



Board of Supervisors
Meeting Minutes
July 7, 2015

Board Members Present:

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

Board Members Not Present:

Jemmie Hageon, Treasurer

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Office Manager

Guests:

Otis Jenkins
Betty Jenkins
Mrs. McGowan
Mrs. Shaw
Mr. Garner
Mr. Mayshaw

1. **Call to order:** Mr. Richard Jones called the meeting to order at 6:06 p.m.
2. **Confirm quorum:** Mr. Jones declared a quorum present.
3. **Invocation:** Mrs. Belinda Ross gave the invocation at the request of Mr. Jones.
4. **Recognition of guests:** Mr. Jones recognized the guests in attendance and opened the floor to them to voice any issues. Mrs. Shaw asked if sewer is coming down Mt. Pleasant Road, to which Mr. Kelley Holcomb responded that it is. Mr. Jones explained that engineers are updating the information, but Mt. Pleasant will be getting service. Mrs. McGowan asked if the sewer design is finalized. Mr. Holcomb stated that the design is not final yet. Mr. Jones asked where Mrs. McGowan lives. Mrs. McGowan stated that she lives down County Barn Road. Mr. Holcomb noted that due to the rain,

the design process is behind schedule, but will hopefully go to construction bids on the project in late fall. The engineers are 60% complete with the engineering portion and almost finished with the surveying. Currently the project engineers are working on the piece of the system on the east side of US 59.

Mrs. McGowan asked what happens to the septic systems on the property when the sewer is connected. Mr. Holcomb explained that the engineers will take care of removing them or filling them in. The systems will be pumped out and decommissioned at no additional costs to customers other than their monthly sewer rate. Mr. Jones highlighted that there will also be no additional upkeep for the homeowners once they switch to sewer service. Mr. Otis Jenkins asked when dirt will be turned to start the construction part of the project. Mr. Jones responded that due to the rainy weather, the engineers have been delayed. Mr. Jenkins noted that the weather does not affect engineering. Mr. Daryl Hart stated that the engineers are 60% complete. Mr. Jones asked when construction is planned to begin due to the delay from the weather. Mr. Holcomb responded that he anticipates construction beginning around January of 2016, but the engineers are trying to catch up on the items that are behind. Mr. Jenkins reminded everyone that there will be more wet months.

Mr. Garner arrived at 6:20 p.m.

Mr. Jones reminded those in attendance that Angelina County Fresh Water Supply District No. 1 (the District) wants the design and plans done and implemented correctly the first time. Mr. Holcomb stated that some lines will be 12 – 15 feet deep. Mr. Hart asked what type of pipe will be put in for the new system. Mr. Holcomb explained that PVC pipe will be used that is thick, a schedule 40. Mrs. Shaw asked what size pipe will be put in to connect homes to the system. Mr. Holcomb responded that 4" schedule 40 pipe will be used for all service lines. Mrs. McGowan asked who will be responsible for repairing breaks in the line, and Mr. Holcomb stated the District will be responsible for repair of the main transmission serving each house and the property owner will be responsible for the 4" service line to their house.

Mr. Garner asked if there is a map available that shows where the lines will be located. Mr. Holcomb stated that the map, once completed, will show the homes to be connected to the system. Mr. Garner asked if he has to pay to connect to the system from his home. Mr. Holcomb noted that as part of this project, the line will be connected directly to each customer's home. The service line, connection, and decommissioning of old septic systems will all be taken care of through the project, at no extra cost to the homeowners. Mr. Holcomb stated that the line will be serving Garner Loop.

Mr. Garner asked if he will be reimbursed for the new system that he just had put in. Mrs. Ross reminded Mr. Garner that by having a new system, he can apply to receive an exemption. Mr. Jones and Mr. Hart explained to Mr. Garner that since he is exempted from connecting to the new sewer system, once that exemption expires, he will be

required to connect and he must pay at his cost. Mr. Garner asked who he can speak with regarding the grant and how much the District is charging a community that is poor. Mr. Holcomb explained the relationship between ANRA and the District. Mrs. Ross noted that when the District began this process, surveys were conducted and the District received the most forgiveness available. No project is able to receive 100% loan forgiveness. Mr. Jones reminded those in attendance that the Board has been working on this project since 2008 or 2009. Mrs. Ross also noted that the District previously applied for this grant and was turned down. Mr. Holcomb noted a correction that the District has actually been working on this project since 2003. Mr. Jones stated that the District is responsible for \$1.6 of the \$4.9 million awarded.

Mr. Garner asked what construction company will be used for the project, but Mr. Jones responded that the District does not know yet. Mr. Holcomb reminded the Board that the 70% loan forgiveness is actually federal dollars, which have MWBE requirements, where you reach out to other groups that might not be able to qualify at first. Mrs. Shaw asked if there will be any problems getting sewage uphill. Mr. Holcomb stated it should not be a problem if a lift station is utilized. Mr. Jones noted that the District does not want to rush the surveyors. Mr. Garner asked if there will be an inspector on this project. Mr. Holcomb responded that there will be multiple inspectors from TxDOT, engineers, and the District's own.

Mr. Jones reminded the Board that this project is a big deal and through it, the District can help Redland Estates with their sewer problems. Without Redland Estates, the District would not have received the grant money that it has. Mr. Garner stated that he is happy that sewer is coming into the community because it will attract new people. Mr. Holcomb provided the history of Redland Estates sewer problem, annexation into the District, and the current sewer project. Mr. Garner stated that he respects the Board for stepping up to help their community. Mr. Garner asked how much the bill is going to be after the project is completed. Mr. Jones responded that the District cannot know yet until the project goes out for construction bids.

Mr. Holcomb discussed the current sewer system for the District. Mrs. Betty Jenkins asked why the bills are so high for water/sewer service. Mr. Jones explained that the District has to pay its bills. It cannot compete with the City of Lufkin. Mr. Holcomb noted that for one month, the District has to pay the City of Lufkin \$5,800 for service. Mr. Jones reminded those in attendance that the District is not a for-profit organization. Mrs. Shaw noted that her bill usually runs about \$64.00. Mr. Jones explained that the District has a flat rate for sewer service. Water service has a base rate but a customer's bill fluctuates based on their usage.

Mr. Mayshaw arrived at 7:01 p.m.

Mr. Jones acknowledged that customers do have a monthly rate to pay, but there are no individual issues they have to handle like those of personal septic systems. No rates can be determined yet, but when completed, everyone will be happy with the service. The

Board does realize that people do not make a lot of money in the area, but rates cannot be changed for each individual. This project is going to benefit the community as a whole. Mr. Jenkins stated that customers are paying for sewer now, but receiving no service. Mr. Jones reminded Mr. Jenkins that based on the loan, the District has to begin paying back its portion of the funds now. The Board did approach Representative Trent Ashby requesting forgiveness for the District's portion of the project, but that was not made available.

Mr. Jones stated the monthly rate equates to a tap fee that the customer does not have to pay all at once, and the District will connect directly to homes. Mrs. McGowan rephrased the situation as customers are just paying their share. Mr. Jones assured everyone that the District will only do what the numbers will allow. Mr. Jenkins stated that Board members did not have to pay to get onto sewer service previously, but Mrs. Ross and Ms. Belva Hartsfield stated that was incorrect, they did have to pay.

Mr. Jones summarized the project and process currently. The Board wants the community voices to be heard, but will continue to carry out the District's business accordingly. Mrs. McGowan asked if the additional security deposits to be discussed pertain to all customers. Mr. Holcomb responded that it does pertain to customers, but only those with bad debts. Mrs. McGowan wanted to ensure that it does not pertain to sewer service, to which Mrs. Ross assured her it is a separate matter. Mrs. Ross asked that the community remember this project is a process and the community needs to band together in order to get to that end point. There is no such thing as instant sewer service. The community has been blessed over the growth in the area. The Board strives to run the District as a business and treat everybody the same.

Mr. Hart stated he wants a petition drawn up for internet service to be provided down Jackson Road. Mr. Jones noted that engineers will finish and report back to the Board. The project will then go out for bids and construction will begin until it is completed. Mr. Holcomb reminded everyone that things will get more difficult as construction begins. Mr. Jones asked that customers be patient. The District will work with the County as the project progresses also. Mr. Jones stated that if property owners have issues with the County work, they can go to the Commissioner's Court meeting, which occurs the 2nd and 4th Tuesday each month at the County Annex.

Mrs. Shaw, Mr. Garner, Mrs. McGowan, Mr. Jenkins, and Mrs. Jenkins left the meeting at 7:30 p.m.

Mr. Mayshaw discussed connecting his property to the sewer line as an Out-of-District customer.

Mr. Mayshaw left the meeting at 7:35 p.m.

5. Consideration and Approval of Meeting Minutes from January 22, 2015 Called Meeting: Board members reviewed the meeting minutes in their packets.

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

6. Consideration and Approval of FY 2015 Second and Third Quarter Financials: Mr. Holcomb provided and discussed tax financials with the Board. Mr. Jones asked what the District's average collection percentage has been. Mr. Holcomb explained that the average used to be around 70%, with the highest ever being 87%. Mr. Jones noted that being in the financial position that the District is in now is great, due to the history of what has been dealt with in the past. Mr. Holcomb discussed discrepancies in overage expenses.

Mr. Hart motioned to approve the financials as presented. Mrs. Ross seconded the motion. All members voted in favor and the financials were approved.

7. Consideration and Approval of the FY 2014 Annual Financial Audit: Mr. Holcomb discussed the audit with the Board. There were no matters of concern noted by the auditor. The District is currently compliant with all rules. Net assets have increased by \$16,000. The only long-term debt the District holds is for the District Office. Mr. Jones stated that the District is in great condition due to the addition of Redland Estates. Ms. Hartsfield asked for the cost of the building. Mr. Holcomb responded that the District purchased it in 2002 for roughly \$30,000. \$10,000 was spent to repair the roof and there were also \$20,000 spent for improvements.

Mrs. Ross motioned to approve the FY 2014 Annual Financial Audit as presented. Ms. Hartsfield seconded the motion. All members voted in favor and the audit was approved.

8. Consideration and Possible Approval of Customer request for "Water Only" status: Mr. Holcomb presented information that there is no habitable structure on the property on Ethel Lewis Road that Mr. Arthur Coleman owns. He uses the property for a horse barn. Mrs. Ross stated that if there is no habitable structure, then she thinks the Board should approve the property as "Water Only".

Mrs. Ross motioned to approve Mr. Coleman's property on Ethel Lewis Road as a "Water Only" customer. Ms. Hartsfield seconded the motion. All members voted in favor and the account was approved as "Water Only".

9. Consideration and Possible Approval of rates and charges for Tampering fee and Commercial Sewer; Adding a definition for a Water Only service address to the Rate Order: Discussion occurred regarding the opening of a store by Mr. Hart and his need for a sewer tap. Mr. Holcomb informed the Board that ANRA is asking to assess a fee for

the District in response to a customer cutting a lock on a water meter to gain service. Mrs. Ross motioned to approve a \$50 tampering fee. Ms. Hartsfield seconded the motion. All members voted in favor and the fee was approved.

Mr. Holcomb provided that he is asking the Board to approve the definitions presented and allow ANRA to decide if a property meets the definition rather than having to bring the item before the Board each time. Mr. Jones asked if research will be done on the property, as has been presented before, to which Mr. Holcomb responded that it would. Mr. Hart asked what happens if a guy builds a barn and wants sewer. Mrs. Ross responded that it is fine, but he will have to pay for a sewer tap. Mr. Holcomb stated that "Water Only" status is an exemption from a sewer charge. Mr. Hart asked what happens with a camper. Mr. Holcomb responded that if the customer is hauling their sewer away, then that is fine. If they are discharging it, then there is a problem.

More discussion occurred regarding the opening of a store by Mr. Hart and the requirement of having one meter per structure.

Ms. Hartsfield motioned to approve the "Water Only" and "Sewer Only" account definitions as presented, with a second by Mrs. Ross. All members voted in favor and the definitions were approved.

Mr. Holcomb stated that he is not ready to provide a suggested commercial rate because Redland School has a 2" water meter. There was no action taken regarding this item.

10. Consideration and Approval of Additional Security Deposits: Mr. Holcomb noted with the Board that once the higher deposit is approved by the Board, then the property owners will be notified. Mrs. Ross noted that the deposits have been suggested to cover what has been historically written off on those accounts.

Mrs. Ross motioned to approve the additional deposits presented and remove the higher deposit for the property at 444 County Barn Road. Mr. Hart seconded the motion. All members voted in favor and the deposits were approved.

11. Update on Sanitary Sewer Collection System Extension Project: Nothing was discussed about this item due to previous conversations within other agenda items.

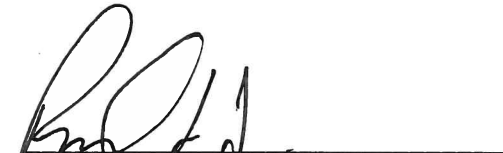
12. Establish Date, Time and Agenda Items for the Next Meeting: Mr. Jones encouraged Board members to do a better job attending meetings and advised ANRA to notify Board members with plenty of time to schedule meetings. Mr. Holcomb noted to the Board that the new sewer system will require 12 new lift stations, 4 of which will be large. Mr. Holcomb stated that when blue prints are received from the engineer, the District will

hold a public meeting. A lift station will be required on land next to the District Office. The Board needs to determine if the District wants to keep the Jerri Street Lift Station on its books or give it to Angelina & Neches River Authority (ANRA) to own and operate. A notice has been posted in the paper regarding having a public meeting during ANRA's next Board meeting to discuss and accept comments on the environmental effects of this new sewer system. Mr. Jones suggested early September for the next Board meeting. Mr. Holcomb reminded the Board that the tax rate for the year has to be adopted by September 15th. Mr. Jones stated that the end of August, beginning of September should work. Mr. Holcomb suggested maybe Tuesday, September 1st.

13. Closure of Business: Ms. Hartsfield motioned to adjourn the meeting, with a second by Mrs. Ross. All members voted in favor and the meeting was closed at 8:43 p.m.

APPROVED THIS 8th DAY OF SEPTEMBER, 2015.

ATTEST:


Richard Jones, President


Belva Hartsfield, Secretary