



Board of Supervisors
Meeting Minutes
June 24, 2014

Board Members Present:

Richard Jones, President
Stephen Clarady, Vice President
Belinda Ross, Secretary
Jemmie Hageon, Treasurer
Daryl Hart, Supervisor

Board Members Not Present:

N/A

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Office Manager

Guests:

Numerous Community Members

1. Call to order: Mr. Richard Jones called the meeting to order at 5:30 p.m.
2. Confirm quorum: Mr. Jones declared a quorum present.
3. Invocation: Mr. Jemmie Hageon gave the invocation at the request of Mr. Jones.
4. Recognition of guests: Mr. Jones acknowledged the presence of the numerous community members present.
6. Consideration and Approval of an Amendment to the Districts Sanitary Sewer Exemption Policy: Mr. Jones informed those community members present that the Board is considering an amendment to the sewer exemption policy to include items exempted through the Health and Safety Code. Mr. Jones reminded everyone that if a septic system is a nuisance, the county will still be enforcing on those systems. The billing will continue to be the same. Mr. Otis Jenkins asked what Mr. Jones meant by being the

same. Mr. Jones explained that customers are required to hook up to the new sewer system, unless they have been exempted through the District's exemption policy.

Mr. Jones explained that the bond has been issued for the project to fund the planning and design phase. If a customer is billed, then they must pay or face having their water cutoff. Mr. Freddie Ayres stated that he spoke with an attorney and the bill would need to be considered a free will gift, but customers cannot be required to pay. Mr. Ayres' attorney stated that if payment is not received for water services, then those services can be canceled, but they cannot be canceled for nonpayment of the sewer charge. An unknown female stated that she cannot pay if she is not receiving the service. Mr. Kelley Holcomb noted that sewage will be a part of the services to be provided. The unknown female asked if they will be able to service her home since it is uphill. Mr. Jones explained that the planning and design phase will address those issues and provide solutions so that service is provided.

Mr. Ayres stated that he is on a fixed income and he is responsible for taking care of his family. His lawyer explained that if the water bill is paid, water service cannot be turned off. Mr. Ayres stated that he paid \$218 for his water meter. Mr. Jones informed everyone that the loan is in effect. The \$32.50 contributes to pay that loan back and the District needs it. Mr. Jenkins stated that he wants a Rolls Royce but he cannot afford it. Mr. Jones stated that the Board is doing what the Community has previously asked for by petition. Mr. Jenkins expressed that the people did not ask for that. He then questioned how much money is in the District treasury. Mr. Ayres stated that Mr. Jones is supposed to know. Mr. Jenkins explained that when he left the Water Board, there was \$10,000 in the treasury.

An unknown female asked how long it will take for her to receive the sewer service. Mr. Jones replied that some customers will get service earlier than others, depending on construction, but that customers will not have to do anything to tie onto the lines for service. An unknown female stated that they currently do not have a home on their property. Mr. Jones explained to her that she needs to fill out an exemption. Another unknown female asked for clarification that the line will be brought to the house. Mr. Jones stated that it will. Mr. Don Rush asked if providing service to the house will be put in print. Mr. Holcomb noted that providing service directly to the home is a requirement of the loan program.

Mr. Rush asked where the proposed route is for this new sewer system. Mr. Holcomb explained that every customer who does not currently have sewer service will be provided it through this project. Mr. Rush stated that he figures water will outrun the solids and was concerned about line stoppages. Mr. Ayres noted that if his water is cutoff, he will be filing a lawsuit. Mr. Ron Oliver stated that there was a water leak in front of his house for 14 days. He spoke with a field guy and had to park on the road to make sure that no one ran over the hole in the road. Mrs. Betty Jenkins noted that she does not understand paying for something you do not get. Mr. Jones explained that someone had given him the example of saving for college. An unknown male asked

when will customers receive the sewer service. Mr. Holcomb stated it will be likely Fall of 2015 before construction begins. Mr. Rush asked if sewer is not provided within 120 days after that projection, will their money be returned.

Mr. Otis Jenkins stated that he knows where the sewage service Mr. Jones receives came from because he has had it since he was a baby. Mr. Holcomb stated that the District began paying back the Bond thirty days after its closing with Housing and Urban Development (HUD) and the system wasn't completed until a couple of years later. ANRA does not have customer account files prior to 1996 when it began operating the District. Mr. Jones informed those in attendance that the history on the HUD loan is that it went into default. Mr. Holcomb noted that the government forgave a large portion of the loan. An unknown male asked what will happen if customers tie on to the system later. Ms. Barbara Clarady asked why the Board does not double bill the customers who have sewer service already.

Multiple conversations occurred and thus minutes were unavailable.

An unknown female stated that she is still concerned with getting sewage uphill for her home. Mr. Holcomb assured her a lift station could be established that would take care of that issue. Mr. Jones agreed that the engineers will put a lot of thought into this project to take care of issues such as those. The loan has been signed for the \$205,000 connected to planning and design. Customers will continue to be billed and if payment is not received, water service will be cutoff. Estimates are that the Fall of 2015 is when sewer service will begin being established for customers who do not currently have it. Mrs. Betty Jenkins asked where the engineers are located, to which Mr. Holcomb replied they have an office downtown. Mrs. Jenkins asked how long the planning phase will last. Mr. Holcomb stated the engineers are projecting a year, but hopefully it will be sooner than that. Mr. Patrick McKelvey asked where construction will begin and Mr. Holcomb stated it will start around Jackson Road. An unknown male asked who the engineer is. Mr. Holcomb responded that the engineer is Jimmy Thompson with KSA Engineers.

Mr. Otis Jenkins asked why the District cannot get money out of the treasury to pay for the project. Mr. Jones explained that the District does not have that kind of money. If money was taken from the treasury, the District would be broke because it would not have the money to pay bills. Mr. Holcomb noted that there is a lot of anger and hate going on and customers are more than welcome to come down to ANRA's office and look at the District's records. Mr. Freddie Ayres stated that if he catches anyone on his land messing with his meter, but was interrupted by Mr. Holcomb who asked Mr. Ayres to please not issue threats. An unknown male stated that if his water is cutoff, that is extortion. Mr. Jones expressed to those in attendance that if they think something illegal is happening, to contact an attorney.

Mr. Don Rush asked if exemptions should be taken downtown. Mr. Jones and Mr. Holcomb agreed and noted that if exempted, then the customer would have to pay a

tap fee once they have to tie onto the system in the future. Mr. Ayres asked how the District can be annexed into the City of Lufkin, but Mr. Jones replied that the City is not interested. Mr. Ayres stated that it is cheaper for customers to buy an aerobic system than to pay for this new sewer system. Mr. Don Rush noted that he does not think this will happen because he cannot receive the sewer service now. Mr. Patrick McKelvey asked who the engineer on the project is, to which Mr. Holcomb responded KSA Engineers. Mr. Ayres stated that the District needs more people on the Board.

Mr. Jones reminded those in attendance that if payment is not received, services will be cutoff. If customers have an attorney, they are to contact ANRA. Mr. McKelvey asked who checks out the septic systems requesting exemptions. Mr. Holcomb stated the Angelina County & Cities Health District is who is evaluating the systems in the field. Mr. Ayres stated that if he offended the Board President that he apologizes. He requested in writing that his service will be disconnected.

Community members left the meeting at 6:21 p.m.

Mr. Holcomb informed the Board that he will attempt to have the Sheriff's Office come out with the field guys when they are doing disconnects for the month of July. Mrs. Belinda Ross noted that she is ready for someone in the community to come out and ask how the community can work together to raise money so that this project can be paid off. Mr. Holcomb stated that Representative Trent Ashby and Senator Robert Nichols are waiting to help, if the community will just work together on that request. Mr. Jones asked if Mr. Daryl Hart had any questions, to which Mr. Hart replied he is just trying to catch up on what is happening with the District. Mr. Stephen Clarady noted that there were no paper records before ANRA came on Board to operate the District. Mr. Holcomb asked Mr. Hart to contact him and setup an appointment so that they can go over the history and rules of the District. Mr. Hageon noted that the District has received the money, no matter if the others want the project to fail.

The Board decided to return to the agenda order and waited to vote on this item until later in the meeting.

5. Consideration and Approval of Meeting Minutes from May 27, 2014 Meeting: Board members had previously reviewed the minutes that were sent to them via email.

Mrs. Ross motioned to approve the minutes as presented, with a second by Mr. Clarady. All members voted in favor and the minutes were approved.

6. Consideration and Approval of an Amendment to the District's Sanitary Sewer Exemption Policy: The Board had previously discussed earlier in this meeting the amendment regarding land that is 10 acres or larger with a field line that is not closer than 100 feet of the property line, per the Health and Safety Code.

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


7. Consideration and Approval of Applications for Exemption under the District's Sanitary Sewer Exemption Policy: Mr. Holcomb informed the Board that Terry Free, with Angelina County & Cities Health District, has inspected 3 of the 8 systems that have applied for exemptions from the District's sewer service. Discussion occurred between Board members regarding how long of an exemption should be granted and what the policy requires. Mrs. Ross stated that she is good with whatever amount is decided, as long as the common good is protected. Mr. Holcomb recommended that the Board should apply the policy evenly, and he recommended the Board decide on 10 years across the board, with a refund of any money paid back to the date of application.

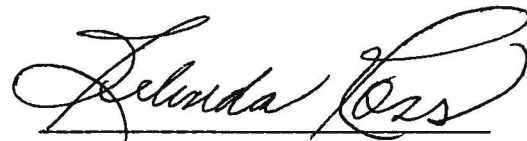
Mr. Clarady motioned to exempt the septic systems of Pearlene Harden, 871 Bar-B-Que Road, and Antoinette & Charles Garner, 157 Garner Road, for a term of 10 years, to include a refund of any sewer charges paid up to the date of their applications. Also included in the motion was a denial of Shirley Jones, 3297 FM 2251, application because it was found to not meet state requirements through its inspection by the Health District. Mrs. Ross seconded the motion. All members voted in favor and the motion passed.

8. Status Update on CWSRF Sewer Project: Mr. Holcomb explained to the Board that a notice to proceed was issued to the Engineers last Tuesday to begin work on the new sewer project. Mrs. Ross asked that the District issue some press that lets customers know what is going on. She asked that a newsletter be sent out periodically to keep customers updated with the project. Mr. Holcomb reminded the Board that the open meetings act does not require meetings to have a public forum component on the agenda. Water only customers were discussed in that they are designated by having no dwelling. There will be further discussion on them at the next meeting.
9. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Holcomb explained to the Board that the next meeting needs to occur on August 18, 2014 due to election requirements for the two Board positions that will be up for election. Mr. Jones stated that the Board needs to continue looking at a five year plan. Mr. Holcomb explained that the District would need a manager and an administrative employee at that time. Mr. Jones wants the Board to continue thinking on the topic, but that nothing will be done until the sewer project is completed.
12. Closure of Business: Mr. Jones adjourned the meeting at 7:20 p.m.

APPROVED THIS 18 DAY OF August, 2014.

ATTEST:


Richard Jones, President


Belinda Ross, Secretary