

Board of Supervisors
Meeting Minutes
April 19, 2016

Board Members Present:

Richard Jones, President
Belinda Ross, Vice President
Jemmie Hageon, Secretary Pro Tem

Board Members Not Present:

Belva Hartsfield, Secretary-Treasurer
Daryl Hart, Supervisor

ANRA Staff:

Kelley Holcomb, General Manager
Dyan Stanford, Administration Division Manager
Chris Key, Operations Division Manager

Guests:

N/A

1. Call to order: Mr. Richard Jones called the meeting to order at 5:32 PM.
2. Confirm quorum: Mr. Jones declared a quorum present.
3. Invocation: Mrs. Belinda Ross gave the invocation at the request of Mr. Jones.
4. Consideration and Approval of Meeting Minutes from February 19, 2016 Called Meeting: Mrs. Ross motioned to approve the minutes as presented. Mr. Jemmie Hageon seconded the motion. All members voted in favor and the minutes were approved.
5. Consideration and Approval of an Order of Cancellation declaring the May 7, 2016 Supervisors Election as Unopposed: Mr. Kelley Holcomb presented the Board with a Certification of Unopposed Candidates. Mrs. Dyan Stanford noted that once this order is approved, it will have to be posted at the Angelina County Fresh Water Supply District No. 1 (the District) Office and at Angelina & Neches River Authority (ANRA) on the date of the scheduled election.

Mrs. Ross motioned to approve the Order of Cancellation. Mr. Hageon seconded the motion. All members voted in favor and the election was cancelled for May 7, 2016.

6. Consideration and Approval of an Order relating to the provision of water and sewer services to Out of District Customers: Mr. Holcomb proposed to the Board that they adopt an Order requiring all new customers requesting new service that are located outside of the District's boundaries to complete a voluntary annexation of their property into the District in order to receive water and/or sewer services from the District. Mr. Holcomb discussed the District's boundaries and noted that this order will make these new customers outside the boundaries pay the District's taxes. The only exemptions will be those current customers listed as Out-of-District and those coming that have already been in negotiations, which are Love's Country Store and Redland School.

Mr. Holcomb discussed further what the Order entails. Mr. Jones asked if this Order will protect the District. Mr. Holcomb responded that once a customer completes a voluntary annexation into the District, that decision is permanent. Mrs. Ross asked how this decision will affect the relationship with Redland Water Supply. Mrs. Stanford explained that this service is covered under the agreement already established with Redland Water Supply where they "shutoff" a customer's water service for non-payment of a sewer bill to the District.

Mr. Hageon motioned to approve the proposed order. Mrs. Ross seconded the motion. All members voted in favor and the order was approved.

7. Consideration and Approval of a Real Estate Sales Contract for the sale of District property to the Angelina & Neches River Authority for the purposes of constructing a Lift Station: Mr. Chris Key explained that the property being discussed for sale relates to a lift station site and is located on FM 2251, which is 50 feet wide by 100 feet deep. This lift station being proposed is big and requires a larger area of land. Mr. Holcomb agreed and noted that the plan is for the property to be located next to Winston's property. The Board needs to determine at this meeting what the sale price per square foot will be. The contract being presented was drawn up by ANRA's attorney.

Currently eight of the eleven new lift station sites are under contract for purchasing the sites. Mrs. Ross asked if people are selling their property. Mr. Key agreed that they are selling and at an average price of \$1.60 per square foot. Agreements have been reached except for the property located on Phil Jackson owned by the Dodd family. Because there are issues with that property, ANRA is looking across the street to the property owned by Gregory Clark.

Mr. Holcomb stated that as part of this deal, ANRA pays all costs associated with the agreement: closing costs, surveys, etc. Mrs. Ross stated that she thinks \$1.50 per square foot is a fair deal. Mr. Hageon stated that the price was fine with him. Mrs. Ross asked if this property being discussed will get into the piece of land that Mt. Pleasant

church claims, but Mr. Holcomb stated that it does not involve that piece of property. Mrs. Ross questioned what the buyer's liquidated damages are, to which Mr. Holcomb responded ANRA would pay \$1,500 for the inconvenience if the deal falls through. Mrs. Ross clarified that ANRA will put \$250 down as earnest money and will pay the District \$1.50 per square foot, to which Mr. Holcomb agreed was correct. Mr. Key reiterated that all costs are taken on by ANRA and he discussed options the District has for the future.

Mrs. Ross motioned to approve the contract for sale of the District's property at \$1.50 per square foot to equal in total \$7,500. Mr. Hageon seconded the motion. All members voted in favor and the sale was approved.

8. Consideration and Approval of a Petition for annexation into the District for property located at 4014 FM 2021, 4030 FM 2021, 4130 FM 2021, and 4146 FM 2021:

Mr. Holcomb showed the Board where the properties are located that are being discussed under this agenda item. When Mr. Holcomb spoke with the new customers, he informed them that if a grinder station is required for any of the properties to receive sewer service, then as the customer they will have to accept it and the Eddings have no problem if that comes up. This annexation will be the process from now on for any Out-of-District customer that wants water and/or sewer service with the District.

Mrs. Ross motioned to approve the annexation as presented. Mr. Hageon seconded the motion. All members voted in favor and the annexation was approved.

9. Status update on the Sanitary Sewer Extension Project: Mr. Holcomb explained to the Board that ANRA is currently dealing with changes in its accounting department and with overall processes. Mr. Holcomb stated that the Board currently has \$47,000 in its ad valorem tax account, and \$11,000 in its operations account. The District is doing well, but there are expenses coming in the future relative to this new sewer project. Mr. Jones stated that in the future, the District needs to look at helping the Allen Gin area near the District. That area is suffering from some of the same problems that the District is currently trying to treat with regards to sewer. Mr. Holcomb agreed and also stated that the Rivercrest area is another area the District may have to consider helping in the near future.

Mr. Key noted that there is only one lift station site still to acquire. Half of the easements have been identified. Mr. Jones asked if the Texas Water Development Board (TWDB) has signed off on the design of the new sewer collection system. Mr. Key explained that the TWDB did have a few comments that are needing to be addressed by the engineer, which will be resubmitted soon. Mr. Jones asked if the project will go for bids after the design is approved. Mr. Holcomb agreed the bid process would be next, which would require a 30 day time frame for bids to be submitted.

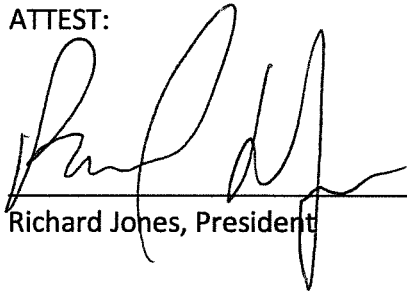
Mr. Key stated that the electrical design of the new system is going well also. The

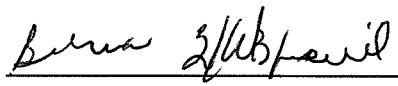
engineers are doing work to survey the lift station sites currently. The District is still waiting on the survey for the area being developed in Redland Estates by Darren Borders. Mr. Holcomb reiterated that local Representative Trent Ashby is very involved with keeping up on this project and ensuring its completion.

10. Establish Date, Time and Agenda Items for the Next Meeting: Mrs. Stanford noted that potentially the Board's next meeting would be to swear in the unopposed members presented at this meeting. Mr. Holcomb responded that more than likely the next meeting will be in a few months to award the bid for the construction of the new sewer collection system.
11. Closure of Business: Mr. Jones adjourned the meeting at 6:26 PM.

APPROVED THIS 6th DAY OF SEPTEMBER, 2016.

ATTEST:


Richard Jones, President


Belva Hartsfield, Secretary-Treasurer