



ANGELINA & NECHES RIVER AUTHORITY

November 22, 2024

Mr. Eric Beverly, Executive Director  
Texas Sunset Advisory Commission  
P.O. Box 13066 Austin, Texas 78711

Dear Mr. Beverly:

Re: Response to Sunset Staff Report

On behalf of the Angelina and Neches River Authority (Authority), its board of directors and the executive management team, please accept the Authority's responses to the Staff Report issued November 15, 2024. See attached.

The Authority would like to compliment Sunset Advisory Commission staff on their approach in conducting their review of the Authority and its operations. Mr. Andrew McConnell and his team were professional, courteous, and quick to respond to questions for clarification.

While the process is arduous and detailed, I have to believe it was made a little bit easier because of the professionalism of the review team. The Authority's goal has been to provide data accurately and in a timely manner and is committed to providing the solutions and services needed by its constituents.

If I may be of any further service, please contact me by phone at 936-632-7795 or via email at [kholcomb@anra.org](mailto:kholcomb@anra.org).

Respectfully,

  
Kelley Holcomb  
General Manager

enclosure

**Angelina & Neches River Authority  
Official Response to  
Sunset Advisory Commission  
Staff Recommendations**

**ISSUE 1: ANRA Must Improve and Expand Its Planning Efforts to Fully Support Its Organizational Goals.**

The Authority agrees with staff recommendations to improve and expand its planning processes. While the Authority has a series of project planning processes, those processes are not as robust, comprehensive and well documented as they need to be to ensure continued success as a provider of vital services to its customers. The Authority is committed to following through with these efforts.

- 1.1 Direct ANRA to develop and institute a strategic planning process that supports achieving the authority's long-term objectives.

Response: The Authority agrees with this recommendation.

The Authority initiated a more comprehensive agency wide strategic planning process in fiscal year 2024 in preparation for development of the fiscal year 2025 annual budget. While this planning process accounts for many things, it does not solicit input from strategic stakeholders nor is the entire process well documented. The Authority will integrate staff recommendations into its strategic planning process.

- 1.2 Direct ANRA to develop and institute a formal, documented planning process for facility acquisitions.

Response: The Authority agrees with this recommendation.

The acquisition of an "at risk" water/sewer system creates unique challenges to achieve compliance with state and federal regulations. As a result, the Authority has historically taken an individualized approach for each acquisition that has been initiated. However, the Authority agrees that a more formalized approach, which includes the creation of formal guidance documents, has merit. The Authority will integrate staff recommendations into its planning process for water/sewer system acquisition.

- 1.3 Direct ANRA to develop and institute a formal, documented budget planning process that ensures its annual budget is structurally balanced.

Response: The Authority agrees with this recommendation.

The Authority's budget development process is very detailed and standardized across all departments and utilities. However, it does lack a well-defined and documented planning process. For example, while the Authority does have dedicated reserve funds for each utility and the Authorities operations as a whole, the fund balance and methodology to replenish

those funds is not outlined clearly in policies governed by the board of directors. The Authority will integrate staff recommendations into its annual budget development processes.

## **ISSUE 2: An Improved Procurement and Contracting Process Would Better Protect ANRA from Unnecessary Risks.**

The Authority agrees that improving procurement and contracting processes are beneficial to customers who utilize its services and aid in reducing risk. The Authority's jurisdictional service area is rural, and therefore, there are often limitations on the number and type of vendors in the area. As a result, decision making is often centered on restoration of services with a focus on public health and safety.

2.1 Direct ANRA to periodically conduct formal solicitations for utility repairs to ensure the authority receives fair and competitive pricing.

Response: The Authority agrees in part with this recommendation.

For non-routine utility repairs, the Authority has traditionally focused its efforts on availability of local contractors to respond for services such as emergency water line repairs. While competitive pricing is important, the Authority is under statutory and regulatory mandates to make repairs quickly and within regulatory guidelines, which are focused on public health and safety concerns. However, after detailed discussions with commission staff, the Authority sees the value of utilizing alternative metrics on which to base future solicitations. The Authority will integrate staff recommendations in soliciting for utility repair services.

2.2 Direct ANRA to consider developing and using umbrella agreements to procure utility repairs services.

Response: The Authority agrees with this recommendation.

The Authority is working with its general counsel to develop standardized agreements that incorporate specific elements for the type and nature of the work being performed. The Authority will integrate staff recommendations for developing agreements for routine and non-routine utility repairs where practicable.

2.3 Direct ANRA to formally document and evaluate vendor performance.

Response: The Authority agrees with this recommendation.

The Authority is working to develop a formal process for evaluating the performance of vendors who provide services. The Authority will integrate staff recommendations for developing a formal process for evaluating vendor performance.

2.4 Direct ANRA to adopt contracting best practices to ensure consistency.

Response: The Authority agrees with this recommendation.

The Authority agrees that best management practices are beneficial to the overall success of an entity. The Authority will integrate staff recommendations to improve its procurement and contracting processes.

**ISSUE 5: ANRA's and LNVA's Statutes and LNVA's Grant Process Do Not Reflect Some Standard Elements of Sunset Reviews.**

5.1 Apply the standard across-the-board requirement regarding the governor's appointment of the presiding officer to the boards of ANRA and LNVA.

Response: The Authority agrees with this recommendation.

The Authority acknowledges the Governor's authority over entities within the Executive Branch of state government. The Authority acknowledges that appointees of the governing body serve at the pleasure of the Governor with the advice and consent of the Senate.

5.2 Apply the standard across-the-board requirement regarding grounds for removal of a board member to ANRA and LNVA.

Response: The Authority agrees with this recommendation.

5.3 Apply the standard across-the-board requirement regarding board member training to ANRA and LNVA.

Response: The Authority agrees with this recommendation.

In addition to mandated training for Open Meetings Act and Open Records Act, the Authority provides incoming board members with new member orientation training. This orientation includes all aspects and major functions of the Authority's operations.

5.4 Apply the standard across-the-board requirement regarding the separation of duties of board members from those of staff to ANRA and LNVA.

Response: The Authority agrees with this recommendation.

While not currently a part of the Authority's statutes, the separation of duties is part of current policies approved by the board of directors.

5.5 Apply the standard across-the-board requirement regarding public testimony to ANRA and LNVA.

Response: The Authority agrees with this recommendation.

While not currently a part of the Authority's statutes, public comment has been a standard item on the Authority's agenda since this requirement became law.

- 5.6 Apply the standard across-the-board requirement related to developing and maintaining an authority complaints system and making information on complaint procedures available to the public.

Response: The Authority agrees with this recommendation.

While not currently a part of the Authority's statutes, the Authority maintains a formal complaint process for multiple departments within the organization.

- 5.7 Update ANRA's statute to reflect the requirements of the person-first respectful language initiative.

Response: The Authority agrees with staff recommendation.

- 5.8 Amend the Sunset review dates of ANRA and LNVA to 2037.

Response: The Authority disagrees, but defers to the Legislature.

The Authority acknowledges the ongoing authority of supervision by the State of Texas.