

**Board of Supervisors  
Meeting Minutes  
September 15, 2017**

**Board Members Present:**

Richard Jones, President  
Belinda Ross, Vice President  
Belva Hartsfield, Secretary-Treasurer  
Jemmie Hageon, Secretary Pro Tem

**Board Members Not Present:**

Daryl Hart, Supervisor

**ANRA Staff:**

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

**Guests:**

O'Neill Armstrong  
Cynthia Armstrong  
E.R. Brooks  
Barbra Clarady  
Patrick McKelvey  
Mark Maxie  
Otis Jenkins  
Betty Jenkins  
Kim Freeman  
David Stua

1. **Call to order:** Mr. Richard Jones called the meeting to order at 1:13 PM.
2. **Confirm quorum:** Mr. Jones declared a quorum present. Mr. Jemmie Hageon gave the invocation at the request of Mr. Jones. Mr. Chris Key discussed the new mobile home park being developed within the District. Mr. Kelley Holcomb explained that the mobile home park will be responsible for paying to upgrade the service line in that area. Ms. Kim Freeman questioned if water pressure was down in the area of Ethel Lewis Road, but Mr. Key was not aware of any issues.

Mrs. Belinda Ross arrived to the meeting at 1:18 PM.

Mr. Key explained the new line being constructed to connect the District and the City of Lufkin. Mr. Key noted that the new line project will be paid by tax dollars. The line will be designed and installed by the City while funds from the District will pay for the supplies required. Mr. Key provided an update on the current sewer project stating that contractors are now working on customer service lines and the lift stations. All electrical work has been completed except on the Jackson Road lift station. The project is currently on schedule to finish by December. Mr. Holcomb noted that the District hopes to have sewer flowing by the end of October in certain areas.

Mr. Jones stated that the District recently added the Rivercrest area to its service area for sewer service. Mr. Holcomb agreed and noted that the consolidation has been completed with no real issues. Mr. E.R. Brooks explained that members of Rivercrest were under the idea that when the District was consolidated, that they would no longer have a tax on their property, since it was related to the debt.

3. Open Public Hearing on Proposed Tax Rates for Calendar Year 2017: The public hearing was opened at 1:28 PM. Mr. Holcomb explained the history regarding Angelina County WCID #3, their tax rate, and debit associated with the facility to address Mr. Brooks' concerns. When WCID #3 was dissolved, their tax rate went away as well. However, the District has an Operation and Maintenance Tax, which now applies to the members of Rivercrest. Mr. Brooks stated that he is for the tax because then everyone has to pay that lives in the area, rather than only if they have service. Mr. Brooks acknowledged that bills went down for those in Rivercrest from what they were previously charged by WCID #3. Mr. Brooks noted a history of customers not paying their bill that live in Rivercrest.

Mr. Holcomb explained that WCID #3 previously charged a tax rate of around \$0.60 cents per \$100 valuation, while the District previously charged \$0.464262. Mr. Otis Jenkins requested clarification if the rate is going up to what WCID #3 was previously charged. Mrs. Ross explained that the District is not able to go up to as high as what the customers of WCID #3 were being charged. Mr. Holcomb noted that the District could only go up to \$0.488819 per \$100 valuation.

The public hearing was closed at 1:40 PM.

4. Consideration and Approval of the 2017 Certified Appraisal Roll: Mr. Holcomb noted that the numbers provided were including both the District and WCID #3. Rivercrest brought in \$3 million in taxable value to the District.

Mrs. Ross motioned to approve the 2017 Appraisal Roll as presented, with a second by Mr. Hageon. All members voted in favor and the roll was approved.

5. Consideration and Approval of the 2017 Maintenance and Operation Tax Rate: Mr. Holcomb stated that the notice published in the paper incorporated a combined rate for the District and WCID #3 for last year. The rate for District customers last year was actually \$0.464262 per \$100 of valuation. Ms. Freeman questioned if WCID #3 had paid its debt off, but Mr. Holcomb responded that the debt was absorbed by the State of Texas. The maximum rate that the District can approve is \$0.488819 per \$100 valuation. This would provide the District around \$69,000 from the taxes assessed.

Mr. Jones reminded those in attendance that the proposed \$0.488819 would only cost an additional \$10 more per year per household. That money is used to serve the people. It only takes one pump to go out and the District can be facing expenses of \$25,000. Mr. Jenkins stated that he can accept adding onto the District, but why should the taxes go up. Mr. Jones responded that sewer does not support itself. Funds need to be built to deal with those issues that can pop up and need attention.

Mr. Holcomb noted that the new water line being constructed with the City of Lufkin will cost an estimated \$40,000. If a pump goes out, for example at the Jerri Street Lift Station, the District would have to spend \$20,000 - \$30,000 in order to fix it. If the District does not have the funds at that time, then it is already too late to raise rates and acquire them. Mrs. Ross agreed that the District is growing, and it does not need to become stagnant. Mr. Jenkins reminded the Board that there will be some who cannot pay the additional \$10 and money should be received from another source. Mrs. Ross highlighted that it is better to inch up in costs than to have a large jump.

Ms. Freeman requested clarification on what new customers have had to pay to receive service. Mr. Holcomb explained that new customers have had to pay back from the project inception to present day in order to receive service. Mr. Brooks explained what the process for taps used to be under WCID #3.

Mrs. Ross motioned to approve the tax rate as \$0.488819 per \$100 valuation, with a second by Mrs. Belva Hartsfield. All members voted in favor, thus the motion was approved.

6. Consideration and Approval of FY 2018 Annual Budget: Mr. Jones explained that the Board is reviewing the budget differently based upon recommendation by the District's auditors. Mr. Holcomb presented information on the growth and development of the District. The number of connections has grown by several hundred people, while the rate has stayed relatively flat throughout that period. The last rate increase for District customers occurred in 2009. Total budget is \$363,000. Mrs. Hartsfield noted that the budget presented now utilizes the same water/sewer rate and incorporates an increase in the tax rate to \$0.488819.

Mrs. Betty Jenkins questioned why the rate is decided only by the Board. Mr. Jones responded that the Board is elected by the public. The public is informed of each meeting if possible so they can attend. The Board wants participation by the

community. Mr. Jones noted that he recently attended a meeting held by the City of Lufkin, who does not allow discussion on their agenda items. Mrs. Hartsfield highlighted that the public needs to attend often in order to understand the entire process. Only attending one meeting does not provide the entire information needed. Mr. Patrick McKelvey responded to Mrs. Jenkins noting that many people in her area do not care to attend the District's meetings, thus no one can fight their fight for them. Mrs. Jenkins stated that many people think the District Board will do what they want, no matter what. However, Mr. Jones explained that in times past, the public has convinced the Board to change their mind on matters.

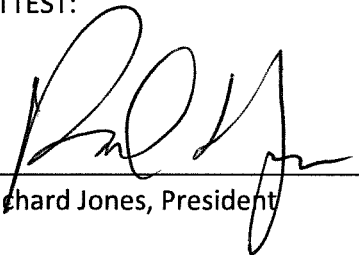
Mr. Hageon motioned to approve the FY 2018 Annual Budget as presented, with a second by Mrs. Hartsfield. All members voted in favor and the budget was approved.


7. Closure of Business: Mr. Holcomb explained that a utility commitment has been received by the District regarding the Mobile Home Park project. The Board will be required to review that commitment at its next meeting, possibly within 45 days.

Mr. Jones closed the meeting at 2:21 PM.

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

ATTEST:

  
Richard Jones, President

  
Belva Hartsfield, Secretary-Treasurer