

Approval of Minutes from
May 20, 2024
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, May 20, 2024, 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

David Pitchford

Nick Carter

Roger Smith

Also present were Robb Starr, Mike Tywater, Carla McGallion and Benny Lewis as employees of the District, Jared Defrancis of LJA Engineering, Tim Green of Coats Rose, P.C., Patrick Hoffman of Brampton Essential and Kate K. Leverett 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 of Agenda Items. None.

Agenda Item No. 3: Minutes. The Minutes of the April 22, 2024, meeting were unanimously approved as presented.

Agenda Item No. 4: Presentation by Engineers for the Wastewater Plant and Collection System Improvements Update—LJA Engineering. The Board recognized Jared Defrancis who provided the status report. Mr. Defrancis informed the Board the final plans for the wastewater treatment plant have been submitted to the Texas Water Development Board for approval. Mr. Defrancis estimates

the approval process will take approximately thirty (30) days. Further, Mr. Defrancis informed the Board that the plans for the Matthews manhole repair plans were completed on May 6, 2024, which became a top priority due to the emergency condition of the sinkhole. Mr. Defrancis also provided an update regarding the Ash lift station project informing the Board that LJA Engineering will begin the lift station design. There were no updates as to the old fire station lift station, the sanitary sewer system mapping or the US 96 SS rehab Pineburr to Horn Road project. The Board thanked Mr. Defrancis.

Agenda Item No. 5: **Presentation from Developers of the Defined Area requesting to hold a Road Bond Election.** The Board recognized Tim Green who summarized the process taken 5 years ago to create the defined area in order to assist with the resident development of Patrick Hoffman. Further, Mr. Green informed the Board that a municipal utility district may petition the Texas Commission on Environmental Quality for road powers. It was confirmed this would not require the District to maintain the roads nor require them to exercise road powers in other areas of the District. Mr. Green confirmed the road plans and plats have been approved by Hardin County and the City of Lumberton, and both entities agree to maintain the roads. The Board thanked Mr. Green for his presentation.

Agenda Item No. 6: **Authorize Consultants to complete all actions necessary to hold a Road Bond Election including submitting an application to the TCEQ for road powers within the Defined Area.** After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux to allow the consultants to complete all actions necessary to submit an application to the TCEQ for road powers within the Defined Area, the motion passed unanimously.

Agenda Item No. 7: **Authorize the District to petition the TCEQ for road powers within the Defined Area.** After further discussion and upon motion duly made by Director Smith and seconded

by Director Desormeaux to move forward with the petition for road powers, the motion passed unanimously.

Agenda Item No. 8: **Resolution 2024-4 Authorizing Petition to Texas Commission on Environmental Quality Requesting Road Powers within a Defined Area.** After discussion and upon motion duly made by Director Smith and seconded by Director **Burk** to approve Resolution 2024-4 Authorizing a Petition to be filed with the TCEQ Requesting Road Powers within the Defined Area, the motion passed unanimously.

Agenda Item No. 9: **Auditing Services with Wathen, DeShong, and Juncker, LLP.** Mr. Starr informed the Board the District staff has been satisfied working with Wathen, DeShong and Juncker, and the CPA firm is familiar with the District. Director Desormeaux made a motion to engage Wathen, DeShong and Juncker, LLP to complete the District's annual audit, Director Burk seconded the motion and the motion passed unanimously.

Agenda Item No. 10: **Establish Proposed Tax Exemption for the District.** Mr. Starr proposed the following exemptions to the Board which matched last year's exemptions: 20% homestead exemption; \$10,000 disability exemption including veteran disability as provided by State law; and \$10,000 over 65 years of age exemption. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board approved the exemptions and the motion passed unanimously.

Agenda Item No. 11: **Oath of Office to Newly Elected Lumberton Municipal Utility Board of Directors Positions 2 and 4.** Kate Leverett administered the Oath of Office to Roger Smith and David Desormeaux, and the Board congratulated them on their reelection.

Agenda Item No. 12: **Election of Officers, Board of Directors.** Director Burk made a motion to continue with the current officers which are Nick Carter as President, Roger Smith as Vice President

and David Pitchford as Secretary. The motion was seconded by Director Desormeaux and passed unanimously.

Agenda Item No. 13: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the financial statements and accounts payable. Ms. McGallion also provided the banking activity including the bank check register and collateral pledge for Wells Fargo. Ms. McGallion provided the report of deposits and pledges from First Financial Bank showing deposits in the amount of \$35,336,701.88 together with the collateral pledge. The Board then reviewed the accounts payable in the amount of \$440,481.77. Ms. McGallion then discussed the budget year-to-date showing April 2024 revenues of \$959,969.39 and disbursements of \$633,755.65.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis. Mr. Lewis advised there had been an exceedance at the wastewater treatment plant due to the rain flow and I&I. Mr. Lewis also noted the overtime for April was higher due the repair of the manhole at Jenny Lane and the highway.

C. Presentation of Current Projects.

- 1. Budget Workshop.** Mr. Starr asked the Board if they would be interested in a budget workshop. The consensus of the Board was they would be interested, and therefore, Mr. Starr will work to obtain a date when all members would be available to attend.

D. Presentation of Directors' Reports. None.

Agenda Item No. 14: Public Comments. None.

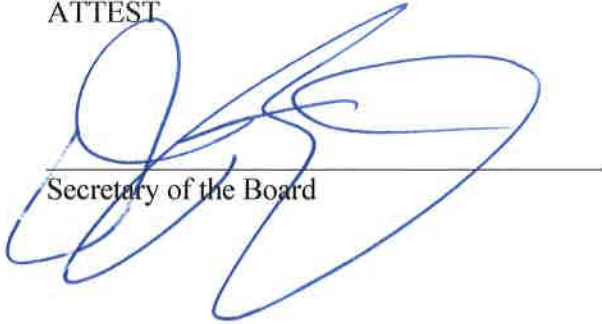
Agenda Item No. 15: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 16: Adjournment. There being no further business, the meeting was adjourned at 7:28 p.m.



President of the Board

ATTEST



Secretary of the Board