

**GULF COAST WATER AUTHORITY
REGULAR BOARD MEETING
MINUTES**

**COUNTY OF GALVESTON §
STATE OF TEXAS §**

The Board of Directors of the Gulf Coast Water Authority convened at 3:00 p.m. on the 19th day of April, 2012 and duly constituted members of said Board, to wit

R. C. Williams	President
Eric Wilson	Vice-President
Rosalyn Sue Edrozo	Secretary-Treasurer
James McWhorter	Assistant Secretary-Treasurer
James R. Cesarini	Director
Bill Eisen	Director
Ray Holbrook	Director
Russell C. Jones	Director
Bill Pedersen	Director

A quorum was present. Bill Pedersen was not in attendance.

ALSO PRESENT were: Ivan Langford, David Sauer, Bob Webb, Nancy Matthews, John Martinez, James Vanderwater, George Orum, Bobby Gervais, Karen Ivey, SuEllen Staggs, Jerry Newell, Mike Hodge, Charlie Ganze, Jordan Furnans, Will Wilshire, Gary Struzick, Chris Canonico, Jason Afinowicz, Jody Hooks, and Rick Gerlach.

AGENDA:

1. Convene Meeting
2. The public shall be allowed to address one or more agenda or non-agenda items. Each person shall be limited to five (5) minutes, regardless of the number of items addressed.
No public comments.

Consent Agenda

3. Approval of the Minutes of the Board of Directors' Regular Meeting held March 15, 2012.
4. Approval of the Minutes of the Freese & Nichols Long Term Water Supply Study Workshop held March 23, 2012.
5. Discussion and approval of adding a Credit Card Policy to the G.C.W.A. Personnel Policy.
6. Discussion and approval of an agreement with the City of Houston on the Settlement of 2009 True-Up pending approval from the City of League City.
7. Discussion and approval of the purchase of six (6) vehicles through the State Comptroller's Office with authorization for the General Manager to sign the purchase requisitions.

8. Discussion and approval of thirteen (13) Crossing Agreements with DCP Sand Hills Pipeline, LLC for a 20-inch NGL pipeline crossing the Juliff, American, and Briscoe Canal Systems in Brazoria County, Texas with authorization for the General Manager to sign the Agreements.

Bill Eisen seconded Eric Wilson's motion to approve consent agenda items 3 through 8 with the exception of item 6 to restate for clarification. The motion carried unanimously.

6. Discussion and approval of an agreement with the City of Houston on the Settlement of 2009 True-Up pending approval from the City of League City.

Jody Hooks stated a satisfactory compromise was reached and would be on the City of League City's May 8, 2012 agenda. Eric Wilson seconded James McWhorter's motion to approve an agreement with the City of Houston on the Settlement of True-Up costs in connection with the operation and maintenance of the Southeast Water Purification Plant for the fiscal years 2007, 2008, and 2009 pending approval from the City of League City. The motion carried unanimously.

Reports

9. Managers – See Attached

(a) Thomas Mackey Water Treatment Plant (Fund 06)

- 1) Development and evaluations of recommendations for refurbishment of external surfaces of Clarifier #1.
- 2) Loss of Emergency Generator due to the failure of the radiator for the diesel driver.
- 3) TCEQ Inspection scheduled to occur April 25, 2012.

(b) Thomas Mackey Water Treatment Plant Transmission (Fund 06)

- 1) No Report

(c) Canal (Funds 08 & 21)

- 1) Drought/BRA Update
- 2) Canal A, Tract A1.045, Jones Creek Spillway Replacement (CIP \$700,000)
- 3) Canal B, Tract B.104-105 Bridge 27, Knight Flume Replacement (CIP \$1,500,000)
- 4) Canal B, Tract B112.49 Underdrain Replacement (CIP \$450,000)
- 5) Update on Intake and Discharge piping Refurbishment at Briscoe and Juliff Pump Stations (Briscoe CIP \$400,000) (Juliff CIP \$100,000)

(d) Industrial (Fund 02)

- 1) Project Updates
 - Electrical Reliability and Back-up Generator
 - Meter Installation
 - Pump House Replacement/Refurbishment

(e) Administrative

- 1) Legislative Consultant Update
- 2) Administrative Update

10. Board Committees

(a) Financial Committee

1) Discussion and Approval of Monthly Financial Report

The Financial Committee did not meet. Ivan Langford reported that expenditures and revenues for all funds were within budget. Ivan Langford reported investments for the month of March totaled \$52,889,667.32.

(b) Engineering Committee

James McWhorter stated the Committee met and reviewed the Industrial Pump Station transformer replacement and generator design, Intera Model Project, Ineos reservoir design feasibility study, and the Long Range Water Supply Study. James McWhorter stated it would cost \$70 million to obtain water from Pasadena and Kemah was the only user interested in a 20 year lease option. The City of League City is considering looking at other options. There is no water available from the SE Plant for League City to buy

(c) Organization and Planning Committee

James McWhorter stated the Committee met on April 11, 2012 with members Russell Jones, Rosalyn Sue Edrozo, and himself present. Board member Ray Holbrook, Ivan Langford and James Vanderwater also attended. Items discussed were status of goals, short/long term strategies, Administrative office building, status of external relationship development, status of inventory/assets, capital improvements, IT upgrades, and GCWA policies.

(d) Personnel and Compensation Committee

Committee did not meet.

(e) Safety Committee

R.C. Williams stated that Committee met with members James McWhorter, James Cesarini and himself present and discussed Hurricane Procedures. Mr. Williams added there had been two recordable accidents.

11. Advisory Committees

(a) Industrial Operating Advisory Committee

Chairman Darrell Richardson was not in attendance. David Sauer reported that the Committee met and discussed hurricane preparedness, back-up generator and increasing staff on-site during hurricanes.

(b) Mainland Municipal Operating Advisory Committee

George Orum stated the Committee met and discussed the W.T.P. update, plant operations, hurricane preparedness, and outlook for water supply.

12. New Business

(a) Discussion and approval of the Long Range Water Supply Study and establishing initiatives for the General Manager to actively pursue certain future water development.

Eric Wilson seconded Bill Eisen's motion to approve the Long Range Water Supply Study and initiatives and authorize the General Manager to actively pursue certain future water development opportunities as presented. Ivan

Langford stated that Freese and Nichols made recommendations and staff expanded to ten projects. Board requested that staff develop a priority list to address how to proceed to reach long term objective. The motion carried unanimously.

- (b) Discussion and approval of revisions to the GCWA Hurricane Procedure and authorization for the General Manager to reissue, distribute, and implement the revised policy.

Ivan Langford stated this was not ready for presentation and would bring to May meeting.

- (c) Discussion and approval of a Master Agreement for Professional Services with Intera, Inc. and work authorization II1201, Canal Systems Conveyance Model attached as Appendix B to proceed with canal modeling scope study with authorization for the General Manager to sign the pertinent documents.

Rosalyn Sue Edrozo seconded James McWhorter's motion for approval of a Master Agreement for Professional Services with Intera, Inc. and work authorization II1201, Canal Systems Conveyance Model attached as Appendix B not to exceed \$30,000.00 and proceed with the canal modeling scope study with authorization for the General Manager to sign the pertinent documents. Ivan Langford reported Intera will prepare a daily hydro reporting model that will provide a daily diversion accounting to customers. The motion carried unanimously.

- (d) Discussion and approval of II1202 Brazos Basin Groundwater Supply Evaluation by Intera, Inc. and authorization for the General Manager to sign the pertinent documents.

Russell Jones seconded Ray Holbrook's motion for approval of II1202 Brazos Basin Groundwater Supply Evaluation by Intera, Inc. in an amount not to exceed \$50,000.00 with authorization for the General Manager to sign the pertinent documents. Ivan Langford stated Intera will analyze ten wells in potentially three counties for viable water sources. The motion carried unanimously.

- (e) Discussion and approval of Lockwood, Andrews, and Newnam LAN0907B, IPS Risk Evaluation and authorization for the General Manager to sign the pertinent documents.

Ivan Langford stated the general consensus of the Industrial Advisory Committee members present at their last meeting was to complete the risk assessment but not approve any additional work and proceed with the design of pump station. Rosalyn Sue Edrozo seconded James McWhorter's motion to approve of Lockwood, Andrews, and Newnam LAN0907B, IPS Risk Evaluation in an amount not to exceed \$90,048.00 acknowledging the scope could be reduced with no additional contingency and authorization for the General Manager to sign the pertinent documents. The motion carried unanimously.

- (f) Discussion and approval of a new logo for Gulf Coast Water Authority. **James McWhorter seconded Rosalyn Sue Edrozo's motion to approve of Logo No. 2 as presented as the new logo for Gulf Coast Water Authority and for development of a strategy to roll out. Rosalyn Sue Edrozo asked that the logo artist test the logo in black and white for clarity. The motion carried unanimously.**

13. Executive Session

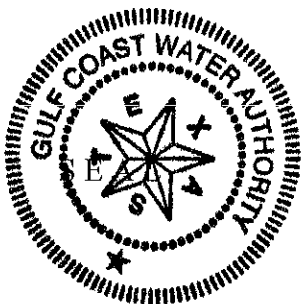
- (a) The Executive Session is held in accordance with Texas Open Meeting Act, (Vernon's Civil Statutes) Texas Government Code, Section 551.071 -- Consultation with attorney and Section 551.072 -- Deliberation regarding real property, to discuss the following:
- 1) Pending litigation and mediation at TCEQ involving Fort Bend, WCID #1, Certificate of Adjudication.
 - 2) Proposed Settlement Agreement with City of Sugar Land.
 - 3) Legal issues involving Intera Report and Daily Water Accounting in the Lower Brazos River Basin.
 - 4) Legal issues involving municipal option and interruptible water supply agreements.
 - 5) Potential Property Acquisition.

Reconvene from Executive Session at 5:15 p.m.

14. Discussion and consideration of possible action involving the following:

- (a) Pending litigation and mediation at TCEQ involving Fort Bend, WCID #1, Certificate of Adjudication.
No action taken.
- (b) Proposed Settlement Agreement with City of Sugar Land.
No action taken.
- (c) Intera Report regarding Daily Water Accounting in the Lower Brazos River Basin.
No action taken.
- (d) Direction to staff regarding municipal option and interruptible water supply agreement.
No action taken.

15. R.C. Williams adjourned the meeting at 5:15 p.m.



Rosalyn Sue Edrozo
Board Secretary-Treasurer

**GULF COAST WATER AUTHORITY MISSION STATEMENT:
-EXCELLENCE-**

To deliver a reliable quantity and quality of water cost effectively to our customers and provide employees the opportunity to learn, grow & succeed in a safe working environment.

Manager's Report**April 19, 2012****(e) Canal (Funds 08 & 21)****1) Drought/BRA System Update**

- **2012 Brazos River Reservoir Levels (System Total):**
 - April 11th - 96%, March 7 – 85%, Feb – 78%, Jan – 63%
 - April 30,2012 **System Projection** 77% full
- **Somerville:**
 - April 11th – 133%, March 7 – 80%, Feb -58% , Jan – 40%,
- **Lake Limestone:**
 - April 11th – 100%, March 7 – 91%, Feb – 75%, Jan – 53%,
- **Stillhouse:**
 - April 11th – 93%, March 7 – 65%, Feb – 61%, Jan – 61%
- **Belton:**
 - April 11th – 103%, March 7 – 92%, Feb – 76%, Jan – 70%,
- **Possum Kingdom:**
 - April 11th – 88%, March 7 – 84%, Feb – 81%, Jan – 75%

On April 10, 2012 we mailed a check to Brazos River Authority in the amount \$1,598,081.20 for 36,527 A/F of water for rice farmers. A request from other customers for another 7,118 A/F of Interruptible Water will be filled from the City of Richmond and the City of Rosenberg's BRA contract water which they have purchased for their future Surface Water Plant. In 2011 we negotiated with them to have the first right of refusal through 2013, contingent upon BRA agreeing to the consent. The City of Richmond has 2,922 A/F available and the City of Rosenberg has 4,450 A/F available for a combined 7,372 A/F.

2) Short Term/Long Term Water Supply Strategy Studies

Jordon has met with several people regarding ground water options in the Brazos Basin. Each has indicated they could put together 70,000 plus Acre Feet of water. This is one of the items Staff has added back to the list of strategy's we felt was worth pursuing. It is our understanding this is an option that GBRA in Seguin has and continues to investigate.

Long Term Strategy

A meeting was held at the Nessler Center on Friday March 23rd at 1:00pm with Freese Nichols to review and discuss 23 long term strategies with the Board and

GCWA Customers. Freese Nichols Proposed a total of 4 strategies for further consideration. Staff met and discussed the proposals recommended and have added several projects we feel are viable and have added them back to the list. One of the items on the agenda for approval today is staff's recommendation. After approval we will move forward with either notification of interest to various parties or start review process for picking the appropriate engineering firm to assist with each strategy.

Canal A, Tract A1.045, Jones Creek Spillway Replacement (CIP \$700,000)

Despite the recent rains and rising water in Jones Creek, Jerdon Inc. completed the final concrete pour on the spillway structure on Thursday April 12th. Work remaining is final grading, installation of rip rap, and completion of the all-weather access road. Another project meeting is scheduled for April 26th. A punch list will be generated and any issues will be addressed. Project is still on schedule for June completion.

3) Canal B, Tract B.104-105 Bridge 27, Knight Flume Replacement (CIP \$1,500,000)

Last month we reported an inspection of the flume was completed prior to the removal of the dam and water filling the flume. The inspection revealed several items. The major item identified was an area on the left levee downstream of C-1 Ditch where the outside side was extremely steep. This area would be an ongoing maintenance item. NBG came up with a solution to correct the problem by installing a junction box to intercept the new 48" RCP storm drain, extend the existing 24" CMP from the adjacent property owner and install 4 new segments of 48" RCP. NBG is wrapping up the field work and anticipates a walk through sometime next week. Brazoria County Conservation and Reclamation District #3 gave verbal acceptance the first week of April.

4) Canal B, Tract B.112 U9 Underdrain Replacement (CIP \$450,000)

Brazoria County C&R District #3 completed rebuilding the canal levees on March 23rd. The dams and by-pass pipe for M-1 ditch were removed on March 26th and the project was deemed complete. We began pumping at the Briscoe Plant on April 5, 2012. Water has been flowing through the canal however, we are down due to reservoir levels and no customer demands. The recent rains of approximately 4 inches in and around the City of Alvin had no problems flowing through the new pipes. Since such a large area of ground was disturbed during the replacement process we are receiving quotes to hydro-mulch the banks to expedite growth of desirable grasses. The City of Alvin will be providing As-Built drawings of the project.

5) Update on Intake and Discharge Piping Refurbishment at Briscoe and Juliff Pump Stations (Briscoe CIP \$400,000 Juliff CIP \$100,000) Briscoe:

Work has been discontinued at the Briscoe Plant due to high river levels and our need to begin pumping operations. Work has also been temporarily suspended at the Juliff Plant primarily due to high river elevations. We hope to complete the

composite repairs to the 2 discharge pipes as soon as possible if the river goes down soon. If we are able to complete the composite coating this will complete the Juliff Plant portion of the Scope of Work.

Industrial (Fund 02)

1) **Project Updates**

- **Electrical Reliability and Back-up Generator**

The 100% draft report regarding electrical reliability including generator and transformer specifications has been distributed to GCWA staff, including our Electrician and IT Specialist for review. The information was submitted to the Industrial Customers electronically for their review. Staff is currently reviewing and organizing comments to be sent back to CDM. We are also in negotiations for a subsequent Work Authorization for final design of transformer replacement and generator installation.

- **Meter Installation**

LAN recommended Sub-surface Utility Hydro - excavation (SUE) prior to completion of final design. They are soliciting quotes at this time. They will get back with an updated time table. We are also gathering information pertaining to each sites access requirements in order to prepare for a pre-bid meeting with the contractors.

- **Pump House Replacement/Refurbishment**

LAN presented the 80% plan documents to Industrial Customers during the March 21, 2012 Industrial Meeting. A lot of discussion regarding risk assessment and analysis took place. This project was discussed again yesterday with the Industrial Customers in attendance at the Industrial Meeting and those representatives felt we should not invest the money into an evaluation of the pump house we should move forward with design of a new pump station. We will verify Valero and Marathon's position before moving forward. Also, the representatives will discuss this with their plant managers to get their support as well. An investigation will be performed to evaluate the condition of the discharge piping to determine ability to tap into it.

MEMO

Date : April 19, 2012

To : Board of Directors

From: Ivan Langford

RE : April General Manager Report

Customer visits-

March 21- Briefing with Mayor Doyle and staff on current GCWA issues.

March 22- Attended Galveston City Council meeting on their consideration of desalination plant grant opportunities.

April 4 - Meeting with Matt Abraham of INEOS to discuss development of off canal storage facilities.

April 12 - Attended Galveston City Council meeting on desalination, water wells, and other water options.

April 17- Meeting with City of League City officials to discuss their long term water supply strategies.

Internal Operations-

March 19- Meeting with F/N and staff on Long Range Water Supply Study.

March 21- Meeting with George Orum to update Hurricane Plan for Authority.

March 26- Bob and I met with representatives of Energy Edge Consulting; our broker for electricity.

April 2- Met with staff and Jimmy Dunham, Dunham Engineering, to discuss alternative strategy for the maintenance of all concrete structures at the TMWTP.

April 4- Met with CDM Smith's Chris Canonico PE, regarding their services and cost related to the ISP generator and transformer project.

April 4- Meeting with LAN to discuss status of all projects they have under contract with Authority.

April 9- Meeting with Tom Burm of Dow - Texas City, to discuss issues related to power feed to ISP.

April 10- Reviewed a/c problems at TMWTP main building.

April 11- Staff meeting with Laserfiche vendor, MCCi. Presentation on electronic storage of all permanent paper records.

April 13- Meeting with Bobby Gervais to discuss Board by-laws.

External Contacts-

March 20- Meeting with Galveston County 911 District representatives Bobby Wright and Jack Wilkins to discuss potential use of their infrastructure to assist Authority with further development of SCADA network.

March 26 - Meeting with Gena Leathers with Dow Chemical to discuss opportunity for joint study on lower Brazos River.

March 27- Attended Basin and Bays Stakeholder Committee (BBASC) meeting at BRA offices in Waco.

March 28- Meeting with County Judge Henry; briefing of Authority current activities.

March 29- Attended public meeting at Subsidence District for update on their current subsidence studies.

March 30- Meeting Galveston County Emergency Management officials.

April 3- Meeting with State Representative Craig Eiland and Mindy Ellmer in Austin.

April 3- Meeting with Jordan Furnans of Intera to discuss several upcoming modeling projects. (Austin)

April 17- Brazosport Water Authority; Lake Jackson. Water supply study.

April 19- City Manager's meeting

Upcoming-

April 23- Conference call with Dow Chemical to discuss joint study on Brazos.

April 24- BBASC meeting Waco.

April 24- Texas City Industrial Trade Show

April 26- TCEQ Plant annual inspection.

April 26- Driving safety training- Water Plant

April 26- Meeting with Missouri City staff and tour of water plant

April 30- Appreciation luncheon with C& R#3.

May 3- Road trip to look at groundwater opportunities.

May 16- Hurricane Preparedness Luncheon- Texas City

May 17- BCPC Water Symposium- Brazosport College