

**Board of Supervisors
Meeting Minutes
September 18, 2018**

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
Chris Key, Operations Division Manager
Dyan Stanford, Administration Division Manager

Guests:

Don Rush
Patricia Rush
Patrick McKelvey
Yasmin Callaway

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:** Mrs. Belinda Ross gave the invocation at the request of Mr. Jones.
4. **Open Public Hearing on Proposed Tax Rates for Calendar Year 2018:** The public hearing was opened at 5:37 PM. Mr. Kelley Holcomb discussed the information provided in the Board packet regarding the tax rate, including last year's rate, the proposed tax rate and the rollback rate. Mr. Holcomb reminded the Board that the rate is capped at 50 cents per \$100 valuation.

Mr. Patrick McKelvey arrived at 5:38 PM.

Mrs. Ross noted the proposed rate is an increase of \$.011 cents from last year. No other discussion occurred regarding the proposed rate and the hearing was closed at 5:42 PM.

5. Consideration and Approval of the minutes from the June 7, 2018 and the August 20, 2018 meetings: 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 Financials: Mr. Holcomb noted that Alexander, Lankford & Hiers provides review of the financial information before it is presented to the Board at its meetings. Mr. Holcomb discussed the process for consolidating Rivercrest customers into the District's service area, as well as the conversion of the Wolford account to being the District's customer for water service versus the City of Lufkin's customer. Mr. Holcomb highlighted that the collection rate is currently the highest it has been yet.

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

7. Consideration and Approval of the 2018 Certified Appraisal Roll: Mr. Holcomb explained the valuations presented on the Appraisal Roll and agreed the District is continuing to grow. The Appraisal District is required once every 10 years to go through a reappraisal process, which is to occur in 2019.

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

8. Consideration and Approval of the 2018 Maintenance and Operation Tax Rate: Mr. Holcomb reminded the Board that in 2003, it was determined by votes to cap the tax rate to be charged at \$.50 per \$100 of valuation. Mr. Holcomb provided a table illustrating the amount of tax revenue received based upon the rate charged at a 100% collection rate. Mrs. Ross questioned if there are any pending revenue needs. Mr. Holcomb responded that there is an upcoming upgrade for the District's water line being done by the City of Lufkin. Mrs. Ross stated that she found \$.49 to be a sufficient increase.

Mrs. Ross motioned to approve the 2018 Tax Rate at \$.49 cents per \$100 property valuation. Mrs. Hartsfield seconded the motion. All members voted in favor and the motion was approved.

9. Consideration and Approval of FY 2019 Annual Budget: Mr. Holcomb noted that revenues have doubled for the system with the addition of the new added sewer charges for everyone connected through the project. The tax budget will be adjusted based upon the adopted rate just established by the Board. Mr. Jones asked whether the rate will be the same for Rivercrest customers as well, which Mr. Holcomb agreed

was correct because the transition has been completed for the consolidation. Mr. Holcomb explained that this coming year will be the first full year where all customers will be tied onto sewer. Mrs. Ross asked if Mr. Strickland's project will be added to the District, which Mr. Holcomb agreed was correct, but no revenues are associated into the proposed budget currently for that project. Mr. McKelvey questioned where the sewer will go from the additional project Mr. Strickland is installing. Mr. Holcomb stated the sewer will route to Jerri Street Lift Station.

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

10. Consideration and Approval of the engagement of Alexander, Lankford & Hiers for the provision of accounting services: Mrs. Dyan Stanford explained that Angelina & Neches River Authority has been utilizing Alexander, Lankford, & Hiers on behalf of the District for accounting review services, but this provides a more formal acknowledgement of what is being done.

Mrs. Hartsfield motioned to approve the engagement of Alexander, Lankford & Hiers, with a second by Mrs. Ross. All members voted in favor and the engagement was approved.

11. Consideration and Approval of the engagement of Goff & Herrington for the completion of the FY 2018 Annual Financial Audit: Mr. Holcomb stated that the work done by Alexander, Lankford & Hiers works together with Goff & Herrington in order to assure the District's Board that records/accounting are kept in accordance of the law. Goff & Herrington conducted last year's audit and were easy to work with throughout the process.

Mrs. Ross motioned to approve the engagement of Goff & Herrington for the District's FY 2018 Annual Financial Audit. A second was made by Mrs. Hartsfield. All members voted in favor and the motion was approved.

12. Consideration and Approval of the District's Designee to initiate the process for the acquisition of easements for the water and sewer line placement along FM 2251; To engage legal counsel and necessary consultants to complete the acquisition process: Mr. Chris Key explained that several easements will be required with regards to this project. Mr. Holcomb stated that Mr. Kevin Strickland paid \$70,000 to upgrade the line in order to serve his new mobile home park project. Mr. Don Rush stated that at his home, service has many issues. Mr. Rush asked whether pressure will be decreased due to this upgrade. Mr. Holcomb responded that the pressure should get better as a result of this project. Mr. Key explained the upgrade process related to the District's water line with the City of Lufkin.

Mrs. Yasmin Callaway arrives at 6:19 PM.

Mr. Holcomb noted that this project will replace 3,800 feet of line with 8 inch pipe. Mr. Rush asked when the project begins, but Mr. Key stated that a start date has not yet been determined, but it will occur before year-end. Mr. Holcomb highlighted that the project has been designed and the parts are just being purchased at this time. Mr. Jones asked what the new route will be, which Mr. Key stated would be up FM 2251 and will start where the District's boundaries begin.

Mr. Holcomb explained that he is seeking the Board's authorization to sign-off on the easements. Mr. McKelvey asked if the District will pay for the easements, to which Mr. Holcomb agreed was correct because the District needs to be out of TxDOT right of way for this project. Mr. Holcomb highlighted that the District is not buying any property, but instead just dealing with easements.

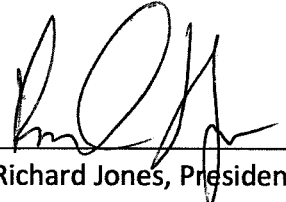
Mrs. Ross motioned to approve the authorization for Mr. Holcomb to sign off on items within this project, with a second by Mrs. Hartsfield. All members voted in favor and the motion passed.

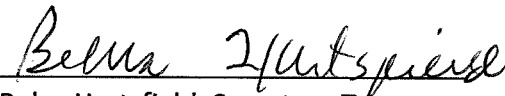
Mrs. Callaway introduced herself and noted her desire to come to meetings and improve things for the area. Mr. Jones asked whether Mrs. Callaway is a current District customer, which Mrs. Stanford confirmed was correct. Mr. Jones noted that the District wants customers to show up. Mr. Jones explained about the District's Board members and its interaction with Angelina & Neches River Authority. Mr. Holcomb noted that elections will occur again in 2020.

13. Closure of Business: Mr. Jones closed the meeting at 6:37 PM.

APPROVED THIS 26th DAY OF April, 2018⁹

ATTEST:


Richard Jones, President


Belva Hartsfield, Secretary-Treasurer