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Board of Supervisors
Public Meeting Minutes
April 22, 2014

Board Members Present:

Richard Jones, President
Stephen Clarady, Vice President
Jemmie Hageon, Treasurer

Board Members Not Present:

Belinda Ross, Secretary

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Office Manager

Guests:

Kendrick Morris, Pastor of Harvest Family Worship Center
Kelsey Samuels, Lufkin Daily News
Numerous Community Members

1. Call to order: Mr. Richard Jones called the meeting to order at 6:10 p.m. Mr. Jones thanked Pastor Morris for allowing the use of the Worship Center for the meeting tonight.
2. Confirm quorum: Mr. Richard Jones declared a quorum present and introduced the Board members to the audience.
3. Invocation: No invocation was giving at this meeting.
4. Convene public meeting on upcoming sewer project to provide first time sewer to 150 existing water customers: Mr. Kelley Holcomb gave a presentation on the history of the District and sewer needs, money required, and details on time frames. Mr. Richard Jones stated that notices will be mailed out in the future to inform customers of what is

happening within the District. He noted that the Board is asking for new sewer customers to pay 32.50 per month, which results in \$1.05 per day as an investment for sewer in the future. This project is to serve as a relief for those many customers who are having issues with their septic tanks. Ms. Kelsey Samuels asked for clarification on the deferment of enforcement on failing septic systems. Mr. Kelley Holcomb explained that when a complaint is made to Angelina County & Cities Health District in the future regarding sewage being discharged into a homeowner's yard, Mr. Terry Free with Angelina County & Cities Health District will look to alleviate the issue temporarily until the new sewer system is put into service. So rather than having to completely renovate a system, Mr. Free will work with violations so that they can be fixed on a temporary basis then tie the residence onto the new system.

Ms. Barbra Clarady noted that the \$32.50 per month amounts to \$390 per year, which adds up for those 102 customers that are not currently receiving sewer services. Mr. Chris Garcia questioned what the criteria is for receiving a waiver if you have a new septic system and who decides if a waiver is granted. Mr. Richard Jones stated that the waiver criteria will be determined and finalized before the bills go out for June, but he noted that documents will be required to show that a system is fully functioning and complying with local rules. An unknown female then asked who will be issuing the waivers, to which Mr. Richard Jones stated that the Board will make the decision on every waiver. Commissioner Timmons asked if the 80 customers listed as having sewer now include those in Redland Estates. Mr. Kelley Holcomb stated that Redland Estates is separate from the 80 customers listed. Commissioner Timmons highlighted that those customers currently in the New Addition will not have to pay the extra \$32.50.

Mr. Otis Jenkins questioned why existing customers have a higher rate to pay. Mr. Richard Jones replied that existing customers are receiving the service so they will continue to pay the \$48.71, but no increases have been considered to the current rate. Mr. AJ Hunt asked how the loan will be paid back and how much each customer will look to pay. Mr. Richard Jones stated that he does not anticipate any increases to bills over the \$48.71 at this time. Mr. Patrick McKelvey asked where 500 customers came into the picture, which was mentioned in the newspaper article he read. Mr. Richard Jones stated that he did not know where the 500 customers number came from either. An unidentified female stated that she had received a letter informing her that she is an Out of District customer and she asked for clarification on what that meant for her. Mr. Kelley Holcomb explained that being an Out of District customer means she is able to tie on to the new sewer system, but the District cannot force her to since she is not within the District's boundaries. Mr. Richard Jones noted that she will fall into the waiver category if desired.

Mr. Ron Oliver stated that if he pays the \$32.50 and then moves from the District, he will not receive a refund of what he paid, so why would he participate in this project. Mr. Oliver stated that this project was only to profit the District, to which Mr. Richard Jones disagreed. Ms. Carolyn Green noted that she is a resident living in Redland Estates and they have been paying for service to which Angelina & Neches River

Authority (ANRA) has provided when needed. Commissioner Timmons asked whether the Environmental Protection Agency (EPA) had said anything yet regarding the sewage issue at Redland Estates. Mr. Kelley Holcomb stated at this time the EPA has not. Mr. Chris Garcia questioned how far down Bar-B-Que Road the new sewer line will run in case he is interested in connecting to the system. Mr. Kelley Holcomb explained that Mr. Garcia can tie onto the system with a line extension.

Mr. Otis Jenkins asked what will happen to rates once the system has been established and is in use. Mr. Richard Jones said the rates will be reevaluated at that time. Mr. Kelley Holcomb noted that once the system is in service, all rates will be the same except for those Out of District customers who are connected. An unidentified female asked whether the income survey that was conducted in the past, proposed rates that are similar to what is being implemented. Mr. Kelley Holcomb stated that he could not remember and would have to look into the survey information, but that he did look into similar entities and their rates, to which the proposed rate is comparable. Mr. Otis Jenkins stated that he can pay the bill, but he has a problem with paying for something and not receiving it until later. Mr. Richard Jones asked Mr. Jenkins to look at this as an investment in the community. Mr. Kelley Holcomb noted that if customers do not pay the \$205,000 needed for planning and design, there is no other way the District can come up with the money. Mr. Richard Jones reminded those in attendance that the District is receiving a large portion of the project for free, and many customers are depending on this project's implementation.

Mr. Ron Oliver asked why the State has not issued any fines regarding Redland Estates, to which Mr. Kelley Holcomb replied a waiver has been issued as long as the District is diligently working to develop a solution to permanently resolve the sewer problems. Mr. Darian Hunt asked where his \$1,074 he pays in taxes to the District goes to. Mr. Kelley Holcomb stated that the money is used to operate the District. Mr. Richard Jones agreed that he became interested in working on the Board because he too was wondering where his money went with regards to his bill. Mr. Mark Hall asked whether an option would be to pay a flat rate, such as \$32.50 for 18 months totaling \$585, as a hookup fee. Mr. Kelley Holcomb stated that the Board could consider that as an option in their decisions. Mr. AJ Hunt asked how the \$1.6 million will be paid back. Mr. Kelley Holcomb noted that it will be paid back through the rates that everyone pays. Ms. Kim Freeman asked what the Out of District rate will be. Mr. Richard Jones stated that the Board has not determined that rate at this time. A discussion then began as to what is considered Out of District near Jackson Road.

Mr. AJ Hunt stated that a petition has been drawn up by members of the community who are asking that the community be allowed to vote on this project. Mr. Kelley Holcomb explained that statutes state the petition can be brought to the Board, but that ultimately the Board makes the decision on what to do with regards to the project. Mr. AJ Hunt clarified that the members on the petition are asking that people of the District be allowed to vote to decide if the District joins this sewer project. Mr. Kelley Holcomb then showed and informed those in attendance that previously the District customers

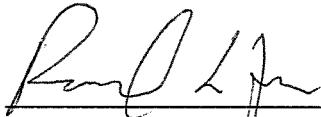
had petitioned the Board stating that they wanted sewer service to be established. Mr. AJ Hunt noted that a second petition has been drawn up asking that Board members be replaced whose terms have expired. Mr. Richard Jones noted that before, sewer was requested, and now sewer is not wanted.

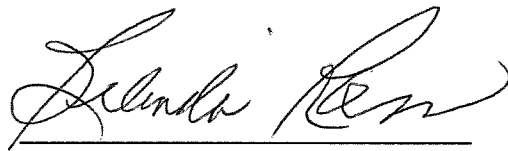
Ms. Barbra Clarady stated that when annexation of Redland Estates was approved, the Board told District customers that this change would not involve higher rates. Ms. Clarady feels that the Board misled the District customers. Mr. Richard Jones explained that the District has to charge these rates in order to pay for the system. Mr. AJ Hunt stated that he does not want to pay \$2000 for service just because he has a better house. Mr. Hunt believes everyone should be charged the same. Mr. Kelley Holcomb explained that the State requires the District to charge certain rates. He informed those in attendance that they can come by ANRA anytime and look at the District's records since they are public information. Ms. Carolyn Green completed the meeting by stating that she is paying a sewer bill without service in Redland Estates, but that ANRA and the District are doing something and working on the solution.

5. Closure of Business: Mr. Jones adjourned the meeting at 7:36 p.m.

APPROVED THIS 28th DAY OF April, 2014.

ATTEST:


Richard Jones, President


Belinda Ross, Secretary