

Approval of Minutes from
July 15, 2024
Board Meeting

**PUBLIC FORUM AND REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The public forum and regular meeting of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, July 15, 2024, 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

David Pitchford

Nick Carter

Absent: Roger Smith

Also present were Robb Starr, Mike Tywater, Carla McGallion and Benny Lewis as employees of the District, Jared Defrancis of LJA Engineering and Guy N. Goodson of Germer PLLC as legal counsel for the District.

Public Forum. The Board convened a Public Forum at 6:20 p.m. pertaining to the 2023 Consumer Confidence Report.

Public Comments pertaining to 2023 Consumer Confidence Report. President Carter asked if anyone in attendance wished to make comments on operations of the District or its drinking water as reviewed in the 2023 Consumer Confidence Report.

Close Public Forum. There being no public commenting, President Carter closed the Public Forum, and the Board moved to the regular agenda.

Agenda Item No. 1: Prayer and Pledge. A quorum being present, the meeting was called to order where the prayer and pledge were both led by President Carter.

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

Agenda Item No. 3: Minutes. The Minutes of the June 17, 2024, meeting were approved as presented.

Agenda Item No. 4: Presentation by Engineers - Wastewater Plant and Collection System Improvements Update from LJA Engineering. The Board recognized Jared Defrancis who provided a project status report for the Wastewater Expansion Project. Mr. Defrancis noted that LJA Engineering was continuing to review drawings while the Texas Water Development Board (“TWDB”) was reviewing the plans and bid proposals that had been structured so that they will go to the District and its legal counsel for review. Mr. Defrancis noted on July 8th, the District was provided by the TWDB with a list of comments on the plans and contract documents. Mr. Defrancis provided an outline of the plans and technical specifications review by TWDB, and the responses provided by LJA Engineering to the TWDB. Mr. Defrancis noted that prior to approval, TWDB had requested a flood plain permit from Hardin County Flood Plain Administrator and a TxDOT road access permit. Mr. Defrancis noted that the TxDOT permit had been submitted, and LJA Engineering expected approval within a week. Mr. Defrancis also noted that the District through LJA Engineering, was working with the County Flood Plain Administrator for the permit. Mr. Defrancis noted that it was anticipated that the review of documents required by the TWDB that once the plans were approved by TWDB, the Wastewater Project would move to bidding. Mr. Defrancis then indicated that the bidding, including mandatory pre-bid meetings could take a period of approximately three (3) months with another 30 day or more period to verify the selected bidders qualification, review required performance for payment bonds and other required submittals, and to issue a notice to proceed; thereby, advising the Board that a notice to proceed was anticipated on or around January 2025. Mr. Defrancis also noted from the response provided to TWDB that the construction period for the Wastewater Project could be approximately three (3) years, but LJA Engineering anticipated that

certain new treatment units would be completed and operational in two (2) years. Mr. Defrancis closed by noting that the final year of the construction period would be demolishing and removing old treatment units, equipment, ponds, site grading and final cleanup. The Board thanked Mr. Defrancis for his report.

Agenda Item No. 5: Possible action to Approve Matthew Manhole Replacement Project Change

Order #01. The Board recognized Mr. Defrancis who provided an updated to the Board on the Matthew Manhole Replacement Project and presented to the Board, Change Order #01 for the paid period June and July 2024. Mr. Defrancis noted that the pay request included additional quantities updating and requirements for additional installation of materials with a change order increase of \$51,796.00. After review and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously approved the Matthew Manhole Replacement Project Changer Order #01.

Agenda Item No. 6: Possible Approval of Matthew Manhole Replacement Project Certification

of Construction Completion. The Board recognized Mr. Defrancis who presented the Certificate of Construction Completion executed by LJA Engineering and the contractor, noting the completion of the work by IRIBAREN, INK Corporation. After discussion and presentation of the Certificate of Construction Completion and the notation that the execution of the Certificate would begin the 12th month warranty period and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the receipt and acceptance of the Certification of Construction Completion for the Matthew Manhole Replacement Projection.

Agenda Item No. 7: Possible action to approve Matthew Manhole Replacement Project Final

Pay Request. The Board was asked to consider Pay Request #1 in final showing the revised project cost as \$355,649.00. After discussion and upon motion duly made by Director Pitchford and

seconded by Director Burk, the Board unanimously approved the Matthew Manhole Replacement Project Final Pay Request as submitted.

Agenda Item No. 8: Capacity Approval for 10419 Sweetgum Lane 35 townhome units, Matt Barchett, owner. The Board recognized Mr. Jared Defrancis who advised the Board that a capacity study had been undertaken for Matt Barchett for 33 residential connections, a townhome project on Sweetgum Lane. Mr. Defrancis reviewed the location of the facilities and outlined the design criteria requirements of the TCEQ, noting certain variances to referenced criteria on minimum alternative capacity. Mr. Defrancis moved forward and reviewed the design criteria for sanitizing the sanitary sewer collection and treatment systems, pursuant to TCEQ Regulations. He then reviewed the existing water and sanitary sewer facilities in the area. Mr. Defrancis presented his analysis and recommendation noting that the existing 6-inch water line on Sweetgum Lane would provide adequate water service for the proposed development without significant impact on pressure plains within the District's water distribution system and reviewed that analysis. Mr. Defrancis indicated as to the sanitary sewer collection system facilities that the development would be served from an existing grinder lift station where the flow rates exceeded the anticipated capacity, and LJA Engineering recommended that the developer would be required to construct a new grinder pump station and two (2) inch force main to serve this development. Mr. Defrancis noted that the new two (2) inch force main would tie into an existing manhole located approximately 1,000 linear feet north of the development on Sweetgum Lane. A lengthy discussion followed including comments from District Manager and after discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board gave conditional capacity approval for the proposed 35 townhome development at 10419 Sweetgum Lane, Matt Barchett, owner, subject to the installation by the developer of the noted new grinder pump station and force main to serve the development.

Agenda Item No. 9: Capacity and Construction Approval for 4566 Wilson Lane 5 lots, Adam Kruttlin, owner. The Board recognized Mr. Jared Defrancis and Robb Starr who asked that this matter be tabled as all items necessary to process both capacity and construction approval had yet to be received.

Agenda Item No. 10: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who provided the First Financial Bank and Wells Fargo deposits and collateral pledges. It was noted at First Financial Bank, the Board had on deposit \$35,442,105.53. Ms. McGallion then moved to a review of the accounts payable in the amount of \$448,318.56. The Board then moved to a review of the budget year to date showing revenues for the month of June of \$694,491.81 and disbursements of \$729,382.45 for a monthly operating loss of \$29,890.64. Ms. McGallion then reviewed the capital budget noting the purchase of a Ford F-400 pickup in the amount of \$89,858.20 and noted that there were no maintenance repair budget items for the month. Ms. McGallion then provided her 5 year to month average on revenue and overtime cost report and then reviewed account adjustments in the amount of \$1,690.00. Ms. McGallion's report was concluded by her presentation of the 2022 Bond Worksheet, an invoice from LJA Engineering, and the presentation of the financial charts and graphs of District investments, revenues and expenses. The Board then thanked Ms. McGallion for her report and moved to the presentation of the Production and Operations Report.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who noted that there had been no operation exceedances for the month in the water or wastewater system, but Mr. Lewis did note that there had been two (2) accidents with one (1) loss time accident involving an on the job injury by an employee who broke his finger and required

surgery. Questions then followed from the Board, and Mr. Lewis responded and also noted that a second non-loss time accident had occurred when a door on a District vehicle hit a mirror on a car and resulted in damage. It was noted that this accident had been reported to the District's insurance carrier. The Board then received an update from Mr. Lewis on overtime costs, including increases due to work that would be related to Hurricane Burrell, but noted that the District had no operational issues at that time. Mr. Lewis also noted on page 9 that the District water loss for the month was 4%. He then readvised that the vehicle maintenance and mileage report that the District had received its new F-550 pickup, and the report was concluded with the monthly presentation of system operational charts and graphs and customer profile and usage charts along with the District complaint log.

C. Presentation of Current Projects.

1. **Department of Public Safety – Cyber Threats.** The Board recognized District Manager Robb Starr who made a presentation on cyber threats, particularly as to water systems and the actions taken by the District to ensure the security of its system. An additional comment was made by District's legal counsel noting that cyber threats and cyber security was a primary concern to the point that the Texas Municipal League Inter-Governmental Risk Pool had established a separate fund for cyber security.

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.** **Executive or Closed Session to Discuss Pending or Contemplated Litigation and/or the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline or Dismissal of District Employees as Permitted by Chapter §551.074, Texas Government Code.**

A. Evaluation of the District Manager. Pursuant to §551.074, Texas Government Code, the Board moved into executive session at 7:02 p.m. to discuss the General Manager evaluation.

Agenda Item No. 14: **Action of Executive Session.** The Board reconvened from executive session at 7:18 p.m. following the executive session and indicated that District Manager Robb Starr had again received a favorable evaluation for his service as District Manager, and the District was to consider his compensation in accordance with the Compensation Plan that they had developed with the District Manager. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the payment of additional compensation to the District Manager in accordance with the Compensation Plan previously undertaken by the Board.

Agenda Item No. 15: **Adjournment.** There being no further business, the meeting was adjourned at 7:20 p.m.



President of the Board

ATTEST


Secretary of the Board