

BEACH CITY COUNCIL
SPECIAL MEETING MINUTES

The Beach City Council met for a Special Session and Public Hearing regarding T&I Taylor's notice of intent to sell their water facilities. This meeting was held on Monday June 13, 2011 at 6:00 P.M. at the Beach City Community Building. Those present were:

MAYOR: Billy Combs
MAYOR PRO TEM: Jackey Lasater
ALDERMAN: Ray Smith Vaughn Bercaw Doug Walker Paul Newman
CITY ATTORNEY: Daniel Jackson
CITY SECRETARY: Margaret Gainer TEMP. SECRETARY: Marilyn K. Harrison

Mayor Combs called the meeting to order at 6:12 P.M. on Monday June 13th, 2011. He then invited Rev. Sam Hughes to lead the Prayer, and then Mayor Pro Tem Lasater led the Pledge of Allegiance to the American and the Texas Flags.

I. Public Hearing regarding T & I Taylor, Inc.'s notice of intent to sell facilities and transfer Certificate of Convenience and Necessity (CCN) numbers 12252 and 20366 to Nerro Supply, LLC in Beach City, Chambers County, Texas.

The Mayor introduced the panel Charlie Gasper, the operating manager for the company; Gregory Papis, Principal; Charles Bryan, Principal; and Bret Fenner, Rate Engineer.

The Mayor then asked if the City Council had any questions. Alderman Walker could not understand why more people from the City, that were having the problems, weren't at tonight's meeting. He remembers the heated conversations from past Council Meetings where Bayridge Residents were very upset and thought he would see them at this meeting. Mr. Papis said he understands that over the last several years there has been a lot of work (on the utility lines) throughout the community and that is a destructive process. He can't speak to specific situations as what has happen to anyone's yard. It is his understanding that all of that work is completed now. Bayridge resident Barbara Sarria stated that she has been a resident of Bayridge since 1964 and they (the utility) have had different owners throughout the years and they (the rate payers) have never been able to communicate with them. They (rate payers) are tired of fighting with them (utility). She went on to say their water is not good. Several Residents reported on the sewer running everywhere when it rains. Mrs. Brumley, a Resident said this has been going on for 15 years and she thinks this falls under sanitary conditions. Commissioner Senac asked if we can ask the Engineer why this is happening. Mr. Brian said he was not the System Engineer, he is the Regulatory Engineer. Mayor Combs asked, "who is the Professional Engineer"? Mr. Papis said that they really don't have a Professional Engineer at this time. Mr. Papis asked Mrs. Brumley if this was still occurring since all the work was done. She said, "yes". Mayor Combs said he had heard that from several Residents and they actually said it got worst. Mr. Papis said that they have completed all of the work on the water and most of the sewer. All they have left to do is 650 ft. stretch in the northwest quadrant and

they plan to get that done in the near future. Alderman Smith said not being familiar with the situation down there, what he don't understand is their storm sewer is at full capacity with rain water; what does that have to do, design wise, with sewer water, sounds like they are connected somehow and they shouldn't be. Mr. Brian said you're right, they shouldn't be. That will have to be checked out. Mayor Combs asked if they had surveyed all of the Systems. Mr. Papis said they got a very detailed report about the systems that they are buying. It was on all of the systems. Alderman Lasater asked if this is indicative of the problems that they are having in Bayridge, as there are a few people here and what they are saying, as well as other people in the neighborhood. He went on to say, "the past is the past, what do you plan to do from this time forward being you are the new owners?" Mr. Papis said if there are problems, we will address them. Resident Richard Hilton said he just wanted to know if all four of them were affiliated with Gulf Utilities, T & I Taylor or whatever they want to call it? Mr. Brian stated that they had bought the vast majority of Gulf Utilities Services and they have applied to buy, subject to approval, the vast majority of T & I Taylor. There is some affiliation left but the previous owner doesn't make any decisions. Currently he is providing technical assistance and helping to transition fully into their control. Alderman Newman asked what experience they bring here in regards to operating a treatment plant. Mr. Gasper said he had worked up and down the Ship Chanel, been in almost every plant from an industrial standpoint. Learning these types of systems versus the big clarifiers that he was involved with at Exxon and Shell, he is funneling his energy to learn these systems. He just got his D Water License and he is working on D Wastewater License. He went on to say they have another Double D, 2 Double C's and one C Wastewater Licenses. Licensing and giving the men further knowledge and education is a very high priority. Resident Richard Hilton said he wants to offer a comment about TCEQ, this is just a commentary. His experience with this whole situation has been that TCEQ is on your side and not on our side. They are here to take care of the water suppliers, the guys applying for permits and they could care less about us; they are not listening to us. We tell them we've got water we can't drink, we've got sewer problems and they will raise rates but they will not come out and listen to us. Mr. Walter Wells brought a jar of very brown water. Asked where it came from, he said from his house after his filter. He lives in Houston Oaks and said his minimum rate is \$200.00 a month, if he doesn't turn the tap on. Mr. Gasper asked if his neighbors were having the same problem. Mr. Wells answered yes. Mr. Gasper said he appreciates the example and his crew has been flushing the waterlines at Oaks of Houston Point and Bayridge, however, he's not out there with the guys every day. Mr. Wells said he knows they have been out there, he is just curious as to why you are out there if you are not operators yet? Mr. Gasper said they were in the process of buying the company and he is trying to immerse himself as quick as he can into the day to day operations of this business. He went on to say he didn't want this for him, it is not acceptable. Commissioner Senac said the residents should call Representative Craig Eiland and Senator Tommy Williams, they need to know about this. Mr. Papis said he just wanted to be clear, we are here to talk about acquiring a system and the City has protested the sale and at some point TCEQ could deny our application or block the sale in which case you end up with the same thing that you have now. We will be good neighbors, we will be around, we'll be accessible and we will respond to issues. Mayor Combs said he appreciated them coming out. Alderman Walker said we appreciate you all coming out and you probably got a little more information than you bargained for. He went on to say we protested because we wanted to the TCEQ and you all to know the problem out here. He said we have had meetings on these issues several times.

Mayor Combs called for a 5 minute recess.

II. Possible action regarding T & I Taylor, Inc.'s notice of intent to sell facilities And transfer Certificate of Convenience and Necessity (CCN) numbers 12252 and 20366 to Nerro Supply, LLC in Beach City, Chambers County, Texas.

8:00 P.M. Meeting called to order.

MOTION made to that we resend our objection and request Public Hearing in T & I Taylor's intent to sale to Nerro Supply LLC.

MOTION: Lasater

SECONDED: Walker

APPROVED: 5 - 0

III. Set date for Budget Workshop.

Budget Workshop set up for Tuesday June 21st, 2011 at 6:00 P.M.

IV. Adjourn

MOTION made to Adjourn.


MOTION: Smith

SECONDED: Newman


APPROVED: 5 - 0

ATTEST TO:

APPROVED BY:



Margaret K. Gainer
City Secretary



Billy Combs
Mayor