

Board of Supervisors
Meeting Minutes
November 17, 2014

Board Members Present:

Richard Jones, President
Belinda Ross, Vice President
Belva Hartsfield, Secretary
Jemmie Hageon, Treasurer
Daryl Hart, Supervisor

Board Members Not Present:

Stephen Clarady

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Office Manager

Guests:

Patrick McKelvey

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: No guests were in attendance at this time.
5. Canvas the Election held on November 4, 2014: Mr. Kelley Holcomb presented the Board with the election results associated with the November 4th Board of Supervisors Election. Fifteen votes were cast during early voting: 14 for Belva Hartsfield – Position #1, 11 for Jemmie Hageon – Position #2, and 3 for Cheryl Wolford – Position #2. Seven votes were cast on Election Day: 5 for Belva Hartsfield – Position #1, 3 for Jemmie Hageon – Position #2, and 4 for Cheryl Wolford – Position #2. Thus 22 votes in total were received: 19 for Belva Hartsfield – Position #1, 14 for Jemmie Hageon – Position #2, and 7 for Cheryl Wolford – Position #2. Ms. Hartsfield was elected to Position #1 running unopposed, and Mr. Hageon was elected to Position #2.

Mr. Holcomb explained the costs associated with conducting the election, with the largest portion of the expenses relating to rental of the equipment required to meet disability laws. It was noted that next election, Angelina County Fresh Water Supply District No. 1 (ACF and/or the District) may qualify to do paper ballots only under an exception to the disability laws.

Mr. Holcomb noted that Helen Price, Early Voting and Election Clerk, called in sick the day of the Election. Mrs. Belinda Ross and Mr. Stephen Clarady, Board members, were in attendance and validated the votes when they were counted on Election Day. In summary, Mr. Hageon will remain on the Board in Position #2 and the Board welcomes Ms. Hartsfield to Position #1.

6. Consideration and Approval of a Certificate of Election from November 4, 2014 Supervisor Election: Mrs. Ross motioned to approve the Certificate of Election for Belva Hartsfield – Position #1 and Jemmie Hageon for Position #2 as presented. Mr. Hageon seconded the motion. All members voted in favor and thus Ms. Hartsfield and Mr. Hageon were confirmed as Board members.

Mr. Daryl Hart arrived to the meeting at 5:38 PM.

7. Swearing in of newly elected Supervisors: Mrs. Dyan Stanford explained to the newly elected Board Members that they are required to read through and sign a Statement of Officer which denotes they were not paid or promised anything with regards to the Board election and their confirmation as Board members. Ms. Hartsfield and Mr. Hageon read through the document and both signed affirming that the statements included within the document were true.

Mrs. Stanford read the Oath of Office to Ms. Hartsfield which she repeated and swore/affirmed in agreement. Mrs. Stanford then repeated the same process with Mr. Hageon. Both Ms. Hartsfield and Mr. Hageon are now considered duly sworn in Board members and officially take their respective positions.

8. Officer Elections: Mr. Jones asked whether Mr. Clarady's position is open, to which Mr. Holcomb informed the Board that all positions are open for election. Mrs. Ross nominated Mr. Jones to be Board President. Mr. Holcomb asked if any other nominations were available, to which no one responded. Mr. Hart motioned to approved Mr. Jones as Board President, with a second by Mr. Hageon. All members voted in favor and Mr. Jones will again be Board President.

Mr. Holcomb requested nominations for Vice President. Mr. Jones nominated Mrs. Ross for Vice President. Mr. Hart motioned to approve Mrs. Ross as Vice President, with a second from Mr. Hageon. All members voted in favor and Mrs. Ross will serve as Board Vice President.

Mr. Holcomb requested nominations for Secretary, which he noted acts as the record keeper for the District. Ms. Hartsfield stated that she would prefer to be Secretary rather than the Treasurer. Mr. Hart motioned to approve Ms. Hartsfield as Secretary, with a second by Mrs. Ross. All members voted in favor and Ms. Hartsfield will serve as Board Secretary.

Mr. Jones motioned to approve Mr. Hageon as Treasurer, with a second by Mr. Hart. All members voted in favor and Mr. Hageon will again be Board Treasurer.

In summary, the following Officers were established to serve:

- Richard Jones: President
- Belinda Ross: Vice President
- Belva Hartsfield: Secretary
- Jemmie Hageon: Treasurer
- Daryl Hart: Director

9. Consideration and Approval of Meeting Minutes from September 15, 2014 and October 14, 2014 Called Meetings: All members had previously reviewed the minutes for accuracy. Mrs. Ross motioned to approve both meeting minutes as presented. Mr. Hageon seconded the motion. All members voted in favor and the minutes were approved.
10. Consideration and Approval of FY 2014 Year End Financials: Mr. Holcomb presented the District's financial documents to the Board noting that overall the District made \$4,600 for the year. Mr. Holcomb reminded the Board that the numbers are not even due to the passage of the new sewer rate to fund the upcoming sewer project. Mr. Jones stated to Mr. Hart and Ms. Hartsfield that there are a lot of numbers associated with the District, but if they see anything they are unsure of, to raise a question. The District has struggled in the past, but it is now building capital.

Mr. Patrick McKelvey arrived at 5:47 p.m.

Mr. Holcomb discussed tax financials and stated the District had a net revenue of \$5,000. He noted that election expenses will be reflected in the November financials. At fiscal year end, there was \$8,000 in the operation and maintenance account, with the tax account finishing with \$21,000. Mrs. Ross asked if the numbers were actual money, to which Mr. Holcomb stated they are.

Mr. Hageon motioned to approve the FY 2014 Year End Financials, with a second by Mrs. Ross. All members voted in favor and the financials were approved.

11. Consideration and Approval of Applications for Exemption under the District's Sanitary Sewer Exemptions Policy: Mr. Holcomb informed the Board that the District has received two additional applications for sewer exemptions from the District's new sewer project. These were received from Johnnie Garner, 759 Barbeque Road, and Paul Davis, 446 County Barn Road. Mr. Davis had previously been denied exemption because his system did not meet state requirements. However, since that time, Mr. Davis has made the appropriate changes to bring his system back into compliance. Both systems have been approved by the Health District.

Mr. Holcomb notified the Board that customers who had been granted exemptions had been notified by letter of the Board's decision regarding their application. The letter included an error in its wording, which forced the District to credit the exempted individuals back to the initiation of the sewer charges to their accounts. This resulted in the District crediting a few extra hundred dollars to customer accounts. Since that time, the error has been corrected and should not occur with future exemptions.

Mrs. Ross motioned to approve the applications of Johnnie Garner and Paul Davis with both accounts to be given 10 year exemptions from connecting to the District's sewer system and both to be credited for any sewer charges on their account that occurred after the application date of each. Mr. Hart seconded the motion. All members voted in favor and the sewer exemption applications of Johnnie Garner and Paul Davis were approved with the noted provisions.

12. Consideration and Possible Approval of a Utility Commitment for Magnolia Trails: Mr. Holcomb notified the Board that he is asking them to take no action on this item because the District has not received all the details from the developer of the project. Mr. Jones asked if Mr. Holcomb had spoken with the developer, Mr. Victor Travis, to which Mr. Holcomb agreed he had. Mr. Holcomb stated that Mr. Travis said the property is being subdivided into 10 lots. Mr. Holcomb has not received the final information from Mr. Travis and hopes by the next Board meeting to present it to the Board. Mrs. Ross questioned if the development is to be called Magnolia Trails, to which Mr. Holcomb agreed it is. Mr. Hart asked if the land will be divided into lots, and Mr. Holcomb stated that it will be divided into 10 lots.

Mr. Jones explained that the Board is discussing this matter because an individual who already purchased one of the lots is wanting to obtain water and sewer service from the District. Mr. Jones stated that the subdivision belongs to Mr. Travis and thus the costs are his responsibility as well as the individual customer. Mr. Hart asked if streets are being put in and if the subdivision is for mobile homes. Mr. Holcomb stated that from what he has been told, there will be streets and mobile homes are allowed. Mr. Hart asked how big the lots are, but Mr. Holcomb did not know the answer to that question.

Mr. Holcomb explained that Mr. Travis will need water and sewer lines to be installed, and Mr. Jones clarified this would require going under the farm road. Mr. Hart asked what size pipe is needed. Mr. Holcomb stated that a 6 inch pipe would be needed for water and an 8 inch pipe would be needed for sewer.

Mr. Holcomb discussed with the Board that the District is in a bind because a customer that purchased a lot in the Magnolia Trails Subdivision has already paid their portion for water and sewer taps. Mr. Jones stated that Mr. Holcomb needs to speak with Mr. Travis. Mr. McKelvey noted that Mr. Travis has been working on this project for years and Mr. McKelvey questioned why the District does not connect Magnolia Trails to an existing line. Mr. Holcomb responded by saying the District does not have any lines on that side of the road and a discussion occurred about where the District currently has lines running for both water and sewer.

Mr. McKelvey stated that Mr. Travis is coming against an issue with gaining the right-of-way on some properties. Mr. Jones stated that the Board will work with Mr. Travis. Mr. Hart noted that Mr. Travis needs to get his plans together for Magnolia Trails, but Mr. McKelvey stated that Mr. Travis does not have any plans at the moment because he cannot get the right-of-way. Mr. Jones again stated that a customer has purchased a lot from Mr. Travis and is needing service. Mr. Holcomb explained that the District can tell the developer, Mr. Travis, that until the entire bill is paid, no service will be provided. However, what about the individual who has already purchased a lot and needs service quickly.

Mr. Hart stated that Mr. Travis should have spoken to the Board prior to the sale of any lots and Mr. Travis should have been better prepared. Mr. Holcomb noted that the property has been platted, but who is responsible for putting in water and sewer. The State says the developer is responsible for those costs. Mr. Hart noted that most mobile home deals include a sewer package. Mrs. Ross stated that it will be nice to have 10 more paying homes for the District.

This item was tabled for discussion at a later meeting.

13. Update on Sanitary Sewer Extension Project: Mr. Holcomb presented the Board with the preliminary engineering report from KSA Engineers. He stated that the report is also available on the District's website, www.acfwater.org. Mr. Holcomb noted that the routing has changed slightly based on the review by the engineers and the fact that the money provided through the grant is for fixing existing sewer problems. The engineers have determined the shortest route possible to save the District and its customers money.

Mr. Holcomb highlighted that the proposed route looks to come through the Magnolia Trails subdivision noted earlier. Mr. Hart asked if 10 more lots are coming in. Mr.

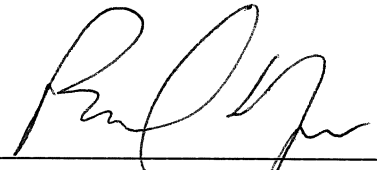
Holcomb stated there could be 100 more coming due to the acreage that Mr. Travis owns. Mr. Hart asked if Mr. McKelvey knew the plans of Mr. Travis. Mr. McKelvey replied that Mr. Travis has a lot of land with plans.

Mr. Jones asked for clarification if the report is from the engineers and includes routing information. Mr. Holcomb stated that Mr. Jones is correct. The District is now waiting on the Texas Water Development Board (TWDB) for approval. An environmental assessment should be submitted for the project by the end of the month and hopefully approved by February 2015. Mr. Jones asked if people from the TWDB will come and evaluate the District, but Mr. Holcomb replied only engineers will be out, not staff from the TWDB. Mr. Holcomb summarized that the District is looking at three to 12 months approval time. Once the environmental assessment is submitted and approved, then detailed design will begin which will include surveying.

14. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Jones asked whether a meeting will be needed before year end. Mr. Holcomb stated that the next meeting will be to approve the District's audit, which will need to occur sometime in January. Mrs. Ross agreed that unless a meeting is called, the next one should occur in January. Mr. Hart reminded the Board that a meeting needs to occur after Mr. Holcomb meets with Mr. Travis and gets further details on the Magnolia Trails Subdivision. Mr. Jones stated that the next regular Board meeting will occur before January 20th.
15. Closure of Business: Mr. Hart motioned to adjourn the meeting, with a second by Ms. Hartsfield. All members voted in favor and the meeting was closed at 6:22 p.m.

APPROVED THIS 22nd DAY OF JANUARY, 2015.

ATTEST:


Richard Jones, President


Belva Hartsfield, Secretary