

Approval of Minutes from
the February 3, 2025 2nd
Special Board Meeting

**SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The special meeting of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, February 3, 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

Roger Smith

Nick Carter

David Pitchford

Also present were Robb Starr, Sandy Vines, BJ Lee-Lewis and Benny Lewis as employees of the District, 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 and pledge were led by David Pitchford.

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

Agenda Item No.3: Public Hearing pursuant to Texas Water Code §49.3076(a) to consider the Petition for Exclusion filed by Hardin Properties, LLC. President Carter convened the public hearing pursuant to Texas Water Code §49.3076(a) to consider the Petition for Exclusion filed by Hardin Properties, LLC.

Agenda Item No. 4: Public Hearing:

- a. Receive and review Petition;** After convening the public hearing, President Carter recognized legal counsel who presented the Petition for Exclusion of Property filed by Hardin Properties, LLC (the “Petition”).
- b. Presentation by Petitioner;** Legal counsel reviewed the Petition and noted it was filed requesting the exclusion of properties described in Exhibits A & B to the Petition and

owned by Hardin Properties, LLC, near the southern boundary of the District for failure by the District to provide sufficient services and the District having outstanding bonds.

Legal counsel reviewed the requirements for §49.3076 of the Texas Water Code relative to the Board conducting a hearing based upon receiving a written Petition filed by landowners that had been included within the District for more than 20 years and stated the Petition must include signature by majority of the acreage proposed to be excluded, include a claim that the District does not provide the property requested for exclusion with retail utility services, describe the properties to be excluded and provide facts necessary for the Board to make findings required by §49.3076(b).

The Board determined that the prerequisites for the Petition had been met and shall exclude the land if: (1) the District does not provide retail service to the land described in the Petition; (2) the District had imposed tax on more than half the acreage of land requested for exclusion for at least 20 years; and (3) all taxes the District had levied in excess against the land and the fees and assessments the District had imposed against the land or the owners that were due and payable before the date of the Petition were fully paid. Legal counsel noted the Petition was filed on December 20, 2024, and all three (3) of the conditions for exclusion had been met.

As all statutory requirements had been met, the Board shall enter a Resolution ordering the excluding the land from the District and redefining the boundaries of the District to embrace all land not excluded.

- c. **Consideration of and findings as to grounds for exclusion;** The Board considered the findings as to grounds for exclusions as noted by legal counsel.
- d. **Comments from Board Members;** President Carter asked if any Board member wished to make comments concerning the Petition and matters as presented by legal counsel. There being none, the Board then moved to the next item.
- e. **Review tax liability of exclude land pursuant to Texas Water Code §49.3077;** President Carter recognized legal counsel who stated property to be excluded from the District pursuant to §49.3076 would continue to be subject to a tax liability calculated in accordance with §49.3077. Legal counsel provided information from the Hardin County Appraisal District related to the valuation of the property on the tax rolls requested for exclusion as of January 1, 2025, and noted the District and legal counsel would provide an estimate of the continued tax liability of the property at the Board's next regular or special meeting.
- f. **Status of review by Texas Commission on Environmental Quality (Texas Water Code §49.3078);** The Board then discussed with legal counsel the additional requirement that any petition for exclusion had to be provided to the Texas Commission on Environmental Quality for a determination in accordance with §49.3076 and §49.3077 that the exclusion of the property would not adversely affect the interest of

the District's bondholders. Legal counsel noted that review was underway by the Districts and Bond Review Division of the TCEQ.

- g. **Close Public Hearing.** Following the presentations above, President Carter closed the public hearing.

Agenda Item No 5: **Consider ordering the exclusion of land from the District pursuant to the Petition for Exclusion of Land filed by Hardin Properties, LLC.** President Carter noted the Board would now consider ordering the exclusion of land from the District, pursuant to the Petition for Exclusion of Land filed by Hardin Properties, LLC as to the properties described in Exhibits A & B to the Petition. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board ordered the District Manager and legal counsel to prepare the Resolution ordering the exclusion of land from the District pursuant to the Petition for Exclusion of Land filed by Hardin Properties, LLC and in accordance with the Petition and the findings as to grounds for exclusion presented in the public hearing.

Agenda Item No. 6: **Adjournment.** There being no further business, the meeting was adjourned at 6:52 p.m.



President of the Board

ATTEST


Asst. Secretary of the Board