

**Board of Supervisors
Meeting Minutes
November 20, 2017**

Board Members Present:

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

Board Members Not Present:

N/A

ANRA Staff:

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

Guests:

Steve Knight, Lufkin Daily News
A.J. Goff, Goff & Herrington
Danny Hayes, KSA Engineers
Patrick McKelvey
Betty Jenkins
Otis Jenkins

1. Call to order: Mr. Richard Jones called the meeting to order at 5:35 PM.
2. Confirm Quorum: Mr. Jones declared a quorum present.
3. Invocation-Recognition of Guests: Mr. Jemmie Hageon gave the invocation at the request of Mr. Jones.
5. Consideration and Approval of the FY 2016 Annual Financial Audit: Mr. A.J. Goff presented the FY 2016 audit to the Board. Goff & Herrington issued an unmodified audit report, which is a clean opinion. Taxes show to be beneficial to the District's financials. FY 2016 was a better year than past years.

Mr. Patrick McKelvey arrived at 5:40 PM.

Mr. Goff provided minor items of note. The audit was past due which is a technical non-compliance and balance sheet accounts require reconciliations. Mrs. Dyan Stanford provided explanations of these issues and the steps that have been enacted to alleviate these problems.

Mrs. Belinda Ross motioned to approve the FY 2016 Financial Audit as presented, with a second by Mr. Hageon. All members voted in favor and the audit was approved.

Mr. Goff left the meeting at 5:46 PM.

Mr. Danny Hayes presented an update on the sewer project for the District. All lift stations towards Redland Estates have been hooked up to the sewer system. All customer connections are anticipated to be complete at the end of the month. Flow from Redland Estates sewer plant has been diverted from the Angelina River and is now flowing into the new treatment lines. Treatment plant improvements are continuing and the project is now waiting on the bar screen to be delivered. Mr. Jones questioned when old septic systems will be removed. Mr. Chris Key explained that the systems are being removed as connection occurs. Mr. Kelley Holcomb noted that old systems are being pumped out and demolished in place.

Mr. Daryl Hart arrived at 5:51 PM.

4. Consideration and Approval of Meeting Minutes from the September 5, 2017 and September 15, 2017 meetings: Members reviewed the minutes being presented.

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

Mr. Otis Jenkins and Mrs. Betty Jenkins arrived at 5:56 PM.

6. Consideration and Approval of the Engagement Goff and Herrington for completion of the FY 2017 Annual Financial Audit: Mr. Holcomb highlighted that the charge proposed for the FY 2017 Financial Audit is the same as that of FY 2016. Mrs. Dyan Stanford spoke highly of the work done by Goff & Herrington and recommended the Board approve them for FY 2017's Financial Audit.

Mr. Hageon motioned to approve Goff & Herrington to complete the FY 2017 Annual Financial Audit. Mrs. Ross seconded the motion. All members voted in favor and the motion was approved.

7. Consideration and Approval of a Resolution authorizing a Grant Agreement with the Texas Water Development Board in the Amount of \$732,000 from the Water Loan Assistance Fund: Mr. Holcomb explained that this item is related to the Rivercrest

transition to the District. The Texas Water Development Board (TWDB) is following through with their promise to forgive the prior debt of Angelina County WCID No. 3 and bring the facility into compliance. Closing on this grant will occur around the 15th of December. The next phase is to approve a resolution regarding the early redemption of bonds, which will occur next week. The second step will involve working with KSA Engineers.

The TWDB is amenable to an amendment to the loan amount once more information is received. Mr. Jenkins noted that Mr. E.R. Brooks mentioned that he does not have to pay taxes on his land like other customers of the District. Mr. Holcomb explained that Mr. Brooks does not pay taxes from Angelina County WCID No. 3 anymore, however he did take on the District's Operations & Maintenance tax rate when they became a part of the District through this consolidation.

Mr. Hageon motioned to approve the resolution being presented, with a second by Mrs. Hartfield. All members voted in favor and the resolution was approved.

8. Consideration and Approval of Commercial Sewer Rates: Mr. Holcomb acknowledged that the District needs to develop a commercial sewer rate for customers such as Love's Country Store and Redland School. While those two entities have not become customers of the District yet, they will be in the near future. The District has the option of having a flat rate for commercial customers, but Mr. Holcomb would not encourage it. Another option for the District would be to establish a light commercial and heavy commercial rate. Rates are able to be evaluated every six months.

Mrs. Ross motioned to approve a light commercial flat rate of \$48.72 and a heavy commercial rate of \$4.50 per 1,000 gallons consumption. All members voted in favor and the proposed rates were approved.

Discussion occurred on how usage would be calculated for these entities, as well as the property across from Redland School.

9. Consideration and Approval of a Rate Order Amendment establishing leak adjustment guidelines and authorizing a credit to customer accounts for water usage resulting from a water leak on the customers side of the water meter: Mr. Holcomb explained to the Board that the District is receiving requests for leak assistance more frequently. The way the system is setup now, a customer is burdened with the bill until they are able to come before the Board for assistance. This amendment being proposed would create definitions of a water leak and provide staff the opportunity to address the issues more quickly than a customer having to present before the Board. If this item is approved, customers would still have the option of going before the Board.

Discussion occurred regarding examples of assistance requests and options available to customers.

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

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

A. Ms. Brittanie Frazier, 285 Jerri St. – Water Leak:

B. Ms. Lakisha Pleasant, 141 Jerri St. – Water Leak:

Mr. Holcomb recommended that the Board approve these requests and allow staff to provide the assistance based upon the criteria presented in the prior agenda item.

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

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

A. 255 Ethyl Lewis Rd, ACAD Property ID 88501, and described as Abstract 0029, Micheli V, Tract 30.2, Acres 1.0: Mr. Key noted that the property being discussed was previously thought to be in District, however it was determined that it is Out-of-District. This particular customer has been signed up for sewer service so what is recommended today is just paperwork to make this site an In-District customer. Mr. Holcomb agreed staff made a mistake.

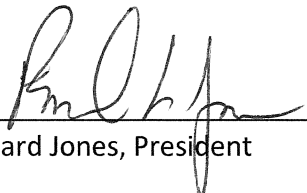
Mr. Hageon motioned to approve the petition as presented. Mr. Hart seconded the motion. All members voted in favor and the annexation was approved.

12. Establish Date, Time and Agenda Items for the Next Meeting: The next meeting was proposed to occur possibly at the end of January 2018 around the 29th or 30th.

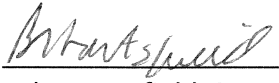
13. Closure of Business: Mr. Jones closed the meeting at 6:46 PM.

APPROVED THIS 7th DAY OF JUNE, 2018.

ATTEST:



Richard Jones, President



Belva Hartsfield, Secretary-Treasurer