

Approval of Minutes from the
January 23, 2025
Regular 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, January 23, 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

Roger Smith

Nick Carter

David Pitchford

Also present were Robb Starr, Mike Tywater, Carla McGallion, BJ Lee-Lewis 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.

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 on Agenda Items. None.

Agenda Item No. 3: Minutes from November 18, 2024, Board Meeting. The Minutes of the November 18, 2024, meeting were approved as presented.

Agenda Item No. 4: Minutes from December 16, 2024, Board Meeting. The Minutes of the December 16, 2024, meeting were approved as presented.

Agenda Item No. 5: Presentation by Engineers for the Wastewater Plant and Collection System Improvements Update from LJA Engineering. The Board recognized Jared Defrancis who provided the project status report of January 23, 2025, reviewing the discussions between LJA

Engineering and the District on the bid schedule and bid documents for the wastewater treatment plant expansion project noting one final meeting would be scheduled to review final revisions to the design. Mr. Defrancis restated other steps including TCEQ and TWDB permitting or approval and engineering design reports and approvals had been completed. In regard to the sanitary sewer collection system project, Mr. Defrancis noted the Matthews Lane at Highway 69 manhole repair project had been completed, the U.S. 96 and sanitary sewer system project award would be for consideration later in the meeting, there were no changes to the Ash and old Fire Station lift stations and there was no change in the status of work on the sanitary sewer system mapping.

Agenda Item No. 6: Approval for 22 unit on Mitchell Road, Chuck King, owner. The Board again recognized Jared Defrancis who presented the water distribution and sewer collection system report for possible capacity approval for 22 units on Mitchell Road, Chuck King, owner. The Board received a lengthy presentation along with comments from Robb Starr on the TCEQ design criteria leading to an engineering evaluation that the sanitary sewer collection system 6-inch gravity line was operating beyond its rated capacity pre-development and would continue to be beyond capacity post development. Mr. Starr reviewed prior sanitary sewer collection operating conditions in the 6-inch gravity line receiving flow from Sweetgum Lane. Based on the engineering calculations of the sanitary sewer system, it was determined that the 6-inch sanitary line would be required to support future development and a possible request that a lift station and force main be considered to support the development. Mr. Starr indicated the District was not looking to construct another lift station and based upon the discussions and calculations, suggested this matter be tabled so that the TCEQ standards could be reviewed further between the District and LJA Engineering. After further discussion and upon motion by Director Smith and seconded by Director Pitchford, the Board tabled Agenda Item No. 6.

Agenda Item No. 7: **Award bid for the 2023 Sewer Collection System Improvement Project, Hwy 96 pipe bursting from Pineburr to Horn Street, TCEQ Bond Series 2022A.** The Board recognized Mr. Defrancis who provided their recommendation of award letter dated January 6, 2025, outlining the bidders on the 2023 sewer collection system improvement project for Hwy 96 pipe bursting from Pineburr to Horn Street. Mr. Defrancis provided bid tabulation showing that the base bid together with the supplemental bid provided the low bidder as Bull G Construction of Houston. Mr. Defrancis stated the references for Bull G Construction had been reviewed, and there were no qualifications, and the recommendation was for the Board to award the base bid and supplemental bid to Bull G Construction in the total amount of \$138,316.00. After review and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the award of the 2023 sewer collection improvement project to Bull G Construction in the amount of \$138,316.00.

Agenda Item No.8: **Appointment of Lumberton Municipal Utility District Committees:**

- A. Investment Policy Committee**
- B. Audit Policy Committee**
- C. Sexual Harassment Policy Committee**
- D. Fraud Policy Committee**

The Board was presented with the membership of the Board Committees and after discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board members were reappointed to the Committees as stated. It was noted by Robb Starr that Carla McGallion was a member of three committees and would have to be replaced after her resignation at the end of January.

Agenda Item No. 9: **Manager's Report.**

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the First Financial bank statements showing deposits of \$32,707,400.55 along with the collateral pledges of \$39,285,390.40. Ms. McGallion then presented the accounts payable in the amount of \$455,724.22. There being no questions from the Board, Ms. McGallion reviewed the budget to date showing operating revenues of \$910,411.24 and operating expenses of \$561,361.42 for an operating income for the month of \$349,049.82. The Board then reviewed the capital budget providing for paint at water well #3, noting no maintenance or repair and showing a small expense for the 2024/2025 scheduled maintenance and repair. The Board reviewed the 5-year to average report, the overtime report and customer refunds in the amount of \$1,355.55. Ms. McGallion closed with a presentation of the 2022 Bond issue worksheets including invoices from LJA Engineering, and the financial report concluded with the presentation of the monthly financial graphs and charts. The Board thanked Ms. McGallion for the report.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who indicated that the operating plants had two exceedances of copper which was most unusual due to the very small component of copper. Mr. Lewis did note there were no other issues in the summary of the monthly operations. Mr. Lewis then discussed the complaint issues on dirty water related in part to taking out of service a District tank and mobilization for the tank painting project. It was noted the District was at approximately 50% of its elevated capacity. Mr. Lewis then reviewed 5 and 10-year average current billing. Mr. Lewis then reviewed the meter changeout program showing and advising of the recent lower growth factor. Mr. Lewis also noted that the water loss for the month was at 22%, but the year to date water loss for 2024 was 6%. Mr. Lewis went on to review the monthly charts and graphs of system operations, customer usage and profile reports. Mr. Lewis closed with noting the higher than normal customer complaints as to the water quality complaints.

C. Presentation of Current Projects. The Board then recognized Mr. Starr who gave a brief report on the status of the elevated tank project, a report on the filing of a Petition for Exclusion of Property from the District by Hardin Properties, LLC and noted a public hearing would be set to provide the petitioners with the opportunity to present their Petition.

D. Presentation of Directors' Reports. None.


Agenda Item No. 10: Public Comments. None.

Agenda Item No. 11: 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. 12: Adjournment. There being no further business, the meeting was adjourned at 7:55 p.m.



President of the Board

ATTEST


Secretary of the Board

Asst.