

Approval of Minutes from
October 21, 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, October 21, 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

Roger Smith

Nick Carter

Also present were Robb Starr, Mike Tywater, Carla McGallion, BJ Lee-Lewis and Benny Lewis as employees of the District, Jared Defrancis and Tim Ashcroft of LJA Engineering, a representative from Larry Blount & Associates, Patrick Hoffman of Longleaf Development 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 Pitchford and pledge was led by President Carter.

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

Agenda Item No. 3: Minutes from September 16, 2024 Board Meeting. The Minutes of the September 16, 2024 meeting were approved with one correction on Agenda Item No. 6 regarding the presentation of general information on cyber security. Mr. Starr had informed the Board that the District had proceeded with a penetration test, and there were no detections of cyber security risk.

Agenda Item No. 4: Presentation by Engineers – Wastewater Plant and Collection System Improvements Update – LJA Engineering. The Board recognized Jared Defrancis who presented

the project status report for the wastewater treatment plant expansion project dated October 18, 2024. Mr. Defrancis affirmed the TCEQ had approved the Plans and Specifications on September 18, 2024, and the TWDB had approved the Plans and Specifications on October 9, 2024. It was also noted the engineers were prepared to proceed with District staff to develop the bid schedule and that a request for proposal be presented later in the year.

The Board then reviewed the sanitary sewer collection system project and noted the U.S. 96 sanitary sewer rehab project from Pine Burr to Horn Road was anticipated to start bidding in November 2024. The Board thanked Mr. Defrancis for his presentation.

Agenda Item No. 5: Capacity and Construction Approval for Harvard Drive, 5 lots, RTC Homes, owner. The Board again recognized Mr. Defrancis who proceeded with the request from RTC Homes, owner of 5 mobile home units on Harvard Drive. Mr. Defrancis reviewed the Site Plan for the project along with the matters concerning the existing facilities and noted specifically matters concerning the sanitary sewer collection system. He then provided an analysis and recommendation which concluded the District's water and sanitary sewer collection system would support the proposed development. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted capacity and construction approval for Harvard Drive, 5 lots, RTC Homes, owner.

Agenda Item No. 6: Final Approval for Longleaf Development Phase I Section A-B, 110 lots. The Board recognized Robb Starr who presented the request for final approval for Longleaf Development. After a brief discussion and outline of the proposed project and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously provided final approval for Longleaf Development, Phase 1 Section A-B, 110 lots.

Agenda Item No.7: **Renewal of District Employees Health Insurance.** The Board recognized Robb Starr who presented information from Larry Blount & Associates noting the carriers declined on the District's current employee health insurance renewal and presented the fully insured Blue Cross current PPO Plan which provided a 7.01% increase. After review and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved a renewal of the Blue Cross PPO Plan G654 CHC.

Agenda Item No. 8: **Renewal of District Employees Long-Term Disability Insurance.** The Board again recognized Mr. Starr who presented the Group Plan information for the long-term disability of coverage showing a no cost increase and no change coverage. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously approved the renewal of the employees long-term disability insurance.

Agenda Item No. 9: **Review and amend the current District Employees Dental Insurance.** The Board recognized Mr. Starr who indicated the District heretofore had a self-insured plan for the employees dental insurance which plan became effective February 1, 1998. There was a review of the current benefits and premiums, and it was noted the proposal was to double the monthly premium cost to employees while concurrently doubling the potential coverage. After a review and discussion of the dental plan and confirmation of the added benefits and monthly cost and upon motion duly made by Director Burk and seconded by Director Pitchford, the amendment was unanimously approved.

Agenda Item No. 10: **Set effective date for updated District Employees Dental Insurance.** Mr. Starr noted that in order to effect the change in the District employees dental insurance, there would need to be an effective date for the new coverage and premiums. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously set the

effective date for the updated District employees dental insurance as January 1st of each subsequent year beginning January 1, 2025.

Agenda Item No. 11: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who reviewed the First Financial Report showing deposits of \$32,019,413.86, pledged securities of \$41,965,567.61 and provided the pledged portfolio. The Board then reviewed accounts payable in the aggregate amount of \$810,790.04. The Board reviewed the budget year to date showing operating revenues of \$695,092.68 and operating disbursements of \$1,032,858.00 for a monthly loss of \$337,758.32. Ms. McGallion also noted the capital improvements of \$14,601.00 and the maintenance and repair budgeted expenditures of \$2,287.64. The Board reviewed the 5-month to average account chart, the overtime summary and the 2024 customer refunds in the amount of \$28,605.05, including an adjustment of \$27,170.89 at the wastewater treatment plant. Ms. McGallion then presented the 2022 bond account and noted additional request for payment to LJA Engineering in the amount of \$47,081.75.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who noted there were no wastewater or water treatment plant operational issues and no accidents reported. Mr. Lewis also presented the overtime comparison, the production report and the monthly charts for water pumpage, water usage, water billing, yearly rainfall, customer usage and customer profiles. Mr. Lewis and Mr. Starr did note that while there were no plant operational issues, the District had issues related to a leaking valve and a crew hitting a City of Beaumont line that had not been located. Mr. Lewis concluded with the presentation of the vehicle mileage and maintenance report, the charts and schedule of the complaint log. Mr. Lewis also noted a water loss for the year of 4%.

C. Presentation of Current Projects. The Board recognized Mr. Starr who outlined current projects.

1. **End of the year events.** Mr. Starr presented the calendar for the upcoming month of November and reviewed upcoming events for the District.
2. **Summary update on projects.** Mr. Starr discussed certain operational issues not often brought before the Board as well as the continuing enhancement of technology. Mr. Starr noted the District had and was continuing to make substantial meter purchases to meet the demands. Mr. Starr closed by noting the undertaking of additional improvements in the District's office building including enhancements and repairs to the lighting system and upgrading of fixtures. The Board thanked Mr. Starr for his presentation.

D. Presentation of Directors' Reports. None.

Agenda Item No. 12: Public Comments. The Board recognized Mr. Tywater who noted the enhanced lighting in the District's parking lot. The Board thanked Mr. Tywater for the noted improvements. Mr. Starr did note in regard to the upcoming November 5 election, he had undertaken some efforts to review the voting precincts within the District and those voting precincts that would be impacted by the ballot proposition for the defined area road bond election. Mr. Starr and Director Smith reviewed wording on the ballot for two of the election precincts concerning the road bond election which was as to the defined area only and would be presented to all registered voters in those two precincts. The discussion followed on questions that had been raised by citizens through the first day of early voting and would be raised through the election. Director Smith noted that while many

people would receive the ballot and possibly mark the ballot for or against the proposition, only the residents within the defined areas votes would count towards the determination of the outcome of the ballot proposition. The Board thanked Mr. Starr for his report.

Agenda Item No. 13: 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. 14: Adjournment. There being no further business, the meeting was adjourned at 7:43 p.m.



President of the Board

ATTEST



Secretary of the Board