Safety Award Program disbursement in the amount of \$2,502.89. Ms. Belt reviewed the capital budget year-to-date showing expenses and disbursements in the amount of \$4,966.23. The 5-year to month average report was presented followed by the customer refunds in the amount of \$1,146.20. The Board thanked Ms. Belt.

**B. Presentation of Production Report and Operations Report.** The Board recognized Mr. Lewis who presented the Plant Operations Report and noted four wastewater treatment plant exceedances, two daily limited exceedances for ammonia, one weekly average

exceedance for ammonia and one monthly average exceedance for ammonia. Mr. Lewis then noted as in the previous report, the overtime was higher due to a 5-week pay period. Mr. Lewis reviewed the Production Report and noted the apparent water loss of 12% which again was due to a billing and timing issue rather than a loss in the amount. The monthly statement of water system billing and usage along with the pumpage reports were reviewed, and Mr. Lewis noted the high pumping volume on page 7 of the Operations Report. Mr. Lewis followed with information on the performance markers related to its operation, the monthly Customer Usage and Customer Profile Report. The Board was provided with the Vehicle Mileage and Maintenance Report and the Complaint Log. Director Smith inquired as to the Smoke Testing Program, and Mr. Lewis noted the District was resuming activities in that regard.

C. **Presentation of Current Projects.** The Board then recognized Robb Starr for his outline of current projects.

1. **Upcoming Directors' Election.** Mr. Starr stated a post to the website concerning the upcoming May 7, 2022 Directors' Election and the filing period from January 20 to February 19, 2020 had been made.

2. **Employee Retention.** Mr. Starr reported on the loss of three employees and the efforts to work for greater employee retention. The Board then thanked Mr. Starr for his report.

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

Agenda Item No. 11: Public Comments. None.

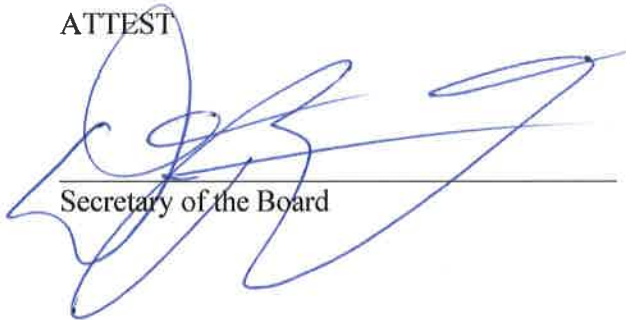
Agenda Item No. 12: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 13: Executive Session. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 7:44 p.m. for discussion of the DR Horton Defined Area Easement.

Agenda Item No. 14: Action of Executive Session. The Board reconvened from executive session at 7:59 p.m., and President Carter noted that after discussion, the District did not plan to proceed with providing any secondary use of its wastewater treatment plant buffer zone.

Agenda Item No. 15: Adjournment. There being no further business, the meeting was adjourned at 8:01 p.m.

  
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President of the Board

ATTEST  
  
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Secretary of the Board