

Approval of Minutes from
April 21, 2025
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 21, 2025, 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

David Desormeaux

Nick Carter

David Pitchford

Roger Smith

Also present were Robb Starr, Mike Tywater, BJ Lee-Lewis and Benny Lewis as employees of the District, Jared Defrancis and Tim Ashcroft of LJA Engineering and Guy N. 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 pledge was led by President Carter.

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

Agenda Item No. 3: Minutes from March 17, 2025, Regular Board Meeting. The Minutes of the March 17, 2025, regular meeting were approved as presented.

Agenda Item No. 4: Presentation by Engineers for the Wastewater Plant and Collection System Improvements Update from LJA Engineering. The Board recognized Jared Defrancis who advised that the wastewater plant bid documents were complete, and the bid had been submitted for publication. Mr. Defrancis reviewed a proposed timetable providing for mandatory pre-bid meeting on May 6, a non-mandatory pre-bid meeting with contractors on May 20, a bid opening on June 10,

and the bid tabulation would be presented to the Board on June 16 with the bid award to be made at the July 21 Board meeting. Mr. Defrancis also reviewed an outline of the proposed base bid items, an opinion of probable cost as well as additive bid items and estimated costs. Questions followed because the report of base bid items and additive bid items showed a portion of the project as completed in the base bid and a portion open for award with available funds from the alternative bid items. Mr. Defrancis and Mr. Starr noted the project included all items in the base bid, and certain conditions to elements of the base bid were included only in the additive bid items if funds were available after the award of the wastewater plant project based solely on the base bid items. Additional questions followed on the order of additive items, and Mr. Starr and legal counsel noted that a contractor was required to bid the base bid items and all of the additive alternative items, but additive alternative items would be awarded not in a specific order, but on the availability of funds remaining after the Board awarded the base bid contract to the successful bidder, and then the additive alternatives would be those for which remaining project funds would be available. After further discussion, President Carter indicated he was disappointed that the project had taken months to complete and bid after regulatory approval had been received. It was also noted that more of the anticipated project items were not in the total base bid item due to the bid estimate provided by LJA Engineering prior to the sizing and proceeding with the District's bond election. Mr. Defrancis responded that most of the items not included in the base bid items for additive alternatives were segregated due to the significant escalation in cost of the project from when initially estimated before the bond election to current date. President Carter stated he would anticipate additional input from the engineers on other cost savings that could occur in non-construction cost to provide additional funding for the project.

Agenda Item No. 5: Capacity Approval on Wheeler Road for 333 units, Binnacle Development, LLC - owner. The Board recognized Jared Defrancis who presented a Google map location along with a location map. Questions were then initiated by President Carter requesting clarification of the apparent difference of the layout of the location map and the water/sewer map compared to the Google map. Mr. Defrancis and Mr. Starr addressed the reasons for apparent differences. Mr. Defrancis then discussed the proposed development and reviewed water and sanitary sewer collection and treatment facilities. Mr. Defrancis presented his analysis that the water system facilities of the District did not have a significant impact to meet TCEQ requirements; however, the developer would need to construct to the existing 8-inch water distribution line of the District on Wheeler Road, approximately 5,000 linear feet of the 8-inch water line looping the water distribution system to the intersection. Mr. Defrancis also stated that a 30-inch gravity sewer line had the capacity to serve the proposed subdivision, but new manholes were supposed to be constructed at District designated tie in points unless the developer could demonstrate that manholes were presently existing, as necessary. Mr. Defrancis closed with stating the remaining 42 and 48-inch gravity sewer lines of the District should support the proposed development and meet TCEQ design criteria. After discussion and upon motion duly made by Director Pitchford and seconded by Director Smith, the Board provided capacity approval for the 333 units at Wheeler Road, Binnacle Development, LLC, owner, subject to the agreement by the developer to loop the line and provide the manhole tie in as set forth in the LJA Engineering capacity report dated April 2025.

Agenda Item No. 6: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. It was noted that due to an illness, Sandy Vines would not be in attendance at the meeting. Mr. Starr stated he would review items in her report including the bank accounts at First Financial Bank in the amount of

\$34,597,648.70 along with the collateral pledges. Mr. Starr reviewed accounts payable totaling \$718,609.06, addressed questions and provided information concerning certain accounts payable. Mr. Starr reviewed the April 2025 budget to date showing system revenues of \$1,031,882.38 and system operating expenses of \$929,041.21 with an operating income for the month of \$102,841.17. Mr. Starr then reviewed the capital improvement budget noting expenditures of \$274,000.00 which was for painting Water Well #3 on Forest Road. On the maintenance and operations budget, Mr. Starr noted the expenditure of \$14,656.73 primarily for the acquisition of control panel replacements at the lift stations. Mr. Starr then reviewed the 5-year to monthly average report, monthly adjustments and the details on signatures from the bond account as well as the financial charts and graphs. A question was raised about the temporary payroll being high, and a discussion followed by the District Manager and Benny Lewis on the use of temporary employees. Mr. Starr closed by noting that the District was finally going to receive the first of ordered replacement vehicles which the District had been waiting on for an extensive amount of time. The Board then thanked Mr. Starr for his report.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who provided the Production and Operations Report. Mr. Lewis noted there were no system violations or exceedances, and the significant event was the continued work on the water well no. 3 tower contract. Mr. Lewis noted the contract would not be substantially complete because of the necessity of ordering of the part that was backordered. Mr. Lewis then reviewed the Production Report noting certain issues as to water loss related to the timing of meter readings in February and March as well as noting the overtime costs. The District was averaging approximately forty line locate requests per week from other utilities including cable, fiber, gas, phone and other internet service providers. The report by Mr. Lewis also included the monthly presentation of customer profile and usage information, system operating reports and graphs along with the vehicle maintenance report

and the log of calls which was down due to a significant reduction in incorrect meter readings. Mr. Lewis also noted that on apparent meter read errors, all re-reads were now being done manually rather than through electronic systems. The Board thanked Mr. Lewis for his report.

C. Presentation of Current Projects. See above.

D. Presentation of Directors' Reports. None.


Agenda Item No. 7: Public Comments. None.

Agenda Item No. 8: 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. 9: Adjournment. There being no further business, the meeting was adjourned at 7:35 p.m.

ATTEST

Secretary of the Board



President of the Board