

Approval of Minutes from  
August 19, 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, August 19, 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 and Benny Lewis as employees of the District, Jared Defrancis of LJA Engineering, Jeff Leubner of Dunham Engineering, Mr. Hoffman of Brampton Essentials, Emily Forster of Coats Rose as well as Kate K. Leverett 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 of Agenda Items. None.

Agenda Item No. 3: Minutes. The Minutes of the July 15, 2024, meeting were approved as presented.

Agenda Item No. 4: Approval for District Manager to sign agreement with Dunham Engineering for Engineering Design, Inspection and Contract Management relating to repainting the well 3 elevated tank. The Board heard a presentation from Robb Starr on the proposed work stating a proposed fee of \$66,500.00 during the design phase, \$1,100.00 per inspection during the construction phase, and the engineering fee was not to exceed \$99,500.00 without prior District approval. The Board also recognized Mr. Leubner of Dunham Engineering and after discussion and upon motion duly made by Director Burk and seconded by Desormeaux, the Board unanimously approved the Dunham Engineering Contract 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 began with a project status report for the wastewater treatment plant expansion project noting the Texas Water Development Board was still reviewing the plans, and the District was waiting on conditional approval from the TCEQ. During this time, LJA Engineering was continuing to preform back checking and constructability reviews. Mr. Defrancis discussed prior issued permits by TxDOT and continuing meetings with the District on the project and contract documents. Mr. Defrancis noted the format of the documents provided related to the status report were being modified providing more detail on the opinion of probable construction costs. Mr. Defrancis provided responses to Board questions, and the Board thanked Mr. Defrancis for his presentation.

**Agenda Item No. 6: Capacity and Construction Approval for 4566 Wilson Lane, 5 lots, Adam Kruttlin, owner.** The Board recognized Mr. Defrancis who reviewed the capacity study for the proposed five residential connection projects, the proposed development and its location as well as an evaluation of the water system and sanitary sewer collection and treatment facilities. Mr. Defrancis analyzed and provided recommendations for the water and sewer collection system facilities and provided the conclusion that the water and sanitary sewer collection system facilities and wastewater treatment facilities were adequate to meet TCEQ design criteria and District policies. After discussion and upon motion duly made by Director Smith and seconded by Director Burk, the Board unanimously granted capacity and construction approval for 4566 Wilson Lane, 5 lots, Adam Kruttlin, owner.

**Agenda Item No. 7: Capacity and Construction Approval for 8792 Dogwood, 4 lots, Jerrith Stoute, owner.** The Board again recognized Mr. Defrancis who presented his capacity study for the proposed project and reviewed the location of the proposed development along and certain TCEQ

granted variances as to District water well and storage capacity requirements along with the design criteria of the TCEQ, Chapter 217 as to the sanitary sewer system collection system facilities. Mr. Defrancis reviewed the existing water, sanitary sewer collection and treatment plant facilities followed by his analysis and recommendation including that the District's water, sanitary sewer collection and water treatment facilities were adequate to support the existing and proposed residential connections within TCEQ design criteria. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted capacity and construction approval for 8792 Dogwood, 4 lots, Jerrith Stoute, owner.

Agenda Item No. 8: **2024 Certified Tax Roll.** The Board recognized Robb Starr who provided certification of the 2024 appraisal roll showing total appraised value of the District of \$2,454,496,309 and a total taxable value of \$1,897,564,361. Following discussions and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved the 2024 certified tax roll as presented.

Agenda Item No. 9: **Established Proposed Tax Exemption for the District.** The Board recognized Mr. Starr who reviewed the prior year exemptions of 20% Homestead Exemption, \$10,000 Disability Exemption, including Veterans Disability amounts as provided by State Law and a \$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 unanimously approved the established tax exemptions of the District as presented.

Agenda Item No. 10: **Approval of an amount not to exceed \$0.206139/\$100 valuation as the proposed 2024 Tax Rate.** The Board recognized Mr. Starr who noted the District had received the 2024 Developer Water District Voter-Approval Tax Rate Worksheet from Hardin County under Form 50-860 showing the voter approved tax rate for the debt service obligation as \$0.206139/\$100

valuation. After review and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board set the proposed tax rate of the District at \$0.206139/\$100 valuation.

Agenda Item No. 11: **Set date for Public Hearing on 2024 Proposed Tax Rate.** The Board again recognized Mr. Starr who suggested the Board set its public hearing on the 2024 tax rate at 6:00 p.m. immediately preceding the District's regularly scheduled September 16, 2024, Board meeting. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously set September 16, 2024, at 6:30 p.m. as the date for the public hearing on the 2024 proposed tax rate.

Agenda Item No. 12: **Write-offs for the fiscal year July 1, 2022 thru June 30, 2023.** The Board recognized Mr. Starr who presented the write-offs for the fiscal year July 1, 2022 through June 30, 2023 as \$25,497.63. A question was raised by Director Desormeaux as to Account No. 19246310 showing a write-off of \$4,819.16. A brief discussion followed by District staff, and after further review and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board unanimously approved write-off of accounts in the amount of \$23,239.57. Mr. Starr and legal counsel noted these write-offs were for accounting purposes, and the District could continue collection efforts on delinquent accounts. Mr. Starr further noted that persons on any prior delinquent list could not reestablish service with the District without satisfying prior write-off account service charges.

Agenda Item No. 13: **Approval for District Manager to sign Agreement with Texas Municipal League Insurance policy update for cyber security.** The Board recognized Mr. Starr concerning the proposed Agreement with the Texas Municipal League cyber liability and data breach response coverage and recommended approval of the insurance coverage in the amount of \$1,250.00. Legal counsel noted the Texas Municipal League Inter-Governmental Risk Pool had set up a separate cyber

liability and data breach response interlocal pool to address these issues. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the acquisition of cyber liability and data breach response coverage from the Texas Municipal League Inter-Governmental Risk Pool.

Agenda Item No. 14: **Order Adopting Engineering Report for Road Bond Election.** Mr. Starr recognized Mr. Hoffman and Emily Forster who presented the Order Adopting Engineering Report along with the proposed construction costs and the Engineering Report dated May 22, 2024. Questions followed from the Board and after discussion and upon motion duly made by Director Burk and seconded by Director Smith, the Board unanimously approved the Order Adopting Engineering Report for Road Bond Election.

Agenda Item No. 15: **Order Calling Road Bond Election for the Defined Area.** The Board recognized Mr. Starr who recognized the defined area developer and legal counsel along with Kate Leverett who reviewed the draft Order Calling Road Bond Election for the Defined Area to be held on Tuesday, November 5, 2024 to consider two propositions for the calling of a road bond issue in the amount of \$472,000,000 and a second proposition authorizing refunding of authorized road bonds up to the principal amount of \$472,000,000. A brief discussion followed concerning the recommendation by counsel for the developer for adoption of both propositions. After review of the Order and the notation of the procedures for early voting and election day voting and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the Order Calling Road Bond Election for the Defined Area.

Agenda Item No. 16: **Joint Election Agreement with Hardin County to hold the Road Bond Election for the Defined Area.** The Board recognized Emily Forster who noted she had prepared in the form required by Hardin County, a Joint Election Agreement for the November 5, 2024 Election.

After review and upon motion duly made by Director Burk and seconded by Director Smith, the Board unanimously approved execution of the Joint Election Agreement with Hardin County to hold the road bond election for the Defined Area on November 5, 2024.

Agenda Item No. 17: Manager's Report.

**A. Presentation of Financial Statement and Accounts Payable.** Mr. Starr noted that Carla McGallion was not available for the meeting and presented the account statements and collateral pledges from First Financial Bank showing total deposits of \$35,213,508.85 and collateral pledges of \$41,957,381.61. The Board then was presented with the monthly accounts payable in the amount of \$498,787.57 followed by consideration of the budget to date providing monthly revenues for July 2024 of \$778,260.89 and monthly disbursements of \$720,956.04 for a monthly operating income of \$57,304.85. The Board was provided with the budget year-to-date showing disbursements of \$38,635.34 and noting maintenance budget expenditures of \$12,772.25. Mr. Starr also provided the 5-year to monthly average revenue analysis, customer adjustments and the 2022 Bond Worksheet showing invoices paid to LJA Engineering for engineering services as well as the financial graphs and charts.

**B. Presentation of Production Report and Operations Report.** The Board recognized Benny Lewis who noted there were no system exceedances or loss time injuries. Mr. Lewis reviewed the overtime comparison by month, the Production Report as well as the monthly charts and graphs on system operation, customer usage and customer profiles, noting the yearly rainfall being slightly higher than the last two years. The Board was then provided with the vehicle maintenance report and the complaint log showing the lowest amount of complaints in the last several months. The Board then thanked Mr. Lewis and recognized Mr. Starr who presented the District health plan and noted the final determination of items not set forth in the description would be provided.

**C. Presentation of Current Projects.**


1. **Drought Contingency Plan.** Mr. Starr noted the District had provided the Texas Water Development Board its Drought Contingency Plan which was initially rejected. Mr. Starr advised of subsequent conversations which included the resolution and final approval by the Texas Water Development Board of the Drought Contingency Plan.
2. **TCEQ Inspection Update.** Mr. Starr reviewed and provided a follow-up to the TCEQ inspection.
3. **Dental Plan.** See above.

**D. Presentation of Directors' Reports.** None.

Agenda Item No. 18: Public Comments. None.

Agenda Item No. 19: 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. 20: Adjournment. There being no further business, the meeting was adjourned at 7:45 p.m.

Vice-   
President of the Board

ATTEST

  
Secretary of the Board