

MINUTES OF
OCTOBER 19, 2010

THE STATE OF TEXAS §

COUNTY OF CHAMBERS §

WHEREAS, on the 19TH day of October, 2010, 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
Tommy Myzell, Vice-Chair
Allen Herrington, Secretary
Ken Coleman, Member
Ken Mitchell, Member

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

Guest present: George (Pudge) Willcox, Consultant
 Lee Ann Brents, CPA Swaim, Hanagriff & Associates
 Linda Shead, Shead Conservation Solutions
 Matt Singer, Galveston Bay Foundation
 Bob Stokes, Galveston Bay Foundation
 Billy Combs, Mayor Beach City

2010-10-01 Minutes: Motion was made by Myzell, seconded by Mitchell and unanimously passed to approve the minutes of September 21, 2010. Passed

2010-10-02 Financial reports: Motion was made by Myzell, seconded by Coleman and unanimously passed to approve the financial reports. Passed

2010-10-03 CIAP application: Linda Shead came before the Board to advise them that the District's CIAP's nomination form was accepted. The next step is

to submit a CIAP grant application. This CIAP application is called the Turtle Bayou Protection Project which will secure and protect into perpetuity 500 acres of wetlands and adjacent forested uplands along the northwest shoreline of Turtle Bayou, beginning at Lake Anahuac and extending to near I-10. This property would be obtained by the C-LCND and then placed under a conservation easement and managed by Galveston Bay Foundation. Chambers County Commissioners' Court dedicated up to \$950,000 of the County's share of the CIAP funding toward this project. There has been an application sent to the railroad commission for a request to checkout and plug, if the need is there, the abandoned wells on that property. The Railroad Commission employees are working on well locations just north of this property at this time. A couple of items needed to move forward on this application is a yellow book appraisal which is needed to justify the asking price for the land, and the other thing is to have an attorney draw up a legal option to be presented to the current sellers. Ms. Shead has visited with a local appraiser, as well as attorney, and she feels like the most these two professionals fees will be \$15,000.00. If the District gets the grant, this money will be reimbursed to the District. Motion was made by Coleman, seconded by Mitchell and passed to move forward with this project and give the General Manager authority to spend up to \$15,000.00. Passed
Allen Herrington abstained from voting on this matter.

2010-10-04 Economic Development checking account: Motion was made by Herrington, seconded by Myzell and unanimously passed to close out the checking account for the economic development fund. Passed

2010-10-05 Audit fiscal year ending 2/28/10: Next on the agenda was the audit presented by Lee Ann Brents for the fiscal year ending February 28, 2010. Ms. Brents discussed our FEMA projects and how the reporting process that had to be done. Motion was made by Coleman, seconded by Myzell and unanimously passed to approve the audit for the fiscal year ending February 28, 2010. Passed

2010-10-06 Water project west Chambers County: Pudge Willcox reported there are twenty water suppliers in west Chambers County. The total population supplied is 4419 which would be an estimated .4419 million gallons per day. The District cannot justify building a plant for such small population. If the District decides to execute the contract and buy into the CWA canal, CWA may be willing to let the District pay the contract price over a period of time instead of a lump sum. There is no motivation for water supplies to get off ground water.

2010-10-07 Devers Canal contract. General Manager Stengler reported she received a call from Scott Hall, with LNVA, asking about the contract that Devers Canal Rice Producers Association had with the District back in 2002. Devers is close to using up all their allocated water rights. If the Navigation District is willing to enter into an agreement with Devers our attorney suggested we have a rate study done to see what a reasonable would be. Motion was made by

Mitchell, seconded by Coleman and unanimously passed to have a water rate study done. Passed

2010-10-08 Dredging projects Anahuac Channel and Cedar Bayou: The District has been in touch with the dredging contractor about the areas here at the harbor and by the Wallisville Locks, and he stated we need to have a survey done by the Corps so we can obtain a permit for these areas of dredging. The contractors have been told by Cedar Crossing they could not utilize their dock space and will not let them have access across their property so the contractor can get to placement area #6. The dredging company should be in the Anahuac Channel in February.

There being no further business, or public comment, motion was made by Herrington, seconded by Coleman and unanimously passed to adjourn. Passed

Approved this the 16th day of November, 2010.

Terry Haltom, Chair

Attest

Allen Herrington, Secretary