

Approval of Minutes from
February 7, 2022 Special
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 7, 2022, 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:

David Desormeaux

Roger Smith

Jimmy Burk

David Pitchford

Nick Carter

Also present were Robb Starr, Benny Lewis and Carla Belt as employees of the District, Toby Davis and Tim Ashcroft of LJA Engineering, James Gilley of U.S. Capital Advisors and Guy 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 Vice President Smith and the pledge was led by President Carter.

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

Agenda Item No. 3: **Resolution 2022-1, Resolution Calling Directors' Election on May 7, 2022.**

The Board recognized legal counsel who presented Resolution 2022-1, Resolution Calling Directors' Election on May 7, 2022. Legal counsel noted due to the election including a constitutional amendment, the Hardin County Clerk would act as the elected official for the May 7, 2022 election. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved Resolution 2022-1, Resolution Calling Directors' Election on May 7, 2022.

Agenda Item No. 4: **Authorization Execution of Election Services Agreement with Hardin County.** The Board recognized legal counsel who indicated that as Hardin County would be conducting a County-wide election on May 7, 2022, the Board was being asked to authorize the execution of an Election Services Agreement with Hardin County for the conduct of the May 7, 2022 election. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously approved and authorized the execution of an Election Services Agreement with Hardin County for the conduct of the May 7, 2022 Election.

Agenda Item No. 5: **Wastewater Treatment Plant Project – TCEQ Bond Application.** Legal counsel presented the Bond Application for the \$30,275,000 Unlimited Tax Bonds, Series 2022 to be submitted to the Texas Commission on Environmental Quality. Legal counsel began by noting the Application had been prepared with significant efforts of LJA Engineering, Inc., U.S. Capital Advisors, LLC, District staff and legal counsel. The Board had been provided with the Bond Application dated February 4, 2022 with selected attachments. Legal counsel noted if the Board needed copies of any of the other attachments, they could be provided upon request. Legal counsel stated LJA Engineering had contacted the TCEQ to discuss the timetable for review of the Bond Application and were advised the District could not qualify for expedited review in accordance with the TCEQ Rules, but due to the necessity for the TCEQ Bond Application to be considered and a TCEQ Bond Order issued prior to the time the TWDB would consider authorizing the issuance of bonds under its \$44,000,000 Clean Water State Revolving Fund Application, the TCEQ would move promptly to review the Bond Application for its \$30,275,000 Unlimited Tax Bonds. The financial advisor, engineers and legal counsel reviewed the timetable for issuance of the bonds and the necessity to issue both the TCEQ authorized bonds and the TWDB Clean Water State Revolving Fund bonds on or before September 2022 to enable the District to set ad valorem tax rates for the interest and

principal payments that would be due on both series in 2023. After further discussion and upon motion duly made by Vice President Smith and seconded by Director Burk, the Board unanimously approved and authorized the submission of the TCEQ Bond Application for the \$30,275,000 Unlimited Tax Bonds, Series 2022.

Agenda Item No. 6: WORKSHOP.

- A. Amend Lumberton MUD Employees Grade and Step Plan in the Wage & Classification Plan and Hazard Pay.** The Board recognized the District Manager who refreshed his previously presented Employees Grade and Step Plan Modification and the Wage & Classification Plan to increase from a 10-step to a 15-step plan and changes in certain grades to enhance the opportunity to maintain the low three level of employees, to include additional grades to ensure better longevity of employees, and to provide additional opportunities for long-term employees of the plan to receive additional compensation under the Wage & Classification Plan. A discussion followed on the need for the plan and how the plan would ultimately benefit the District for the goals of improving job employee retention and employee longevity. After discussion, it was agreed that as this was a workshop discussion, the Board should place on the next agenda approval of the first alternative presented by the District Manager for the Employee Grade & Step Plan Amendment and the Wage & Classification Plan.
- B. Discussion over increase of tap fees.** Mr. Starr presented a chart showing the District had provided services but based on fees compared to cost of service for labor and materials between 2019 and 2020 had lost approximately over \$201,000 in cost for the tap services provided to customers. The District Manager recommended tap fee

changes as such had not been revised since February of 2004. The Board directed the District Manager to place on the next agenda the amended schedule of tap fees to allow the District to recover its cost and provide a cost recovery factor based on the proposed tap cost provided in his analysis.

- C. Discussion over possible increase on water and sewer rates.** It was noted the water and sewer rates had been slightly revised in 2019, but the comprehensive review and updating of the rate schedule had not occurred since Resolution 2004-4 in February 2004. Mr. Starr noted if the Board concurred, he would propose rates that would allow a greater recovery of cost for the amount of expenses that it was incurring primarily on the wastewater services, but the revised Ordinance would as noted in the previous discussion include amended tap fee changes for various service classifications. The Board asked the District Manager to place a proposed resolution increasing the water and sewer rates as discussed along with the tap fees on the next agenda.

Agenda Item No. 7: Public Comments. None.

Agenda Item No. 8: Adjournment. There being no further business, the meeting was adjourned at 8:47 p.m.



President of the Board

ATTEST



Secretary of the Board