

Board of Supervisors
Meeting Minutes
September 6, 2016

Board Members Present:

Richard Jones, President
Belinda Ross, Vice President
Belva Hartsfield, Secretary-Treasurer
Daryl Hart, Supervisor

Board Members Not Present:

Jemmie Hageon, Secretary Pro Tem

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Administration Division Manager
Chris Key, Operations Division Manager

Guests:

Jim Jansen, Jansen & Gregorczyk
Marjorie Shaw
Arlicia McDaniel
Barbra Clarady
Evia Young
Otis Jenkins
Betty Jenkins
Patricia Rush
Don Rush
Patrick McKelvey

1. Call to order: Mr. Richard Jones called the meeting to order at 5:30 PM.
2. Confirm quorum: Mr. Jones declared a quorum present.
3. Invocation-Recognition of Guests: Mrs. Belinda Ross gave the invocation at the request of Mr. Jones.

5. Open Public Hearing on Proposed Tax Rates for Calendar Year 2016: Mr. Jones opened the public hearing at 5:32 PM.

Mr. Jones recommended to keep the tax rate the same as it was for 2015, which was \$0.464262 per \$100 of property valuation. This would be the second consecutive year that it would remain the same if approved. The highest the District Board of Supervisors can set it to is \$.49 per \$100 of property valuation. Mr. Otis Jenkins stated the Board should only increase the rate if it must. Mr. Jones acknowledged that what the Board charged previously covered the District's expenses, so the rate should stay the same.

The public hearing was closed at 5:36 PM.

10. Consideration and Approval of the 2016 Maintenance and Operation Tax Rate:

Mr. Daryl Hart motioned to approve the tax rate at a value of \$0.464262 per \$100 of property valuation, which is the same rate as last year. Mrs. Ross seconded the motion. All members voted in favor and the tax rate was approved.

8. Consideration and Approval of the FY 2015 Annual Financial Audit: Mr. Jim Jansen presented information to the Board regarding the FY 2015 Financial Audit. The District's debt decreased, which was a positive note. Financials were good this year. The District is unique because it involves two parts: Tax along with Operation and Maintenance. Expenses increased due to a \$13,000 pump repair. Cash funds were managed better this year. There were no major plant additions. Mr. Jansen explained that the District is negative based upon the projected budget numbers due to the large expense for the pump repair. The tax budget was pretty accurate. The District collected 87% of the taxes assessed, which was an increase from last year. Work for the District is being done adequately and professionally.

Mr. Jansen left the meeting at 5:50 PM.

Mr. Hart motioned to approve the FY 2015 Annual Financial Audit as presented, with a second by Mrs. Ross. All members voted in favor and the audit was approved.

7. Consideration and Approval of Financials: Mr. Kelley Holcomb explained to the Board that six months of financials are being presented because the Board has not had a meeting since April 2016. Mr. Holcomb clarified on the tax financials that most of the money the District collects occurs in January, February, and March each year. The District's fiscal year will end on September 30, 2016. Mr. Holcomb highlighted that the money the District received when it sold property for a lift station to Angelina & Neches River Authority was applied to the District's mortgage on its office building. Currently the District has only \$4,000 remaining before the building is paid off. Mrs. Dyan Stanford noted expenses associated with the purchase of a new utility program for the District. Ms. Evia Young stated that she lives at 479 Jackson Road and she is interested

in getting sewer service now on the new system. Mr. Holcomb stated that he could provide her more information on her question later in the meeting during a different agenda item.

Mrs. Ross motioned to approve the financials as presented, with a second by Mr. Hart. All members voted in favor and the financials were approved.

9. Consideration and Approval of the FY 2016 Certified Appraisal Roll: Mr. Holcomb reminded the Board that they are limited in their control with regards to appraisals. The District can protest the applicability of taxes on a property, but that is all. The net taxable valuation of property for the District is \$11.2 million. In the past ten years, the District's valuations have doubled because the District is growing. Mr. Holcomb recommended approval of the Certified Appraisal Roll.

Mr. Hart motioned to approve the FY 2016 Certified Appraisal Roll. Mrs. Belva Hartsfield seconded the motion. All members voted in favor and the roll was approved.

11. Consideration and Approval of the FY 2017 Annual Tax Budget: Mr. Holcomb noted that the budget being presented is the same as last year since the rate is equal to that of last year. The numbers for last year reflect a \$1,500 surplus. Mr. Hart agreed if the system is not broken, do not fix it. Mr. Holcomb reminded those in attendance that any customer that is out-of-district and requests service from the District will now be required to complete a voluntary annexation process to be included in the District, which will result in more tax revenues in the future. The hope is, that over time taxes will decline due to increased properties values within the District.

Mr. Holcomb noted the proposed 100 future homes to be located in Redland Estates. Mr. Hart questioned if the District will be able to accommodate those properties, which Mr. Holcomb assured him the District is ready. Those properties are just waiting on the sewer to be available. Mr. Hart asked if any of the houses will be provided by the USDA, but Mr. Holcomb was unsure. Ms. Barbra Clarady asked who the developer is of those new properties. Mr. Holcomb stated it is Darren Borders. Mr. Don Rush asked if Mr. Borders is local, which Mr. Holcomb responded Mr. Borders is from Nacogdoches. Mr. Hart questioned if the District is responsible for the clearing for a new tower that is happening right now, but Mr. Holcomb said the District has not cleared anything yet. The tower clearing is another company related to anticipating future development in the area.

Mr. Hart motioned to approve the proposed tax budget as presented, with a second by Mrs. Ross. All members voted in favor and the budget was approved.

4. Swear-In of Elected Supervisors: Mrs. Stanford swore in the newly re-elected Board members: Mr. Richard Jones, Mrs. Belinda Ross, and Mr. Daryl Hart. Mr. Jenkins stated he does not understand the election. Mr. Jenkins raised the issue that the Board is

composed of individuals who are all black, and none that are white. The law as Mr. Jenkins remembers requires that a white person be on the District's Board, which he stated was why past Board member Steve Clarady was on the Board. Mr. Jenkins believes it is discrimination if there is no white person on the Board. Mr. Patrick McKelvey explained that he did not know the election was open. Mr. McKelvey asked that next time there is a vacancy, the Board needs to ask those in the District if they want to be on the Board.

Mr. Jones responded that he has been on the Board for a while now and never earned any money with relation to his service. Mr. McKelvey stated that those in attendance are not trying to say that the Board is doing a bad job. Mrs. Ross noted that the Board has offered positions to others in the past, but they would not accept them. Mr. McKelvey stated that he agrees the Board does a good job. Mr. Rush questioned where the election opening was posted. Mrs. Stanford responded that the opening was posted at the District's Office, ANRA's office, and on the District's website.

Mr. Holcomb noted that the District has an election in May of even numbered years. Three members are required to attend each meeting in order to conduct business. The District needs a member to represent the Redland Estates area. Mr. Jones stated that he got on the Board because he had a high water bill. Mr. Hart stated he got on the Board because he wanted sewer service.

6. Consideration and Approval of Meeting Minutes from April 19, 2016 Called Meeting:
Mrs. Ross motioned to approve the minutes as presented, with a second by Ms. Hartsfield. All members voted in favor and the minutes were approved.

Mr. Jones noted that the District finally got the new sewer project design approved. Mr. Hart agreed that the Board moved forward with the project because the community needs it. Mr. Chris Key presented the Board with information that the Texas Water Development Board (TWDB) has approved the system's design and now the project is ready to go out for bids. Advertising of the bid opening will begin in a week or two. It will be printed in the paper and on contractor websites. Local contractors will be contacted to look at the project and submit a bid. The bid date will be set after about three weeks.

Once a contractor is recommended, they will go before the TWDB for approval. Once approved by the TWDB, the project can begin and dirt can begin turning. Mr. Jenkins responded that customers have heard that the project would begin soon two years ago and dirt still has not been turned. Mr. Jones stated that the grant has been locked in, the design has been approved, and the next piece is to select a contractor. December is the start date being proposed now. Mr. Hart questioned how many contractors will be over the project. Mr. Holcomb explained it will involve one contractor who would utilize multiple crews. Mr. Hart asked what kind of warranty the work will have, to which Mr. Holcomb stated it will have a one-year warranty.

Mr. Jones reminded those in attendance that there will be sections completed piece meal. Mr. Holcomb agreed it will be a busy project. Mr. Key stated that the project requires ten miles of new pipe to be installed, ten new lift stations, and should take approximately one year to complete. Mr. Hart questioned if the District had received the soil testing results, which Mr. Holcomb stated there is no overdesign required. Ms. Clarady asked if her property had been verified on the plans because no one came to her house, which Mr. Key assured her it was on the design. Mrs. Betty Jenkins asked about a lift station, but Mr. Holcomb clarified her question related to phone lines. Ms. Young at 479 Jackson brought up her desire for sewer service again. Mr. Holcomb stated that her property has not been included in the design, but noted that there is a gravity line drawn for in front of her property so she will be able to tie onto the system.

Discussion occurred regarding costs associated with connecting to the system.

12. Consideration and Possible Approval of Requests for Credits to Customer Accounts:

A.) Ms. Betty Jenkins, 195 Garner Rd.: Mrs. Stanford explained the request for a credit on this account by the customer based upon personal disconnection from the system due to the movement of her mobile home that was purchased.

Mr. Hart left the meeting at 6:50 PM.

Mr. Jones was unsure how to handle Mrs. Jenkins request. He suggested that next time she utilize the vacation option on her account so that she will not receive a bill. Mr. Jones recommended the Board grant Mrs. Jenkins a credit of \$29.83 to her account.

Mrs. Ross motioned to credit the account for 195 Garner Rd. in the amount of \$29.83. Mrs. Hartsfield seconded the motion. All members voted in favor and the credit was approved.

B.) Ms. Sheila Nichols, 227 ID Henderson Rd.: Mrs. Stanford explained the request by Ms. Nichols for a credit on her account due to what Ms. Nichols believes is a high water usage. However, when discussed with Mrs. Stanford, extensions were noted on that account which lead to the review that the high bills were due to the backup of payments received, rather than high usage.

Mrs. Ross motioned to deny the request for a credit on the account at 227 ID Henderson Rd, with the availability to review the request later if asked by the customer. Mrs. Hartsfield seconded the motion. All members voted in favor and the denial was approved.

C.) Lufkin Property Management, 147 and 149 Jerri St.: Mrs. Stanford explained that there was a water leak found at 149 Jerri Street by the customer when a large bill was received and Lufkin Property Management is requesting assistance on that high water bill from the District.

Mrs. Ross motioned to approve a credit of \$120.62 to be placed on the account for 149 Jerri Street, which is 50% of the water usage charged. Mrs. Hartsfield seconded the motion. All members voted in favor and the credit was approved.

13. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Holcomb stated that he does not anticipate a meeting from now until the end of the calendar year. Mr. Holcomb did confirm that Love's Country Store has purchased the property at the corner of US 59 and FM 2021.

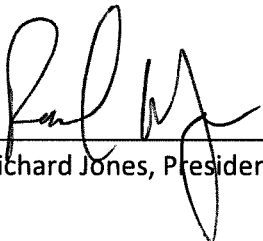
General Discussion occurred.

Mr. Rush requested clarification regarding the bid process. Mr. Holcomb responded that the bid opportunity will be published in the paper three times over a 21 day period. Sealed bids will be submitted and then opened at a public meeting. The project is expected to start construction, turning dirt, by the end of this year. Beginning in January the project should be going hard and heavy. State Representative Trent Ashby has been pushing this project hard to get it approved and started.


14. Closure of Business: Mr. Jones adjourned the meeting at 7:05 PM.

APPROVED THIS 30th DAY OF January, 2017.

ATTEST:



Richard Jones, President



Belva Hartsfield, Secretary-Treasurer