



ANGELINA & NECHES RIVER AUTHORITY

**Meeting Minutes for the
Regular Meeting of the
Angelina & Neches River Authority
Board of Directors
December 14, 2021
ANRA Central Office**

ANRA BOARD MEMBERS PRESENT

Jody Anderson, President
Tom Murphy, Vice President
Dale Morton, Secretary-Treasurer
Francis Spruiell, Secretary Pro Tem
Kimberly Childs, Director
Ginger Lymbery, Director
Donnie Kee, Director
Erin Holloway, Director
Eddie Hopkins, Director

NOT PRESENT

STAFF PRESENT

Kelley Holcomb, General Manager
Chris Key, Operations Division Manager
Jeremiah Poling, Information Resources Manager
Kimberly Wagner, Communications Director
(participated remotely via Teams)

GUESTS PRESENT

Daniel Raney, Goff & Herrington
Meghan Ibanez, Axley & Rode

1. Call to Order: Mr. Jody Anderson called the meeting to order at 9:03 a.m.
2. Invocation: Mr. Dale Morton gave the invocation at the request of Mr. Anderson.
3. Confirm quorum: Mr. Anderson declared a quorum present and introduced newly appointed Director, Mrs. Erin Holloway.
4. Public comments: No members of the public registered for public comments.

Consent Agenda

5. Consideration and Approval of the Meeting Minutes from the August 3, 2021, Regular Meeting:

6. Consideration and Approval of the Quarterly Investment Report and Financial Reports:
7. Consideration and Approval of a Resolution adopting the FY 2022 Fiscal Management & Investment Policy:
8. Consideration and Approval of a Renewal of the Agreement with Valley View Consulting LLC for Investment Advisor services:
9. Consideration and Approval of Contract Addendum No. 2 with JEMCO Holdings:

Mr. Morton motioned to approve the Consent Agenda. Mr. Tom Murphy seconded the motion. All were in favor and the motion carried.

Regular Agenda

10. Consideration and Approval of the FY 2021 Financial Audit Reports:
 - a. FY 2021 Annual Financial Audit:

Mr. Kelley Holcomb introduced Mr. Dan Raney from Goff & Herrington and Mrs. Meghan Ibanez from Axley & Rode. Mrs. Ibanez presented the FY 2021 Annual Financial Audit. Mr. Anderson questioned if the audit report was inline with the Sunset Review Process. Mrs. Ibanez stated that while she did not have experience with Sunset Review, that her superior, as well as other partners at Axley & Rode, did have experience and could help.

- b. FY 2021 Neches Compost Facility Statement of Cash Receipts and Disbursements:

Mrs. Ibanez presented the Neches Compost Facility Statement of Cash Receipts and Disbursements. Mr. Anderson questioned why the insurance cost at NCF had increased. Mr. Holcomb stated that the cost had increased because of the purchase of the new deck screen. Mr. Eddie Hopkins questioned if the old deck screen had been leased. Mr. Holcomb stated that it had not and the loan amount for the new deck screen included the amount to pay off the remaining balance of the lease of the existing Windrow Turner.

Mr. Murphy motioned to approve the FY 2021 Financial Audit Reports and FY 2021 Neches Compost Facility Statement of Cash Receipts and Disbursements. Mr. Hopkins seconded the motion. All were in favor and the motion carried.

11. Consideration and Approval of a Resolution authorizing insurance coverage for theft of Authority funds in lieu of surety bonds for Officers and Employees:

Mrs. Spruiell motioned to approve the Resolution authorizing insurance coverage for theft of Authority funds in lieu of surety bonds for Officers and Employees. Mr. Tom Murphy seconded the motion. All were in favor and the motion carried.

12. Consideration and Approval of a Resolution authorizing the application for financial assistance from the Texas Water Development Board for the Zavalla Area Regional Water System; and making certain findings in connection therewith:

Mr. Holcomb provided an update on the Zavalla Area Regional Water System project. He noted that another update would be made at the February 2022 meeting. Mr. Anderson stated that it did not appear that the community or local officials were enthusiastic about the project. Mr. Holcomb stated that a public meeting would be held soon. Mr. Morton motioned to approve the Resolution. Mrs. Ginger Lymbery seconded the motion. All were in favor and the motion carried.

13. Consideration and Approval of actions related to the North Angelina County Regional Wastewater Facility Hwy. 69 Sanitary Sewer Collection System Rehabilitation Construction Project:

a. Certificate of Substantial Completion

Mr. Chris Key presented an update on the project. Mr. Murphy questioned the purpose of the Certificate of Substantial Completion and asked what punch items were still left to complete the project. Mr. Holcomb stated that the Certificate of Substantial Completion transferred insurance liability away from the contractor and onto ANRA. He noted that it is an administrative move so that the contractor can have a date certain for warranty related matters.

Mrs. Spruiell questioned if there is a requirement to disclose any unfinished task items. Mr. Holcomb stated that the contractor was required to disclose all tasks under construction, but that it was unclear what to do with leftover funds. He noted that all leftover funds must be spent by March 2022 or that tax exemption status of the bonds could be lost. Mr. Holcomb asked for the Board's approval to make purchasing decisions on how to spend the leftover funds, since the amount is under the threshold of \$50,000.

Mr. Anderson questioned if there had been any land acquisition through the eminent domain process. Mr. Key stated that eminent domain had not been necessary.

b. Change Order No. 2

Mr. Key presented the Change Order No. 2, explaining that this change order was basically a reconciliatory change order to correct the final total contract price to

coincide with final changes made in the project during the final stages of completion.

Mr. Murphy motioned to approve the actions related to the North Angelina County Regional Wastewater Facility Project. Mr. Hopkins seconded the motion. All were in favor and the motion carried.

14. Consideration and Approval of the Task Order No. 5 – Prairie Grove Utilities Distribution System Upgrades report:

Mr. Holcomb presented an update on Prairie Grove Utilities engineering reports in relation to Task Order No. 5. He noted that the projected cost was more than ANRA anticipated or could afford. Mr. Holcomb asked for Board approval to close out Task Order No. 5, but stated that ANRA would need to find an alternative project solution, as well as additional funding.

Mr. Anderson questioned if ANRA would be able to purchase water from the City of Diboll. Mr. Holcomb stated that he hoped so and that PGU already has an emergency interconnect with the City of Diboll. He stated that an alternative solution would be to make a deal with Lufkin. Mr. Morton asked if any Prairie Grove residents lived within the Diboll city limits and Mr. Holcomb stated that none lived inside the city limits. Mrs. Lymbery questioned Diboll's water source. Mr. Holcomb stated that Diboll has ground water wells in addition to an upgraded connection with the City of Lufkin water supply. Mr. Anderson stated that the engineering reports could serve as a project planning guide and that approving Task Order No. 5 would be to approve a task ANRA has already paid for.

Mr. Murphy motioned to approve Task Order No. 5. Mrs. Spruiell seconded the motion. All were in favor and the motion carried.

15. The Board may recess into Closed Session to deliberate the following items and will reconvene into open session to take action (if any action is required) on items discussed in the Closed Session:

- a. To Deliberate the purchase, exchange, lease or value of real property pursuant to Government Code Section 551.072.

The Board recessed into Closed Session at 10:11 a.m. The Board reconvened into open session at 11:33 a.m. There was no additional discussion once the Board reconvened into open session. Mrs. Spruiell motioned to approve the job classification system and salary scale for employees. Mr. Murphy seconded the motion. All were in favor and the motion carried.

16. Review of Staff Briefings:

- a. Employee Development and Marketing Report: Mrs. Kimberly Wagner was unable to attend the Board Meeting in person due to illness and was unable to present an update to the Board. An update will be provided at the February 2022 Board Meeting.
 - b. Lake Columbia Water Supply Project: Mr. Holcomb provided an update to the Board.
17. Adjourn: Mr. Morton motioned to adjourn. All members unanimously seconded the motion. All were in favor and the meeting was adjourned at 11:59 a.m.