

MINUTES OF
OCTOBER 20, 2009

THE STATE OF TEXAS §

COUNTY OF CHAMBERS §

WHEREAS, on the 20th day of October, 2009, a regular meeting of the Board of Navigation and Canal Commissioners of the Chambers-Liberty Counties Navigation District was duly convened at the District's office at 211 Miller Street, Anahuac, Texas, and held in all respects in accordance with law, and to the extent required by law due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting, and a legally sufficient number of members of said District voted in the proper manner; that all other requirements and proceedings under the law incident to the proper adoption or passage of the following order, including publication, as required, has been duly fulfilled, carried out, and otherwise observed; and the following members were present, to wit:

Terry Haltom, Chair
Billy Combs, Vice-Chair
James B. Sterling III, Secretary
Tommy Myzell, Member
Allen Herrington, Member

Staff present: Mary Beth Stengler, General Manager
 Claudia Sandoval, Administrative Assistant
 Wayne Morris, Canal Superintendent

Guests present: George (Pudge) Willcox, Consultant
 Sue Hawthorne, Anahuac City Council
 Dana Evans, Anahuac Municipal Development District

2009-10-01 Minutes: Motion was made by Combs, seconded by Herrington and unanimously passed to approve the minutes of September 15, 2009. Passed

2009-10-02 Financial reports: Motion was made by Combs, seconded by Myzell and unanimously passed to table the financial reports until we get CPA advice on incorporating FEMA receivables on our balance sheets. Passed

2009-10-03 Consulting agreement-George Willcox: This matter will be discussed in executive session.

2009-10-04 Marina project: Sue Hawthorne with the City of Anahuac reported they approved the interlocal agreement with the Navigation District, Anahuac Municipal Development District and the Archer Group with the understanding that there was to be a separate contract with the Archer Group to further deliberate with them. The Archer Group did not sign the agreement but did accept the \$5000.00 payment. In the meantime, Ms. Hawthorne found out with HGAC there would be no 100% match for the grant, and that is something the City did not want to pursue. The City sent a certified letter to the Archer Group asking them for their \$5000.00 back that we were not going to pursue the grant and the City has not heard back from them, so they have voted to have their lawyers get their \$5000.00 back. The Archer Group started working without an agreement. The AMDD has voted to have the City to recoup their \$5000.00. Motion was made by Combs, seconded by Sterling and unanimously passed to abandon our position to try to get the grant for the marina and that we join with the City of Anahuac and the Anahuac Municipal Development District and ask the Archer group to reimburse the \$15,000.00. Passed

2009-10-05 TCEQ permit application-Carter-CC Ltd: General Manager Stengler reported a letter was written reiterating our position with regard to the proposed application. Along with our correspondence, we sent a letter from the Chambers County Historical Commission stating the historical significance of this area.

2009-10-06 Dredge placement: Pudge Willcox reported he has had discussion with Cedar Crossing and they want to trade part of the existing placement area 6 for an expansion of the outside parameter of placement area 6 and Mr. Willcox needs to see if this District is acceptable with trade. The final negotiations will have to be with Chambers County Commissioners Court since they own the land, all the District has is an easement for placement area. 6.4 acres in what Cedar Crossing wants for additional bayou access and approximately 25 acres is what they will give. This trade will add two or three dredging cycles. Motion was made by Combs, seconded by Myzell and unanimously passed to agree to this transfer our easement from the 6.4 acres to the proposed 25 acres conditioned upon Chambers County agreeing to transfer the title. Passed

Mr. Willcox then discussed the e-mail he received from the Corps with regard to dredging. All of the supplemental money did not come down to the Corps at Galveston. All the money we have is what has been appropriated in 2009 in the amount of \$900,000.00. For fiscal year 2010, Poe had put 1.9 million dollars as a request, but when it went through committee, it was cut in half to, so now there is only 1.8 million. With the combined Anahuac, Cedar Bayou channel project is out the window unless we can come up with additional money, we don't have enough funds to dredge Anahuac Channel which is a top priority for us. Ms. Wise with the Corps has asked her bosses if the total funds that are targeted for Cedar Bayou can be transferred to Anahuac. At this time she has not had a

response from here bosses. We will have to go back to congress in 2011 to ask for another million dollars to dredge the Anahuac Channel. This money will sit there until we have enough funds to dredge the Anahuac Channel.

2009-10-07 2009 Assessment Roll: Motion was made by Sterling, seconded by Herrington to accept the 2009 assessment roll in the amount of \$302,613.00. Mr. Combs voted in opposition to this roll. Passed

2009-10-08 Executive session: The Board went into executive session at 3:41 pm to discuss personnel. The regular session was reconvened at 3:59 pm at which time upon a motion by Sterling seconded by Myzell to increase the consultant fee to \$30,000.00 to conclude this year and then drop back to \$25,000.00 for the next two years. Passed

There being no further comment, motion was made by Sterling, seconded by Herrington and unanimously passed to adjourn. Passed

Accept this the 17th day of November, 2009.

Terry Haltom, Chair

Attest:

James B. Sterling III, Secretary