

**Board of Supervisors  
Meeting Minutes  
September 5, 2017**

**Board Members Present:**

Richard Jones, President  
Belinda Ross, Vice President  
Daryl Hart, Supervisor

**Board Members Not Present:**

Belva Hartsfield, Secretary-Treasurer  
Jemmie Hageon, Secretary Pro Tem

**ANRA Staff:**

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

**Guests:**

Gina Souto  
Sarah Kuehn  
Sergio Souto

1. **Call to order:** Mr. Richard Jones called the meeting to order at 5:33 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. The Board recognized Mrs. Gina Souto and Ms. Sarah Kuehn in attendance.
4. **Open Public Hearing on Proposed Tax Rates for Calendar Year 2017:** The public hearing was opened at 5:34 PM. Mr. Jones highlighted that Hurricane Harvey had caused the mail system out of Houston to shut down for several days. Postcards were not able to be mailed out to customers notifying them of the meeting in order to be received in time. Mr. Kelley Holcomb noted that the District did publish notice of the meeting in a quarter page ad in the Lufkin Daily News, at the County Courthouse, at ANRA's office

and at the District Office per requirements. There being no comments from the public, the hearing was closed at 5:37 PM.

Sergio Souto arrived at 5:38 PM.

5. Consideration and Approval of Meeting Minutes from July 11, 2017 Called Meeting: Mrs. Ross motioned to approve the minutes as presented, with a second by Mr. Daryl Hart. All members voted in favor and the minutes were approved.
  
6. Consideration and Approval of Financials: Mr. Holcomb noted to the Board that there is nothing out of the ordinary on the financials being presented. Beginning on the June statement for tax revenue received, the County began splitting revenue related to the District versus Angelina County WCID #3 which was consolidated into the District. Revenues under the wastewater classification are down due to construction delays associated with the new sewer project. Until all customers are receiving sewer service, revenues will continue to be lower than projected. Expenses are also higher than budgeted since the District has to stay connected to the City of Lufkin and pay a sewer bill until construction is complete to connect the District's sewer to North Angelina County Regional Wastewater Facility (NAC).

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

7. Consideration and Approval of the 2017 Certified Appraisal Roll: Mr. Holcomb explained that this agenda item deals with the tax side of the business. Tax values grew by \$3 million dollars based upon the consolidation of Angelina County WCID #3 into the District. Mr. Holcomb reviewed with the Board the territory that the District now covers, which encompasses the Cedar Grove community, Redland Estates, and Rivercrest.

Mrs. Ross motioned to approve the Appraisal Roll as presented, however a second was not received and the motion died.

8. Consideration and Approval of the 2017 Maintenance and Operation Tax Rate: Mr. Holcomb noted that the calculations being presented were mandated by the State of Texas as a result of the consolidation. The proposed rate published in the paper is an average of the rates between the District and Angelina County WCID #3. Mr. Jones questioned how long the Board has kept the tax rate the same. Mrs. Dyan Stanford responded that the rate has stayed the same for the last two years. Mr. Holcomb agreed and noted that the rate has stayed within half a cent of the current rate for the last five years. Mr. Jones highlighted that if the rate is approved at \$0.48 per \$100 of valuation, it will result in an increase of approximately \$20 in tax per year for the average household related to the District.

Mr. Jones reminded those in attendance that one repair on a pump at the Jerri St. lift station can equal \$25,000. This tax money, in part, is going to provide a new water line with the City as well, which will provide better service to customers in the community. Mr. Souto agreed that the increase is not large based upon the expense that can come up in a repair situation. Mr. Holcomb agreed and noted that the new water line will also allow the District to serve expansion, such as a mobile home park being proposed that would include 30 new connections. Mr. Jones stated that the Board is asking for an investment in the community.

Mrs. Ross motioned to approve the tax rate for 2017 at \$0.488819 per \$100 of valuation.

Mr. Hart responded that he had recently heard of arguing about the tax rate between the Sheriff's Department and the County and he would rather have the entire Board present to make a decision. Mr. Jones reiterated the need to approve a tax rate at this meeting. Mr. Hart engaged Mr. Jones in a lengthy and heated debate regarding how the District's affairs should be conducted. Mr. Holcomb explained that if a rate is not approved at this meeting, then another meeting would have to be set quickly and published in the paper again.

The motion died due to lack of a second.

9. Consideration and Approval of FY 2018 Annual Budget: Mr. Holcomb explained that the District's new auditors, Goff and Herrington, required a change in the budget presentation due to contract requirements between the District and Angelina & Neches River Authority (ANRA). The proposed budget incorporates those changes agreeable between the District's legal advisors and auditors. Per the contract, the District is responsible to record only the expense for ANRA in providing water and sewer services, but to record detailed documentation on the revenues received from customers.

Mr. Jones reminded those in attendance that sewer will be paid to ANRA, which Mr. Holcomb agreed is under a wholesale agreement with ANRA/NAC. The changes being described will be evident in Fiscal Year 2017's audit. The tax revenue noted in the budget is determined by utilizing a rate of 85% collection since the District has historically been able to collect at that percentage.

Since the Board was not able to approve a tax rate at the meeting tonight, Mr. Holcomb suggested tabling this item as well since it is determined based upon the agreed upon tax rate. Mr. Holcomb provided historical data related to the District and noted how the system is expanding. Mr. Jones agreed that growth for the District has allowed for rates to be kept level over recent years. Rates will be reviewed once all customers have active sewer service.

No action was taken on this item. It will be reviewed at a later meeting.

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

- A. Ms. Marilyn Bass, 249 Ruth Lane: Mrs. Stanford explained that Ms. Bass had requested to meet with the Board regarding assistance for a leak she had at her property. Mrs. Stanford left a message for Ms. Bass, letting her know of the meeting and requesting her attendance. Ms. Bass failed to show up at the meeting and no action was taken regarding this matter.

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

- A. 775 Jackson Rd, ACAD Property ID 122060, and described as 4929C Magnolia Gardens, Phase IV, Block 1, Lot 1C: Mr. Holcomb agreed that at the last Board meeting, the District had closed the availability to add onto the new sewer project until after it was completed. However, a prior promise had been made with a customer who came in right after the meeting and he was able to take care of payment immediately. ANRA felt it was in the best interest of the District to uphold its prior agreement and allow this individual to be connected. All closings of the project and its design have had this additional property included.

Mrs. Ross motioned to approve the annexation of 775 Jackson Rd into the District. Mr. Hart seconded the motion. All members voted in favor and the motion was approved.

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

- B. 1059 Phil Jackson Road Water/Sewer Tap and Customer Service Line: Mr. Jones explained that this item deals with a private matter between Mrs. Gina Souto and Mr. Hart. Mrs. Souto is needing a right-of-way for a sewer service line at her residence. Mr. Holcomb questioned how the District can help make this situation work. Mr. Hart highlighted the bill he received for taps related to a home his daughter is wanting put in on his property. Mr. Chris Key further explained the tap Mr. Hart was requesting. Mrs. Souto responded that she agreed to pay \$440 to Mr. Hart, related to the tap fee Mr. Hart was quoted, but she will not be paying Mr. Hart \$2,000 for both the tap fees, per his request. Mrs. Souto stated that she will be contacting her lawyer.

Mr. Holcomb noted that the District will not be able to run the customer service line to Mrs. Souto's home, until a valid utility easement is received by the District granting that access. Mr. Souto thanked the Board for their time and he, Mrs. Souto, and Ms. Kuehn left the meeting at 6:35 PM.

Mr. Jones summarized that Mr. Hart is asking for Mrs. Souto to pay for the cost of his daughter's taps in exchange for him granting Mrs. Souto right-of-way access to lay the pipe for her sewer across his property. Mr. Hart responded that Mr. Jones

cannot tell him what he should do on his own property and again a short heated debate ensued.

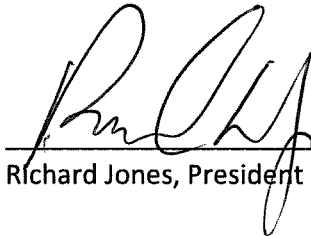
12. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Jones noted that the District's next meeting will cover items seven, eight, and nine from this meeting. The Board will be getting with Mr. Jemmie Hageon and Mrs. Belva Hartsfield to ensure their attendance at the next meeting. Mr. Jones stated that Mr. Hart held this agenda hostage through his actions.


Another heated discussion occurred between Mr. Jones and Mr. Hart. Mr. Hart left the meeting at 6:38 PM.

13. Closure of Business: Since a valid quorum was no longer available, the meeting was adjourned at 6:38 PM.

APPROVED THIS 20<sup>th</sup> DAY OF November, 2017.

ATTEST:

  
Richard Jones, President

  
Belva Hartsfield, Secretary-Treasurer