

# ***City of Beach City Council Regular Meeting & Public Hearing Minutes***

The Beach City Council met for a Regular Meeting & Public Hearing on Tuesday,  
**November 17, 2015** at the Beach City Community Building  
12723 FM 2354 Beach City, TX. 77523

**Members Present:** Mayor Billy Combs (presiding), Mayor Pro Tem Jackey Lasater, Alderman Doug Walker, Alderman Ray Smith and Alderman Dana Colquitt

**Staff Present:** City Secretary Evonne Donnelly and Assistant Secretary Marge Bercaw

**Legal Counsel Present:** City Attorney Daniel Jackson

## **1. Call to order**

On Tuesday, November 17, 2015 Mayor Combs called the meeting to order at 6:04 pm.

## **2. Invocation and Pledge of Allegiance**

Mayor Combs offered prayer.

Alderman Colquitt led the Pledge of Allegiance to the United States and Texas flags.

## **3. Administer Oath of Office for recently elected Aldermen**

Attorney Daniel Jackson swore in unopposed candidates: Ray Smith, Paul Newman and Jackey Lasater.

## **4. Appoint Mayor Pro Tem**

Motion to appoint Jackey Lasater as Mayor Pro Tem

**Motion:** Newman

**Second:** Smith

**Approved:** 5-0

Comments: Alderman Smith noted Mayor Pro Tem Lasater has been doing a fine job.

## **5. Public Comments** (Limited to five minutes per person)

None

## **6. Public Hearing for residents of Bayridge Subdivision, Oaks at Houston Point Subdivision and OceanWay Park regarding current and ongoing issues with Water and Sewer Utilities provided by Nerro Supply/Gulf Utility Service and to discuss possible courses of action**

**Recess: 6:48 pm**

**Reconvene: 7:05 pm**

Mayor Combs started the meeting out by noting the City has no ownership in this utility company but the City will try to help the residents with their utility issues.

Approximately two months ago Mayor Combs received a phone call from the owner of Nerro Supply, Greg Pappas. Nerro Supply furnishes water and/or sewer utilities to Bayridge subdivision, OceanWay Park and Oaks at Houston Point subdivision. Gulf Utility is owned by Nerro Supply and operates the system for the subdivisions mentioned. There is rust and corrosion within the wastewater treatment plant. There is a large possibility that the wastewater treatment plant could fail in the near future. The costs to replace the treatment plant is approximately \$700,000. Nerro Supply can pass this cost back to the consumer in their monthly sewer bill. Per TCEQ rules on the sewer alone Nerro Supply can justify \$120.00 per sewer tap. This fee could be implemented prior to a new sewer plant being built. Mr. Pappas asked Mayor Combs if the City would be interested in a partnership or arrangement with Nerro Supply.

A committee was formed with two of the Aldermen and the Mayor to discuss many possibilities including that of a private/public partnership. If the City were to bond this, then the City would have to impose an Ad Valorem tax for the entire City. There is no possibility of the voters of Beach City approving this tax since it would only affect the aforementioned subdivisions. The City would have to hire more employees. There are many other facets to the City taking this over, that make it an unlikely resolution to this problem.

The possibility of forming a Municipal Utility District (MUD) to cover these three subdivisions (Bayridge Subdivision, Ocean Way Park and Oaks at Houston Point Subdivision) was also discussed. There are pros and cons to a MUD:

- a). There is typically an ad valorem tax imposed. However, that would be offset from the utility rates.
- b). The good thing about a MUD is that it is capable of receiving grant money. Bonds could also be sold to acquire long term debt.
- c). A MUD would be managed by a board which is elected by the residents. The operating company and the attorney are also hired by the board.

Also with a MUD it can have various types of powers. It could have drainage powers that could improve the drainage issues from the sewer problems, due to infiltration problems in Bayridge subdivision.

If nothing is done, no MUD created, etc., then Nerro Supply has to maintain this system and keep it in working order, per TCEQ. Mayor Combs assured the residents they will see a rate increase in the not so distant future. There will have to be an election for a MUD and bonds will have to be approved by the voters. Voters have to approve any debt a utility district will take on.

There were several comments from the residents in attendance. It was decided that there will be a committee formed of residents who will meet with Mayor Combs and the Council committee - Aldermen Newman and Walker - to continue the discussion of the MUD or best way to proceed for those affected by the water and wastewater issues.

Public Hearing adjourned: 8:30

Council reconvened: 8:37

**7. Discussion and possible action regarding issues with Water and Sewer Utilities provided by Nerro Supply/Gulf Utility Service in Bayridge Subdivision, Oaks at Houston Point and OceanWay Park**

There are eight residents who have volunteered to serve on the committee that will meet with the Council committee and Mayor to discuss their options as mentioned in Item 6. Council discussed the potential costs involved with a consultation meeting with Attorney Ron Young. Mayor Combs asked Council if they will commit to paying for a meeting with Mr. Young. Council is comfortable with an amount up to \$2,000.00 for a one time consultation with Mr. Young.

**8. Hear report and update from Chambers County Commissioner, Rusty Senac**

There is a Memorandum of understanding on the Chambers County Commissioners Court agenda next week. This memorandum is between Chambers County and Beach City regarding law enforcement and incarceration for the Beach City Municipal Court.

**9. Hear report and update from Beach City Volunteer Fire Department (BCVFD)**

Fire Chief Pat McDonald stated that the BCVFD is up to date on filing their taxes. Bids on a new fire truck are rolling in for a new 2000 gallon pumper tanker fire truck. Santa on the Bay will be December 11<sup>th</sup> and 12<sup>th</sup>. The BCVFD wants to know if the City can up their contract payment amount next year to help with the cost of the new fire truck. The BCVFD does not have the call volume to obtain any grants. Mayor Combs asked if the BCVFD has considered an Emergency Service District (ESD). Chief McDonald said that some former BCVFD Fire Chiefs have looked into it and the maximum tax rate for Beach City (prior to Barrow Ranch being built) all that could be brought in was \$60,000 per year (which was .12 cents per hundred). Chief McDonald said there are not enough businesses in Beach City, it would have to be done as a property tax. Council would have to approve an ESD. There has to be a board who will control the funding. The ESD will purchase the fire apparatus and the equipment does not belong to the VFD.

**10. Approval of Minutes for Regular Meeting of October 27<sup>th</sup>, 2015**

**Motion** to approve the minutes

**Motion:** Walker

**Second:** Newman

**Approved:** 5-0

**11. Financial Consent Agenda** (All financial consent agenda items are considered routine by Council and will be enacted by one motion. A Council member may request an item to be removed and considered separately.)

- (a) Review and approve the Financial Statements for previous month



(b) Review and approve Investment Update

(c) Review and approve Expenditures for the current month

**Motion** to approve the Financials.

**Motion:** Newman

**Second:** Lasater

**Approved:** 5-0

Discussion: Alderman Walker asked if the Miscellaneous Income expense amount was due to the Child Safety Fee monies to be sent to Bridgehaven.

Secretary Donnelly noted that the large amount of money owed to Chambers County results from not receiving a bill since June for the permit inspections performed by our designated representative.

## **12. Discuss and consider Nominations for 2015 Volunteer Of The Year**

Mayor Combs will resend the Volunteer of the Year form via email blast to the community. To date only one submission has been received.

## **13. Update and discussion from Beach City Planning Committee**

Mayor Combs spoke with Pudge Wilcox, who is on the Region H Water Board recently. There has not been any discussion of water issues within Beach City that would require the City to go to surface water at this time. Mr. Wilcox believes feels that it would be a matter of quality rather than a matter of quantity that would force the issue of surface water. Another significant issue that has been brought up a few times is the City's need to improve upon the size of our nest egg. The subject of imposing a Sales Tax has been mentioned several times. The question is where is the internet sales tax going when we make purchases online? There are approximately a handful of businesses that would be taxable within the City limits. Secretary Donnelly will call the State Comptroller's office and make inquiries of what the City needs to do or what is required of the City.

## **14. Update on legal action for non compliance to City ordinances**

The property on Ocean Drive the City has had issues with now has problems with a broken pipe on their water well and they need to repair the breaker box to the well.

## **15. Report and update from Mayor Combs**

Mayor Combs has sent an email blast to the Beach City residents regarding Comcast's representative Michael Garcia asking for home based businesses to add their name, address and phone number to a Letter of Intent for Internet and phone services in Beach City. This request is also for residents who want to be potential Internet/phone customers of Comcast.

## **16. Council Comments**

None

**17. Adjourn**

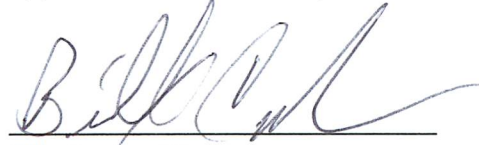
**Motion** to adjourn at 9:26 pm

**Motion:** Newman

**Second:** Colquitt


**Approved:** 5-0

Approved: **December 15, 2015**



Billy Combs, **Mayor**

Attest:



Evonne Donnelly, **City Secretary**