

**Board of Supervisors  
Meeting Minutes  
July 11, 2017**

**Board Members Present:**

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

**Board Members Not Present:**

Jemmie Hageon, Secretary Pro Tem  
Daryl Hart, Supervisor

**ANRA Staff:**

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

**Guests:**

Danny Hayes, KSA Engineers

1. **Call to order:** Mr. Richard Jones called the meeting to order at 5:37 PM.
2. **Confirm quorum:** Mr. Jones declared a quorum present.
3. **Invocation:** Mrs. Belinda Ross gave the invocation at the request of Mr. Jones.
4. **Recognition of Guests:** The Board recognized Mr. Danny Hayes with KSA Engineers in attendance.
5. **Consideration and Approval of Meeting Minutes from March 24, 2017 Called Meeting:**  
Mr. Jones questioned the status of Ms. Taylor's account from the previous meeting.  
Mrs. Dyan Stanford confirmed that Lufkin Property Management had taken care of the account balance since the last meeting.

Mrs. Ross motioned to approve the minutes as presented, with a second by Mrs. Belva Hartsfield. All members voted in favor and the minutes were approved.

6. Consideration and Approval of the engagement of Goff and Herrington for the completion of the FY 2016 Annual Financial Audit: Mr. Kelley Holcomb noted to the Board that Angelina & Neches River Authority (ANRA) issued a Statement of Qualifications request for audit services for the District due to issues with the previous auditors, Jansen and Gregorczyk. A local firm, Goff and Herrington responded and submitted a State of Qualifications. Goff and Herrington has provided a list of entities they are currently serving and ANRA feels they are well qualified to conduct the audit and thus recommend their services for FY 2016's financial audit.

Mr. Jones questioned how long this firm has been around and Mrs. Ross noted that Goff and Herrington is charging \$500 more for audit services than the District previously paid. Mr. Jones asked if Goff and Herrington will be doing ANRA's audit, which Mr. Holcomb stated was probable. Mr. Holcomb has seen the services of Goff and Herrington through other Boards he serves on, and he is happy with their work. Mrs. Stanford reminded the Board that funds to pay the auditor come from the District's tax account, which is able to pay this fee.

Mrs. Ross motioned to approve the engagement of Goff and Herrington for the District's FY 2016 Financial Audit, with a second by Mrs. Hartsfield. All members voted in favor, thus the motion was approved.

7. Consideration and Approval of a Resolution Authorizing the submittal of a Financial Application for Loan Forgiveness to the Texas Water Development Board from the Water Loan Assistance Fund: Mr. Holcomb summarized that SB 2282 was filed, passed, and became law on June 12, 2017. July 13, 2017, the District becomes the owner of all assets, liabilities, and territory of the Angelina County Water Control Improvement District #3 (ACWCID3). The District was previously promised to receive reimbursement for the outstanding debt, transactional costs, and costs of compliance. The District will be required to complete an application which will allow for the fulfillment of that agreement. The District is being given approximately \$560,000 regarding the outstanding debt for ACWCID3, along with additional monies. The Resolution designates Mr. Holcomb as the agent to complete all of the tasks associated with submittal of the application by the July 31, 2017 deadline.

Mr. Jones questioned when the District will receive the money, to which Mr. Holcomb stated should be by the end of calendar year 2017. Mr. Jones questioned the process of receiving a waiver from the Texas Commission on Environmental Quality (TCEQ). Mr. Holcomb explained that the first step required an assessment of the system when it was received. The Legislature will ensure the money is received by the District. Mr. Jones asked clarification if it will cost the District an additional \$3,000 to have ANRA operate the facility, which Mr. Holcomb agreed was correct.

Mrs. Hartsfield motioned to approve the resolution as presented, with a second by Mrs. Ross. All members voted in favor and the resolution was approved.

8. Consideration and Approval of a Resolution related to the Consolidation of Angelina County WCID No. 3 into the District: Mr. Holcomb explained that this resolution is requested by the Texas Water Development Board. The resolution acknowledges the passage of SB 2282 and designates the General Manager of ANRA to carry out work on behalf of the District in response.

Mrs. Hartsfield motioned to approve the resolution as presented. Mrs. Ross seconded the motion. All members voted in favor and the resolution was approved.

9. Consideration and Approval of a Petition and Order for the annexation of property described as:

- A. 191 Ethel Lewis Rd, ACAD Property ID 122546 and described as 4929D Magnolia Gardens, Phase V, Block 1, Lot 1D-1
- B. 765 Jackson Rd, ACAD Property ID 114751 and described as 4929B Magnolia Gardens, Phase III, Block 1, Lot 4
- C. 797 Jackson Rd, ACAD Property ID 122059 and described as 4929C Magnolia Gardens, Phase IV, Block 1, Lot 1-B
- D. 805 Jackson Rd, ACAD Property ID 122058 and described as 4929C Magnolia Gardens, Phase IV, Block 1, Lot 1-A

Mr. Chris Key noted that the petitions being presented are from current out-of-district water customers requesting sewer service. Based upon the Board's previous requirement of annexation, these customers have complied and provided documents required for annexation and are requesting to be made in-district customers for both water and sewer service. Mrs. Ross requested clarification if these customers are all connected near each other, to which Mr. Key responded was correct.

Mrs. Ross motioned to approve all Orders of annexation as presented, with a second by Mrs. Hartsfield. All members voted in favor and the motion was approved.

10. Consideration and Approval of establishing the Final Date by which a customer can be connected to the sewer system under the contract for ANRA's NACRWF Sanitary Sewer Collection System Expansion Project: Mr. Key explained that at ANRA's August 1, 2017 board meeting, the funding for this project will be finalized. ANRA has to provide final cost estimations to establish the final amount needed for construction and close on the bond. The District will still be able to provide individual tap quotes for service, but nothing else would be added within the scope of the grant project. Mr. Jones questioned if notice has to be sent, but Mr. Holcomb noted that there is not a list of people who should be notified. Mrs. Ross asked when ANRA is proposing closure, which Mr. Holcomb recommended be today, July 11, 2017. Mr. Danny Hayes questioned when the District initially notified residents of the availability of sewer service. Mr. Holcomb stated the initial notice was sent out May 2014.

Mrs. Hartsfield motioned to approve the final date for sewer connection under ANRA's sewer project as July 11, 2017. Mrs. Ross seconded the motion. All members voted in favor and the motion was approved.

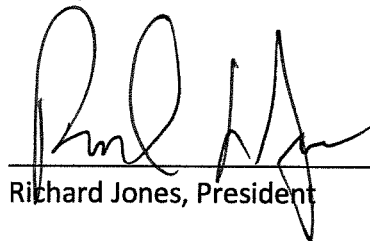
Mr. Hayes provided an update on the sewer project. Five to six crews have been working in different areas within the District. Almost 99% of the pipe has been installed. Lift stations are the next portion of the project. Electricity provisions are currently causing some delay from Oncor. Mr. Hayes noted that the Phil Jackson lift station is key to providing service. Mr. Jones asked what will happen on the roads that have been previously dug up. Mr. Hayes agreed that roads will be patched as part of the project. Mr. Jones noted an area on Phil Jackson that requires some gravel work.

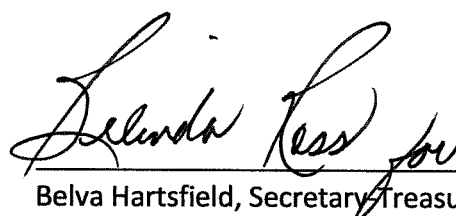
Mr. Holcomb highlighted good news for the District in that the City of Lufkin has agreed to assist in constructing a new water line. The City Manager verbally agreed to have their engineering staff design and install the new line, which means the District will only be required to buy the materials. Mr. Holcomb estimates the District's cost will be around \$40,000. The City has also agreed to release the Wolford water service to the District. Mrs. Stanford provided an update on the Rivercrest customer transition and Mr. Key noted that District signs will go up in Rivercrest on Thursday.

11. Establish Date, Time and Agenda Items for the Next Meeting: The next meeting for the District will occur at the end of August, first of September related to the tax rate hearing.
12. Closure of Business: The meeting was closed by Mr. Jones at 6:36 PM.

APPROVED THIS 5<sup>th</sup> DAY OF September, 2017.

ATTEST:

  
Richard Jones, President

  
Belva Hartsfield, Secretary/Treasurer