

Board of Supervisors
Meeting Minutes
May 27, 2014

Board Members Present:

Stephen Clarady, Vice President
Belinda Ross, Secretary
Jemmie Hageon, Treasurer

Board Members Not Present:

Richard Jones, President

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Office Manager

Guests:

Daryl Hart

1. Call to order: Mr. Stephen Clarady called the meeting to order at 10:03 a.m.
2. Confirm quorum: Mr. Clarady declared a quorum present.
3. Invocation: Mr. Jemmie Hageon gave the invocation at the request of Mr. Clarady.
4. Recognition of guests: Mr. Clarady acknowledged the presence of Mr. Daryl Hart.
5. Consideration and Approval of Meeting Minutes from April 28, 2014: Board members reviewed the minutes of the last meeting.

Mrs. Belinda Ross motioned to approve the meeting minutes from April 28, 2014 as presented. A second was provided by Mr. Hageon. All members voted in favor and the minutes were approved.

6. Consideration and Approval of the appointment of a new board member to fill the current vacancy in Position 5: Mr. Kelley Holcomb noted that Mr. Daryl Hart is in attendance at the Board meeting due to his interest to fill the current vacant Board

position that has been available for the past two to three years. Mr. Holcomb noted that Mr. Hart meets the criteria required for an individual to serve on the Board. In the past, members have been sought from the Redland Estates community, however there have been no willing volunteers to serve from that area. This vacant position was last held by Angela McDaniel.

Mr. Hart came by Mr. Holcomb's office initially to speak with him regarding the upcoming sewer project. Through their discussions, Mr. Hart noted his interest in serving on the Board. Under the Board's authority, an individual can be appointed to fill an unexpired term. Mr. Clarady stated that he is not sure of the process to follow regarding this issue. Mr. Holcomb stated that this requires Mr. Hart follow the application process.

Mr. Clarady opened the floor for any questions of Mr. Hart. Mr. Hageon stated that he has known Mr. Hart for a long time. Mr. Hageon believes Mr. Hart will be good to work with on the Board. Mr. Clarady asked Mr. Hart's opinion of the upcoming sewer project. Mr. Hart stated that from the information he knows, he thinks the District is right on track. Mr. Holcomb noted that Mr. Hart had mentioned previously there is no cable or internet services provided down the Jackson Road area. Mr. Hart stated that with sewer coming into his area, other entities could be attracted to provide services as well. Mr. Holcomb agreed and noted that the District cannot provide those other services, but it can petition those companies to bring those services into the District.

Mr. Clarady summarized that this sewer project is a starting point for basic services to customers in the District. Mr. Hart believes the project will not only attract other services, but people as well. Mr. Hart mentioned that his argument with Patrick McKelvey is Mr. McKelvey has services already, so he needs to allow those who do not to have the chance to get them.

Mr. Hageon motioned to approve the appointment of Mr. Daryl Hart to fill the unexpired term of Board Position 5. Mrs. Ross seconded the motion. All members voted in favor and Mr. Hart was approved to be a supervisor on the Board for Angelina County Fresh Water Supply District No. 1.

Mr. Holcomb stated that Mr. Hart will be sworn in within the next 30 days in the presence of the Board President, Mr. Richard Jones. Mr. Clarady expressed to Mr. Hart his appreciation for being willing to serve on the Board and noted that he liked his views on providing services to land owners within the District. Mr. Hart stated that when he first moved into the District, he was shocked at the services not provided. He stated that even though the District is a large community, it is missing out on a lot of things. Mr. Holcomb noted that copies of the last few Board packets will be provided to Mr. Hart for his knowledge.

7. Consideration and Approval of a Resolution authorizing the Angelina & Neches River Authority to act as signatory authority for the District Tax Account: Mr. Holcomb informed the Board that this resolution designates ANRA the authority to sign checks for the tax account payments related to management/administrative duties. Any other items that come up to be paid from this account would come before the Board for decision. The current system involves Mrs. Ross or Mr. Richard Jones having to come by the ANRA office in order to sign checks so they can be distributed. If the Board chooses to designate this authority, it could be revoked at any time.

Mr. Clarady noted that this would just make things run more efficiently when checks are needing to be distributed. Mr. Holcomb stated that there are not a large amount of checks coming through that account. Mr. Hart asked the procedure when Mr. Jones comes in to sign checks, such as if he receives a receipt. Mr. Holcomb explained that there is a process involved that has been approved as the result of the District's past annual financial audits which require every bill to have an invoice, the invoice must be initialed by two managers, and checks must be signed by two managers. ANRA then houses all of the District's records.

Mrs. Ross asked if there is going to be a process to show the Board what payables have gone out if the authority is issued. Mr. Holcomb stated that ANRA can provide a type of check register to show what checks have been paid from that account at each Board meeting. Mr. Clarady stated that is a valid method so there is a record of what is paid. Mrs. Ross asked if there will be a cap on the amount of a check before it requires Board approval. Mr. Holcomb explained that in the past, ANRA has managed the District's expenses on behalf of the Board and per prior approval of specific items, and if anything came up out of the ordinary, those decisions were presented to the Board for approval. As a reminder, Mr. Holcomb stated that ANRA cannot incur debt on behalf of the District. Mr. Clarady summarized that if an ordinary expense is incurred, ANRA could take care of it with this approval, but out of the ordinary expenses will come before the Board. Mr. Holcomb agreed and noted that once the Board approves the annual tax budget, they have in fact approved the ordinary expenses as contained in that document.

Mr. Hageon motioned to approve the resolution authorizing ANRA to act as signatory authority for the District Tax Account. Mr. Hart seconded the motion. All members voted in favor, thus the resolution was approved and ANRA now has signatory authority for the District Tax Account.

8. Consider and Act upon an Application for OSSF Exemption to the District's requirement to connect to public sewer: Mr. Holcomb reminded the Board that at the last meeting, an exemption policy was approved regarding the upcoming sewer project in the District. Information was mailed out to District customers informing them of the new sewer charge, as well as the information regarding exemptions. At this time, the District has received one application from Pearlene Harden requesting an exemption. Mr. Holcomb stated that he forwarded the application on to Terry Free of Angelina County Cities &

Health District for inspection. Mr. Free has inspected the system and found a few issues that are requiring fixes by Ms. Harden. Once those issues have been fixed, the system will be approved by Mr. Free.

Mr. Holcomb explained that the Board is not required to make any official decision today. They can issue an exemption based upon certain conditions, can table the matter, or can take no action at all. Mr. Clarady asked if Ms. Harden understands that she is responsible for the costs to connect to the sewer system after an exemption is granted. Mr. Holcomb noted that the Board's policy, as well as the information letter that was mailed out to customers explains that concept.

Mr. Hart motioned to table this item until further information is received from Terry Free. A second was made by Mr. Hageon.

Mr. Holcomb asked what ANRA should do with regards to billing Ms. Harden for the \$32.50 on her next water/sewer bill. Mr. Hart stated that he thinks the customer should pay the sewer charge. Mrs. Ross agreed that the customer should be charged, with the stipulation that if the customer's system is exempted in the future, a refund could be issued up to the application date. Mr. Holcomb stated that once the costs are calculated, it would be cheaper for the customer to tie onto the system now, instead of request the exemption. Mr. Clarady noted that the Board had decided at a previous meeting to grant exemptions for up to 15 years for a system. Mr. Holcomb noted that the 15 years total exemption period was discussed, but a 10 year maximum exemption was actually approved. He also stated the Board had decided that everyone receives a bill for the \$32.50 if they do not currently have sewer service.

Since a motion and second were made earlier, the Board voted on the matter and it was decided that all were in favor of tabling the matter until further information is received from Terry Free.

9. Consider and Act upon a Petition for annexation into the District for property located at 245 Ethel Lewis Rd.: Mr. Holcomb presented to the Board that customer Kim Freeman came into the ANRA office recently to become informed regarding rates for Out-of-District customers. Mr. Holcomb calculated the cost with her and determined it would be cheaper for her to join the District than to pay the out-of-district rates she is currently paying. Ms. Freeman formally submitted a petition to be annexed into the District. Mr. Holcomb stated that no election is required for annexation of her property because this is a single parcel of land. Mr. Hart asked if Ms. Freeman is located in the turn on Bar-B-Que Road, to which Mr. Holcomb agreed. Mr. Holcomb explained that this is a classic example of how the District can grow and expand.

Mrs. Ross motioned to accept and approve the petition for annexation for property located at 245 Ethel Lewis Road. Mr. Hart seconded the motion and all members voted in favor of the motion. 245 Ethel Lewis Road is now considered an in-District customer.

10. Consider and Act upon the Status of Property located at 255 Ethel Lewis Rd. regarding its current Out of District status: Mr. Holcomb presented to the Board that the property located at 255 Ethel Lewis Road has had many boundary issues in the past, but the matter was finally settled a few years ago and is currently being assessed District taxes. From those past issues, the property was considered an Out-of-District customer. It is now considered one contiguous property and has been paying District taxes since 2012. Based on county documentation, this property needs to be considered an In-District customer. Mr. Clarady asked for clarification that this property is no longer divided, but one single property, to which Mr. Holcomb agreed. Mr. Holcomb stated that now the property needs the Board of Supervisors to acknowledge it as one single property and accept it as an In-District customer. Mr. Clarady asked if this situation is the same as the Winston property, but Mr. Holcomb stated it is not because that property was physically cut for tax purposes. Mrs. Ross asked if the Board is needing to fix the District's records, to which Mr. Holcomb agreed. Mr. Clarady asked if there is only one meter at this property, to which Mr. Holcomb assured him there is only one.

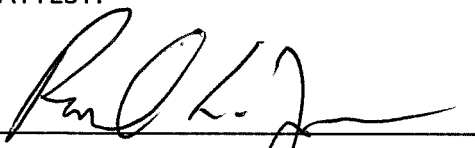
Mrs. Ross motioned to correct the status of 255 Ethel Lewis Road to show that they are now an In-District customer, with a second by Mr. Hart. All members voted in favor and 255 Ethel Lewis Road is now recognized as an In-District customer.

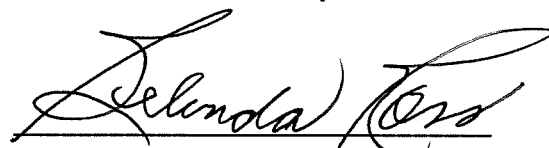
Mr. Clarady asked whether the District has charged that address Out-of-District rates. Mr. Holcomb stated that the customer has only been charged the higher rate for the past few months. Board action is not required to fix this correction, it can be done administratively.

11. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Holcomb stated that at the next meeting, full financial disclosure will be provided. Mr. Hart asked what will happen to the window at the District office that was broken. Mr. Holcomb stated that ANRA will get the window fixed. Mr. Hart noted that the next Board meeting should occur once the information has been received from Terry Free regarding the sewer exemption. Mr. Holcomb stated the information should be available in four weeks, potentially on Tuesday, June 24th.
12. Closure of Business: Mr. Clarady adjourned the meeting at 11:05 a.m. after a motion from Mr. Hageon, with a second by Mrs. Ross.

APPROVED THIS 24th DAY OF June, 2014.

ATTEST:


Richard Jones, President


Belinda Ross, Secretary