

Approval of Minutes from
April 22, 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, April 22, 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, Carla McGallion and Benny Lewis as employees of the District, Jared Defrancis and Tim Ashcroft of LJA Engineering 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 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 March 18, 2024 meeting were unanimously approved as presented.

Agenda Item No. 4: **Presentation from the Developers of the Defined Area requesting to hold a Road Bond Election.** Mr. Starr asked that Agenda Items 4 and 5 be tabled as the developers were continuing to develop information on the conduct of the Defined Area road bond election and asking for determination from the Texas Commission on Environmental Quality (“TCEQ”) as to whether the District currently had road bond authorities or whether the developer/District would

need to proceed with an application to the TCEQ for road powers. Questions then followed from the Board.

Agenda Item No. 5: **Authorize the Defined Area consultants to complete all actions necessary to hold a Defined Area Road Bond Election.** This agenda item was tabled.

Agenda Item No. 6: **Presentation by Engineers – Wastewater Plant and Collection System Improvements Update, LJA Engineering.** The Board recognized Jared Defrancis who provided the project status report for April 22, 2024, and noted the civil design was near completion with electrical at approximately 95% complete and structural components approximately 95% complete. Mr. Defrancis further noted that LJA was preparing to submit plans to the Texas Water Development Board (“TWDB”) for review, and following regulatory matters, Mr. Defrancis stated the TCEQ Permit was complete, the TWDB Environmental Review was complete and the Engineering Feasibility Report was complete. Mr. Defrancis then moved to the sanitary sewer collections system projects and noted that bids had been received on March 28 and a later agenda item would be for the consideration of the recommendation of award. Mr. Defrancis then provided additional information on the U.S. Highway 96 Sanitary Sewer Rehabilitation - Pineburr to Horn Road project. The Board was provided with the project timetable, a restatement of the February 23, 2024 summary of probable costs and an updated proposed wastewater site plan. The Board thanked Mr. Defrancis.

Agenda Item No. 7: **Award bid for manhole repairs at Matthew Lane.** The Board recognized Mr. Defrancis who provided the summary of the bids, including base bids, supplemental bids and total bids. It was acknowledged that the recommendation of award would be to IRIBARREN INK, CORP. with the lowest response bid of \$273,733.00 for the base bid and supplemental bid items of \$30,120.00. After review by Mr. Defrancis and questions on reviewing qualifications of the bidder,

Mr. Defrancis recommended the award of the base bid and supplemental to IRIBARREN INK, CORP for \$303,853.00. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the Board unanimously approved the award of the manhole repair to IRIBARREN INK, CORP for the amount of \$303,853.00.

Agenda Item No. 8: **Construction Approval for Riverbirch Phase III, 47 lots, Birch Place One, LLC, owner.** Mr. Starr provided a mapping of the area and his recommendation for construction approval and further noted that capacity approval had already been provided. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Burk, the Board unanimously granted construction approval for Riverbirch Phase III, 47 lots, Birch Place One, LLC, owner.

Agenda Item No. 9: **Construction Approval for 2 Commercial Connections Country Lane and Hwy 69, Costorde LLC, owner.** The Board recognized Mr. Starr who provided the site map for the proposed Chick-fil-A location and adjacent facilities. It was noted the project had already been granted capacity approval. After additional review and upon motion duly made by Director Burk and seconded by Director Pitchford, the Board unanimously granted construction approval for 2 commercial connections, Country Lane and Hwy 69, Costorde, LLC, owner.

Agenda Item No. 10: **Construction Approval contingent upon County approval for Providence on Park Road, 80 units, Lumberton PP, LP, owner.** The Board recognized Mr. Starr who reviewed previous actions providing capacity approval to Providence on Park Road and noting that while the District's construction requirements had been satisfied, Providence on Park Road had not provided the approving Resolution of Hardin County for the project. Mr. Starr suggested the Board provide construction approval contingent upon Hardin County approval of the project. After discussion and upon motion duly made by Director Burk and seconded by Director Pitchford, the

Board provided contingent construction approval for Providence on Park Road, 80 units, Lumberton PP, LP, owner.

Agenda Item No. 11: Final Approval for 7433 Fawn Drive, Evergreen Subdivision, 38 lots, CHM Homes, owner. The Board recognized Mr. Starr who again noted the development had left all of the construction requirements for District facilities and recommended final approval. After comments and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board provided final approval for 7433 Fawn Drive, Evergreen Subdivision, 38 lots, CHM Homes, owner.

Agenda Item No. 12: Manager's Report.

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla McGallion who presented the financial statements and accounts payable. Ms. McGallion also provided the banking activity including the bank check register and collateral pledge for Wells Fargo. Ms. McGallion also provided the report of deposits and pledges from First Financial Bank showing deposits in the amount of \$34,339,710.43 together with the collateral pledge. President Carter did inquire under the collateral pledges from First Financial Bank that the South Shore Harbor Texas Municipal Utility District Bonds were a portion of the pledged collateral. President Carter asked legal counsel if that was authorized collateral for security to the District's depository. Legal counsel noted that such was authorized collateral and the District Bonds Orders in previous issues had noted their Bonds were also authorized collateral for securitization. The Board then reviewed the accounts payable in the amount of \$375,810.78. Ms. McGallion then discussed the budget year-to-date showing March 2024 revenues of \$606,550.27 and disbursements of \$615,468.74 for a cash loss of the month of \$8,918.47. Ms. McGallion noted there were no budgeted capital improvements for the month and presented the 5-year to month average revenues.

Ms. McGallion also provided additional monthly information as well as the account adjustments in the amount of \$2,076.01. Ms. McGallion finally presented the 2022 Bond Worksheet and outstanding statements of the invoices and balance of bond proceeds. The Board thanked Ms. McGallion.

B. Presentation of Production Report and Operations Report. The Board recognized Benny Lewis who noted there were no system facility exceedances. Mr. Lewis then advised there had been one recorded accident involving a school bus turning and hitting a District vehicle, but the matter was being handled. Mr. Lewis indicated that while some areas of the District flooded, the District had maintained operations without major difficulties. Mr. Lewis asked the Board to review and noted the higher than normal water billings for March 2024. The Board also received the system operation, customer usage and profile reports along with the vehicle mileage and maintenance report as well as the overtime report and the log of complaints.

C. Presentation of Current Projects. The Board recognized Mr. Starr who returned to a discussion of information on the award received by Benny Lewis as well as correspondence received from the TCEQ on non-compliance with the District's previously executed Agreed Order. Mr. Starr noted the District had contacted the TCEQ who was aware of the District's bond election and its permitting to move forward with the wastewater treatment plant improvements. Mr. Starr stated he would plan on contacting the TCEQ to see if any further follow-up was necessary.

1. Petition templates for Annexation for Out of District customers. Mr. Starr closed by noting they were considering voluntary annexations in portions of the District north on Highway 69, and legal counsel had updated its voluntary annexation petition. Legal counsel noted he was continuing to review matters relative to the possible properties for annexation as some appeared to be located within the District but possibly

within the boundaries of the City of Lumberton, and determination of whether any City consent would be required for such annexations. Mr. Starr finally noted the District would have its 50-year anniversary later in 2024.

D. Presentation of Directors' Reports. None.

Agenda Item No. 13: Public Comments. None.

Agenda Item No. 14: 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. 15: Adjournment. There being no further business, the meeting was adjourned at 7:50 p.m.



President of the Board

ATTEST



Secretary of the Board