

**PUBLIC NOTICE**  
**BEACH CITY COUNCIL**  
**SPECIAL MEETING**

The Beach City Council met in a Special Session for a Public Hearing for Water and Sewer Rate/Tariff Change Application for T&I Taylor, Inc. Tuesday September 7th, 2010 at 7:00 PM at the Beach City Community Building. Those present were:

MAYOR: Billy Combs

MAYOR PRO TEM: Jackey Lasater

ALDERMAN: Rita Standridge Vaughn Bercaw Ray Smith Doug Walker

CITY ATTORNEY: Daniel Jackson

CITY SECRETARY: Margaret Gainer- Absent ASSISTANT SECRETARY: Marilyn K. Harrison

Mayor Combs called the meeting to order at 7:00 PM Tuesday September 7<sup>th</sup>, 2010. The Mayor opened with a prayer and Alderman Ray Smith led the Pledge of Allegiance to the American and the Texas Flags.

**I. Public Hearing for Water and Sewer Rate/Tariff Change Application for T&I Taylor, Inc., to the City of Beach City, Chambers County, Texas.**

The Mayor said since there were so many people at this meeting, everyone will get 3 minutes to talk and then the Council will ask questions if they had any to ask. He then went on and asked if anyone at this meeting was from T&I Taylor. The answer was no. The first resident to speak was:

- 1) Richard Sarria- lives in Bayridge for 44 years. He owns the property behind the Water Dept. Said he had to sign an agreement not to put any livestock on his property because of the water well. The people that live on the corner have Chickens and Goats. T&I Taylor built the pen and the fence for the resident and the pen is not 150 ft. away from the water well. His main concern is it contaminating the water? The Mayor asked if he has sent a letter to TCEQ and Mr. Sarria said no.
- 2) Jamie Neal-lives in Bayridge. She stated that the contractor did not replace the trees, fill in or level the land and did not return the roads the way they were. Low water pressure and cannot drink the water. She also said that they allowed the livestock and built the pen with in the 150 ft. area. The Mayor asked if they filed any letters to TCEQ and she said yes, many times and TCEQ even came out and talked to her several times.
- 3) Bob Powell- lives in Bayridge. He was sorry T&I Taylor didn't show up because he had a couple of questions to ask them. He agrees the water is bad, streets, yards and fences were not put back right. What he can't see is a 12% increase on water and 162.5% increase on the sewer. He said with the service and water problems that Bay Ridge has, he doesn't think the increase is justified.
- 4) James Burke-lives in Bayridge. He has been checking the chlorination on the water himself and called the state to come out about 2 months ago and they refused because he was using a swimming pool detector. The state said to call T&I Taylor; he called 3 times in 2 months to put chlorine in the water. Mr. Burke stated that T&I Taylor made a connection at his house and installed a new meter and then the new meter began to leak. It leaked for a month and a half and used 154,000 gallons of water. T&I Taylor charged him \$500.00 and gave him a discount of \$80.00 after he complained. Mr. Burke said he lives next to the sewer pipe that has been leaking

for 19 years and the sewer leaks into the Bay and that's been an on going problem since he has been living there. Alderman Lasater asked if Mr. Burke called TCEQ about the sewer leaking into the Bay? Mr. Burke said they deal with the Game Warden and The Game Wardens are watching the leak, because they are in charge of the Bay. Alderman Lasater said he thinks TCEQ needs to be called out on this. Mr. Burke said TCEQ has come out and they know about the sewer leak because he had TCEQ out on the chlorine situation and he showed them the sewer leak. Alderman Walker asked Mr. Burke if T&I Taylor responded to the leak? Mr. Burke said he would call them about the chlorine and he could tell they put chlorine in but it only lasted a few days then it would go away again. Alderman Walker asked "and the sewer leak"? Mr. Burke said that T&I Taylor have been coming out working on the sewer leak for a long time. They took an 8 inch pipe and slid a 6 inch pipe into it. He stated T&I Taylor told them that this would work because the inside of PVC is slippery vs. Concrete and would mean the pipes are equal in size. Mr. Burke said that it is not equal. The problem, he said is not fixed. Alderman Lasater suggested that the residents copy their E-mail complaints to him (Lasater). He said he would like to keep track of them himself. Alderman Smith suggested that pictures should be taken also.

- 5) Larry Heiskala-lives in Bayridge. His main concern was that he was told they would put the fence back up and repair the tire ruts where they brought heavy equipment into his backyard when they were finished. He also has crushed concrete and pieces of plastic left in his yard by the workers. He is mad about the increase but even more so about T&I Taylor not repairing his yard. Alderman Standridge asked Mr. Heiskala who told him they would fix the yard? Was it the contractors working for T&I Taylor or a letter from T&I Taylor? Mr. Heiskala told her that it must have been the contractor; he didn't get anything in writing and the only people he talked to were the people doing the job. They told him everything would get back to normal and will be in good shape when they were through.
- 6) Abdol Mashie-lives in Bayridge. Wants to know how long the system had been installed? Mayor Combs stated that to the best of his knowledge it came into service in 1978. Mr. Mashie said that it is not fixed and all the company did was come in and tear up the neighborhood. He can't drink or cook with the water. He said he flushes the toilet and the waste will not go down and that the pipes underground are all broke. He said he refuses to pay \$140.00 for something he cannot use.
- 7) Paul Buckels- lives in Bayridge. Mr. Buckels stated that in his opinion, with T&I Taylor not showing up, that it's not just a slap in the face to the neighborhood but it's a reflection on how they do business and character. He said he has lived in Bayridge since 1999 and he has seen the sewer in the streets, poor water quality. "You can tell when they treat the water because you can smell the chlorine before the water gets to your face and you can smell it on your body after a shower". They tore his yard up about 9 to 10 months ago when they were doing the work. Took down his fences and left bad ruts in his yard. He had just had his new fence put up about 4 years ago. He said he needed to start getting more involved with the neighborhood and documenting what is not right. Alderman Standridge asked if the fences were on his property or on the utility right of way? Mr. Buckels said they were on his personal property.
- 8) Bruce Leach- Does not have usage of the T&I Taylor water system but is a Beach City resident and lives very close to Bayridge. It appears to him that TCEQ may have some violations in some of these complaints. He said that there have been numerous violations sent to TCEQ during the time T&I Taylor had been operating this facility and would suggest everyone write letters to TCEQ about these problems.
- 9) Leroy Elkins- lives in The Oaks of Houston Point. He asked if TCEQ makes the decision on this rate hike? Mayor Combs said no, that Beach City will make our decision first. The Council will either approve his rates, deny his rate case or set a rate that the City feels is fair and just whether it is more or less than the current rates. The Mayor then stated that, T&I Taylor or any utility has a right to appeal our decision. Mr. Elkins asked if T&I Taylor makes an appeal then TCEQ makes the final decision? The Mayor said that is right. Mr. Elkins stated that he

couldn't drink the water and was angry because T&I Taylor or TCEQ did not show up for the meeting.

- 10) Robert Carter- lives in The Oaks of Houston Point. He stated that T&I Taylor did not think The Oaks of Houston Point was within the city limits of Beach City. As of July, Houston Point residents have been paying the new increase. The Mayor said that The Oaks of Houston Point is in the Corporate City Limits of the City of Beach City and that when Beach City received the application, Beach City Council passed an Ordinance suspending their rate increase for all rate payers within the City Limits of Beach City and that includes The Oaks of Houston Point. Mr. Carter asked for a copy of the Ordinance to send to T&I Taylor and the Mayor said he would email it to him. The Mayor told Mr. Carter, T&I Taylor has been given the ordinance before and if they say they don't have it, let the City know and we will send them another one. T&I Taylor was the one that told Mr. Carter to their understanding, Houston Point did not fall under The City of Beach City. The Mayor asked if the water system was new? Mr. Carter said yes, but the water is terrible and they cannot drink it. The Mayor asked if new water well was drilled at the Oaks of Houston Point? Mr. Carter said that it is separate water well than the one Bayridge uses, and yes it is new, it is only about 3 years old. Mr. Carter's next question was when do they need to start paying the new water rates? The Mayor said that if the Council did nothing, you would have to start paying the new rate Jan. 1<sup>ST</sup>, 2011. The Mayor said as he understands it, If City Council sets a new rate the due date would be effective on the 1<sup>st</sup> of the month following the day we set the new rate. He continued with, we have not yet received the information that we need to look at, but, assuming we set or deny a rate, whatever ruling the City makes will be in affect until it is overturned by TCEQ and they make their decision. Mr. Carter said he has been looking at the application from T&I Taylor and the test year was 2009 and they (T&I Taylor) spent a lot of money in Bayridge that year, and to him this is misleading, on how T&I Taylor is coming up with this new rate. The Mayor said that himself, Mayor Pro Tem Jackey Lasater and Alderman Doug Walker have been going over the application and spending a lot of time on this to try and figure it out.
- 11) Janice King- lives in The Oaks of Houston Point. She said the water is horrible and does not only smell and taste terrible sometimes it is even slippery and cloudy. Today it smells like fish. She wanted to know what kind of forecasting has been done by T&I Taylor to make the rate go up so far? What happens if they pull out and leaves Beach City? The Mayor said he always suggest all residents to get involved. "This is a private provider and they are regulated by the government. Free Enterprise is not at work here because they do not have any competition. You need to Voice your opinion and if you don't get the answer you are looking for you need to ask again and keep going back until you get your answer". He said to write letters to TCEQ, T&I Taylor and send the City a copy.
- 12) Larry Stratmann- lives in Bayridge. He asked if he should just right a letter to TCEQ. The Mayor said yes and be sure to send the City a copy of the letter for our files.
- 13) Brenda Vojacek- lives in The Oaks of Houston. They have lived there for 2 years and they have bad water pressure. They have gotten their bill and paid it with the new rates. The Mayor said that for every dollar she has spent beyond the regular rate, they should get a refund. He said we will call T&I Taylor and remind them that they can't charge the new rate yet.
- 14) Keith Jannise-Just purchased Ocean Home Mobil Park. He knew that T&I Taylor was raising the rates and from listening to others here at the meeting and going through his papers he thinks the new rates are outrageous. He heard all that he needed and wanted to know about taking a bus to Austin. Mayor Combs told him that he might be jumping the gun a little on the bus. Mr. Jannise said that by not showing up tonight, just shows how T&I Taylor operates. He understands that the City Council will make a decision but he just feels that they will appeal it and the residents will probably have to go to Austin to fight the increase.
- 15) Jason Bercaw- lives in Bayridge. He wanted to know about the engineering of the system, he

knows that it has been there for a long time. He wanted to know if the City Council has determined that the changes or repairs that were made were approved by an engineer. If not does anyone know this question? He wanted to know if the City Council could have some kind of leverage where we could require them to write some kind of engineer survey of the system as it is now prior to an agreement. The Mayor said this is a great question and we will look into this.

- 16) Patricia Davis- lives in and manages Ocean Home Mobil Park. Ms Davis said T&I Taylor considers them as one customer, as she understands in the rate application. In 2009 the Mobil Park has paid out 38,849.65, in 2010 they have already paid January thru August \$24,285.45. She stated that until last year by Gulf Utility (T&I Taylor's subsidiary company) operated their water plant. Gulf Utility charged \$300.00 per month for the service. She stated that she had to ask and even beg for reports and that the service was very poor. The owner wanted their water to be right and he didn't feel like Gulf Utility was treating it correctly so they hired Richard Stedman, who works for Harris County Water Authority and fired Gulf Utility. Now they pay the new operator \$195.00 a month get all their water reports (4 – reports) with their monthly bill. Ms. Davis stated that her residents mostly live on fixed income and does not know if, with the rate increase, if they would stay. The Mayor asked about fixed income residents and many of the Bayridge residents said that most of them are on a fixed income also and cannot afford the increase.
- 17) Ron Carter- lives in Bayridge. Wants to know if there are any criminal possibilities or something Deceptive and misleading is filed in this paperwork with the City. City Attorney Jackson said trying to catch T&I on an accounting error or accounting method is kind of hard to prove. He said it is up to the Council to figure out those errors and make a rate that is proper. The Mayor said he has talked to Commissioner Bill Wallace, and he does know that the County and T&I Taylor have had conversations. The County maintains the roads but they belong to The City of Beach City because the City does not have the equipment to maintain them.
- 18) Randy Sherman- lives in Bayridge. He said Commissioner Bill Wallace told him that if they take things out (like roads) they have to put them back in the way they were. He said the street is a mess and he wants it fixed. The Mayor said he has talked to Commissioner Bill Wallace, and he does know that the County and T&I Taylor have had conversations. The County maintains the roads (but they belong to The City) because the City does not have the equipment to maintain them.
- 19) Sharron Smith- lives in Bayridge. She and her husband have lived there for 31 years. She thinks (on the new rates), if she had not called them about the rate that T&I Taylor would have just let everyone pay the new rate. They do not read the meters correctly and when she called about her bill they came out and read the meter. They have problems with the work done in Bayridge also. Their sewer backed up into their house, it was in the walls, and when she called to have them to come out they told her she needed to have a plumber come out. The plumber came out and said it was T&I Taylor's problem. It was a connection that they (T&I Taylor) knocked out while repairing the system causing the sewer to back up into the house. She called T&I Taylor and told them if they didn't come out she would get an Attorney. They, T&I Taylor did come out and fixed the problem. The Mayor asked if she has filed any of this to TCEQ? Mrs. Smith said no, but she will send the City a copy of the letter. Alderman Standridge asked if the next bill she received was at the lower rate and Mrs. Smith said yes it was. Alderman Smith asked if she took any pictures of the work T&I Taylor did and she said no but she does have the plumber and the paperwork to back her up.
- 20) Marion Smith-lives in Bayridge. She just wanted to say that she sent in the wrong amount with the new rates and they gave her a credit on her bill.
- 21) Tommy Parker-lives in Bayridge. Wanted to know who signed up for this (Road repair)? Mayor Combs said he did not know but it was probably the County Commissioner Bill Wallace. He said

something doesn't seem right because of the water standing in the road and all of the other problems like ruts in yards and fences down and sewer backups. He said he and the residents need to do something about this. Alderman Smith asked Mr. Parker if they had a HOA and he said no, that the new Commissioner Senac said he would help them with this when he gets into office.

**II. Set date for Council to rule on T&I Taylor Rate/Tariff Change Application.**

The Mayor found out today that we are not obligated to set this rate by Sept. 18<sup>th</sup>. So we will have up to Dec 16<sup>th</sup> to make our determination and we will talk about it at our next City Council Meeting.

**III. Adjourn**

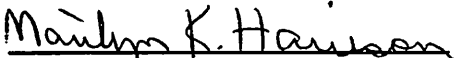
MOTION made to adjourn at 7:30 PM on September 7, 2010.

MOTION: Smith

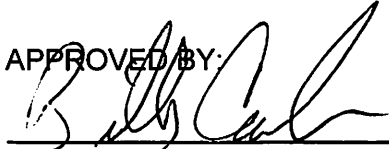
SECONDED: Walker

APPROVED: 5-0

ATTEST TO:

  
Marilyn K. Harrison  
Assistant Secretary

APPROVED BY:

  
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Billy Combs  
Mayor