

BEACH CITY COUNCIL

REGULAR MEETING

The Beach City Council met for a Regular Meeting September 28th, 2010 at the Beach City Community Building. Those present were:

MAYOR: Billy Combs

MAYOR PRO TEM: Jackey Lasater

Alderman: Rita Standridge Ray Smith

Douglas Walker: Absent

Vaughn Bercaw: Absent

CITY ATTORNEY: Daniel Jackson

CITY SECRETARY: Margaret Gainer TEMP. City Secretary: Marilyn K. Harrison

Mayor Combs called the meeting to order at 7:07 P.M. Tuesday September 28th, 2010. He offered prayer and led the Pledge of Allegiance to the U.S. Flag and asked Alderman Smith to lead the Allegiance to the Texas Flag.

I. Citizen Comments.

Sue Troxell introduced herself as running for County Judge in the upcoming election. Alderman Smith ask her how many were running for Judge, so far. She answered "she and Jimmy Sylvia".

II. Review and consider approval of the Regular Meeting minutes of August 24th, 2010 and the Public Hearing minutes of September 7th, 2010.

The Minutes were reviewed by Council prior to the meeting.

MOTION made to approve the corrected minutes.

MOTION: Standridge SECONDED:

Mayor Pro Tem Lasater said he wanted to discuss the correction on item VIII. He said he may of said that but he didn't think he said, " he thought there was a 20 to 30% decrease in homes". He said they were expecting a 20 to 30% increase because of the increase of new homes. We haven't found that increase in usage yet. City Attorney Jackson asked him what he would like to have said. Mayor Pro Tem Lasater said he would have liked to said, "I'm disappointed that we haven't been able to find the 20 to 30% increase in Kilo Watt usage to coincide with the 20 to 30% increase in new homes since 2005

MOTION made to approve the minutes and include all of Mayor Pro Tem Lasaters' corrections. Also includes approving the Minutes of the September 7th, 2010 Public Hearing.

MOTION: Standridge SECONDED: Lasater APPROVED: 3 - 0

III. Review and consider approval of the Financial Statements for 2 months ending August 31, 2010.

Financial Statements for the month of August, 2010 were reviewed by Council prior to the meeting.

Mayor Combs commented on the financial statements saying that actually already year to date we have gotten more interest than we budgeted for the entire year. This is mostly due because of the interest that had not been accounted for on a CD with Bank of America. He reported that over all we are doing alright on our expenses. We're two months into it we are at a total of 16.5% Expenses and Total Income of 24.1%.

A. Investment rate/security review and update

Mayor Combs reviewed the Estimated CD Account Balances as of September 28, 2010. He stated that we have a CD coming up for renewal in 18 days at Prosperity Bank. It's currently sitting at .90%. He asked Council what they wanted to do.

MOTION made to re-invest the Prosperity Bank CD# 6100010266 for 18 Months if the interest is the same. If the 24 months is higher we will go with the 24 months.

MOTION: Standridge SECONDED: Lasater APPROVED: 3 - 0

MOTION made to approve the Financial Statements as presented.

MOTION: Lasater SECONDED: Standridge APPROVED: 3 - 0

IV. Review and consider approval of Revenues and Expenditures for current Month.

The proposed expenditures were reviewed by Council prior to the meeting.

The Amended copy was considered.

MOTION made to approve the Revenues and Expenditures for current month.

MOTION: Smith SECONDED: Lasater APPROVED: 3 - 0

V. Discussion and possible action on citizens request for McCollum Park Road.

Mayor Combs stated that he had sent Council a chain of e-mails between Don Brandon and himself primarily with other comments that have been added. He went on to say, in summary, on McCollum Park road, the request that came up was to try to lower the speed limit, Children at Play signs, additional lighting and increase patrol. That is a City Street; the County really can't take any action without City approval. City Council does have the authority to lower the speed limit, we've discussed the lighting. The County does not do any lighting. We talked to the Sheriff about increased patrol. Tonight we have Officer David Hatfield and County Engineer Don Brandon here to help us in looking at these citizens request. If there are any signs to go in, the City would be responsible to pay the initial installation. After installation the County would maintain them. Mayor Combs talked to Sherriff LaRive and he suggested that we put in some stop signs, either three way or four way stops at the intersections. Mayor Combs explained where the stop signs would be needed. He doesn't feel like changing the speed limits on the street would stop those speeding up and

down the street. In regards to striping McCollum Park Road, Mayor Combs said the street is too narrow to be striped. He thinks it does warrant some action, it's just that we need to make sure that the action we pick is the most efficient action and something that will work. Officer David Hatfield stated that they got a Sherriff Patrol Request that the Sherriff put out on the Officers desk and they will do that as they are patrolling, but most of the time they have only one officer over here. They are short-handed now and need to hire four officers. Mayor Combs said there will be an officer living on McCollum Park Road. City Attorney Jackson said it would require an Ordinance to install stop signs.

MOTION made to install all-way stop signs at the two intersections mentioned, one is at McCollum Park Road eastbound at Saddlebrook Drive and east bound on McCollum Park road at Point Barrow. Westbound we need a stop sign at Saddlewood Drive and Point Barrow, McCollum Park intersection Westbound we need a stop sign on McCollum Park road at Saddlebrook Drive.
MOTION: Smith SECONDED: Lasater APPROVED: 3 - 0

VI. Update on CenterPoint Energy Rate Case.

Nothing new to report.

VII. Update and possible action on CenterPoint franchise payment calculation audit.

Alderman Lasater handed out information that is an update of where we are on the franchise payment calculation audit. It covers two years (2008 and 2009) of the last 5 years they are now checking on. This reports the KWH's used per year at each address. Mayor Combs said we did ask for additional years, 2005, 2006 and 2007. Mayor Combs talked to Mr. Greenley and he told him that for some reason his boss did not want him to give us that information. Now he tells the Mayor that the information is coming they are just trying to get it together. Attorney Jackson said it is important for us to have year 2005 because that was the base year.

VIII. Update and possible action on audit for all Beach City franchise accounts.

Mayor Combs said at the last meeting there was a man present that said there was a Cable Co. that was providing cable somewhere in Barrow Ranch. He went on to say if ComCast or any Cable Co. is providing cable, they have an interlocal agreement on an attachment agreement with the utility company. The Mayor looked through the paper work of the history of Friendship Cable and they sold to another company who filed bankruptcy; came out of bankruptcy, changed their name to something else. There was a letter in the file where they tell the City they were going to discontinue all business with Beach City. They had an agreement with CenterPoint Energy, and some other name that was on there, to remove all of their equipment off of their poles and off of their lines. If there is a cable company operating in Beach City they are not paying us money. He wants to keep looking into this.

IX. Update on TX-DOT plans for Hwy 99 from US Hwy 146 to Fisher Rd.

County Engineer Don Brandon had talked to TexDot and reported that they are going to put in a turning lane from 99 to Fisher Road. Will have to wait on the funding but they are going to put in a Deceleration Lane to turn right off of 99 onto Fisher Road, that will be in a couple of years. He also said the Commissioners Court approved the acquisition of right-of-way of the east-west 4 thorough-fare that connects hwy 1405, near Bayer, just north of HL&P (DW4). Eventually it will come all the way over to Hwy. 2354

X. Discussion and possible action on funding of Burn Ban signs.

Mayor Combs said a year or so ago City Council did approve \$600.00 to go toward this project. It was never spent. Ms. Hammes Secretary/Treasurer of the Beach City Volunteer Fire Dept. agreed to research it and bring it back to Council. After discussing it and viewing a map as to where they would be located; Council was satisfied that the cost came in under \$500.00 dollars that was budgeted for the signs.

MOTION made to authorize expenditures not to exceed \$500.00 from Miscellaneous Expenses.

MOTION: Standridge

SECONDED: Smith

APPROVED: 3 - 0

XI. Update and possible action on application of T&I Taylor's Rate Increase Request.

Mayor Combs said that T & I Taylor did respond to our request to give us some financial support information we had requested. However the caveat to that is we have to go to their office to get it. We go to Spring, TX. and they make it available to us. The Committee, which would be Alderman Walker and Lasater and Mayor Combs, would discuss the possibility of hiring a professional to help the City out because it takes time to go through all of the files and to go to spring to do that. The Mayor spoke to an attorney that used to work for TCEQ and his advice was, we have a legitimate right to ask for this information for them to provide supporting data for this rate case. We can only base our decision information in front of us and it's not our responsibility to go Spring and trace it down. He suggested that we ask them to reconsider their position and tell them we respectfully will just wait on getting the information. The Mayor asked about hiring an expert for us and the attorney didn't think that would be necessary because we are not expected to be experts in this field. Our decision needs to be based on a fair analysis of the information they provide to us. In the mean time the Mayor thinks we have until December to await and see what they would provide to us. If we haven't gotten our information we'll make our decision based on what we do have available at the time.

Mayor Combs said there was another thing he would like to add. There was a criminal investigation into T. & I. Taylor this summer. It was a prosecutor out of Travis County and a Criminal Investigator from the TCEQ Houston Office. They interviewed some of the rate payers within T&I Taylor's District. One of them forwarded their information to the Mayor. He called them as a follow up

and the feedback he got from the Criminal Investigator is that they did have that investigation going. They had a man-hole that had been leaking and spewing raw sewage out. They investigated it and their initial thought was that it had not been reported, thereby making it criminal. They discovered that it was reported so it was no longer criminal so it was turned over to the civil side. As a result of that investigation T. & I. Taylor has gone out and spent about \$13,000.00 to buy a backup generator. Their reason for it overflowing was power outage on the pump. TCEQ's position on that right now is they did not get the ideal solution because an ideal solution would have been a permanent back up generator for that site, instead they got a trailer mounted one which is kept they don't know where. That ended the criminal side of it. What did come out in that conversation is that there have been repeated complaints and quite a lengthy record with the operation of the Bayridge wastewater plant and he is awaiting the e-mail with a list of all of those that he has not gotten yet. Attorney Jackson asked if we have taken care of that one subdivision that has been over-charged with the new rate. Mayor Combs said to his knowledge we have, he mailed that out to T. & I. Taylor. T. & I. Taylor called Margaret at asked her to send them a copy of the Beach City limits map. Margaret said that was Gulf Utilities the water providers. Mayor Combs said Gulf Utilities is T. & I. Taylor. Alderman Lasater said he has a question about his application actually excluding Oaks of Houston Point. Does he mean to amend his rate request? Mayor Combs said we could ask for an amended rate request for a couple of reasons. He went on to say when we met at the hearing Jackey and the Mayor had reported to Council that T. & I. Taylor had listed 79 or 80 sewer customers in Beach City but after we looked at it, that is true, that is what is listed. After they looked at it in depth we think, we haven't proven it, because we have to get all of this information, perhaps an honest mistake because they pro rated their expenses to match that 79 customers. So when you look at the real bottom line had they have listed the whole 180 customers in there they would have listed all of the expenses in it. They did not ask for a rate increase, the rate increase that they asked for water was a blanket rate increase across all of their utilities. Mayor Combs said if we do not make a decision as of the end of the suspended rate the rate request as they requested will take effect. He went on to say he thinks we need to restate our request.

MOTION made to respond to get them to rethink their decision.

MOTION: Smith SECONDED: Standridge APPROVED: 3 – 0

XII. Review and act upon request for final acceptance of roads and ditches in Barrow Ranch, Section Three.

No one present to present this.

XIII. Discussion and possible action on SECO Grant Agreement.

Mayor Combs announced that the SECO Grant is now in place.

XIV. Appoint a City representative to HGAC's the upcoming General Assembly.

Alderman Lasater volunteered to attend the HGAC General Assembly

September 28, 2010

XV. Council Member Comments.

Alderman Standridge invited Council for "Neighborhood Night Out" at the Bay Place Subdivision for hot-dogs.

XVI. Adjourn

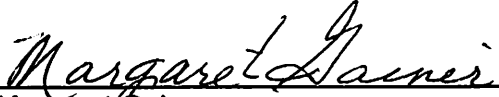
MOTION made to adjourn the meeting at 9:30 PM, Tuesday September 28th, 2010 at 9:30 P.M.

MOTION: Smith

SECONDED: Lasater


APPROVED: 3 - 0

ATTEST TO:



Margaret Gainer
City Secretary

APPROVE:



Billy Combs
Mayor