

**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 17th day of May, 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.

ALSO PRESENT were: Ivan Langford, David Sauer, Nancy Matthews, John Martinez, James Vanderwater, George Orum, Bobby Gervais, Karen Ivey, Cody Cockroft, Charlie Ganze, Jerry Newell, Jeff Peters, Michael Huynh, SuEllen Staggs, Darrell Richardson, Scott Carlson, Michael Bagstad, Robert Fiederlein, Jody Hooks, Mike Loftin, Chris Canonico, 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 April 19, 2012.
4. Discussion and approval of work authorization LAN0901C with Lockwood, Andrews, and Newnam, Inc. (LAN) for the Design of Flow Meters and Pressure Sensors for the Industrial Water Transmission Lines Subsurface Utility Engineering & Additional Surveying and authorization for the General Manager to sign the pertinent documents.
5. Discussion and approval of LAN0902B with Lockwood, Andrews, and Newnam, Inc. (LAN) for the BP 12-inch Branch Repair and authorization for the General Manager to sign the pertinent documents.
6. Discussion and approval of a budget increase to work authorization LAN0906 with Lockwood, Andrews, and Newnam, Inc. (LAN) for the 36-inch Water Line Evaluation

- & Repair over the Causeway and authorization for the General Manager to sign the pertinent documents.
7. Discussion and approval of Change Order No. 2 with NBG Constructors to modify the 48" RCP drainage pipe and to reconcile the contract quantities and authorization for the General Manager to sign the pertinent documents.
 8. Discussion and approval of a budget increase to work authorization FN0903F with Freese and Nichols, Inc. for Knight Flume Replacement Construction Management and authorization for the General Manager to sign pertinent documents.
 9. Discussion and approval of work authorization LAN0909 with Lockwood, Andrews, and Newnam, Inc. (LAN) for Construction Management Services for 2012 HVAC Work and authorization for the General Manager to sign the pertinent documents.
 10. Discussion and approval of a Crossing Agreement with Imperial Redevelopment District for an 18-inch sanitary sewer line under Oyster Creek located in tract A-1-70 with authorization for the General Manager to sign the Agreement.
 11. Discussion and approval of award of contract to MCCi to provide an electronic document storage system and authorization for the General Manager to sign the pertinent documents.

David Sauer pulled item 10 from consideration. William Pedersen seconded James McWhorter's motion to approve consent agenda items 3 – 11 with the exception of item 10. The motion carried unanimously.

Reports

12. Managers

- (a) Thomas Mackey Water Treatment Plant (Fund 06)
 - 1) Clarifier #2 mixer drive motor and VFD upgrade
 - 2) TCEQ Inspection update
- (b) Thomas Mackey Water Treatment Plant Transmission (Fund 06)
 - 1) Annual Contract for Water Transmission Repairs
- (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) Flooding of motors at Shannon Plant
- (d) Industrial (Fund 02)
 - 1) Project Updates
 - Electrical Reliability and Back-up Generator
 - Meter Installation
 - Pump House Replacement/Refurbishment
 - Ashland Meter Leak Update
- (e) Administrative
 - 1) Legislative Consultant Update
 - 2) Administrative Update

13. Board Committees

- (a) Financial Committee

1) Discussion and Approval of Monthly Financial Report

The Financial Committee met prior to the Board Meeting, Russell Jones was unable to attend. Bill Eisen reported that expenditures and revenues for all funds were within budget with the exception of Chocolate Bayou due to the purchase of supplemental water. Ivan Langford reported investments for the month of April totaled \$51,468,007.32.

(b) Engineering Committee

James McWhorter stated the Committee met on May 10, 2012 with members James Cesarini, William Pedersen and himself present, and reviewed the status of engineering projects, saltwater barrier, and long range strategies.

(c) Organization and Planning Committee

James McWhorter stated the Committee met on May 9, 2012 with members Russell Jones, Rosalyn Sue Edrozo, and himself present. Board member Ray Holbrook, Ivan Langford also attended. Items discussed included management audit process, 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 on April 23, 2012 with members James McWhorter, James Cesarini and himself present and discussed accident at Canal Division and developed schedule for safety inspections. The safety inspections of Chocolate Bayou Pump Station, Juliff Plant, Mustang Bayou were completed May 2, 2012 and the WTP and Industrial Reservoir inspections were completed May 8, 2012.

14. Advisory Committees

(a) Industrial Operating Advisory Committee

Chairman Darrell Richardson reported the Committee met May 16, 2012 and had a presentation by Terrell Palmer regarding the bond process which provided insight for future projects. Mr. Richardson stated the Committee hoped to receive the Capital forecast at their next meeting.

(b) Mainland Municipal Operating Advisory Committee

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

15. New Business

(a) Presentation by Jeff Peters of CDM Smith to update the Board on City of League City proposal for additional water supply.

Ivan Langford introduced Mike Loftin of the City of League City and Jeff Peters of CDM Smith who updated the Board on League City's projected water demands. Mr. Peters stated that with an anticipated moderate growth rate, the City of League City may run out of water by 2017. He explained

the possible future options available and the intent to include GCWA in the process as an important business partner. No motion required.

- (b) Discussion and approval of an Interlocal Agreement with Brazosport Water Authority with authorization for the General Manager to sign the pertinent documents.

Eric Wilson seconded Bill Eisen's motion to approve an Interlocal Agreement with Brazosport Water Authority including contribution amount of \$10,000.00 and in-kind contribution of \$1,500.00. The motion carried unanimously.

- (c) Discussion and approval of Work Authorization KA1202 with Klotz Associates, Inc. for a feasibility study for the improvements to Chocolate Bayou Salt Water Barrier and Off-Channel Storage, and authorization for the General Manager to sign the pertinent documents.

James McWhorter seconded Eric Wilson's motion to approve Work Authorization KA1202 with Klotz Associates, Inc. for a feasibility study for the improvements to Chocolate Bayou Salt Water Barrier and Off-Channel Storage, and authorization for the General Manager to sign the pertinent documents. The motion carried unanimously.

- (d) Discussion and possible action regarding Board Retreat.

Ivan Langford reported he met with one potential consultant to act as a facilitator. The Board discussed possible dates and locations, and Ivan requested that Board members respond to him by Monday, May 21, 2012 after consulting their schedules. No motion required.

- (e) Discussion and approval of TCEQ RFP Independent Management Audit and authorization for the General Manager to request proposals.

Rosalyn Sue Edrozo seconded Bill Eisen's motion to approve of TCEQ RFP Independent Management Audit and authorization for the General Manager to request proposals. The motion carried unanimously.

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

David Sauer stated the Board Safety Committee reviewed the new policy and the major changes to the policy were managers are now part of the Hurricane crew and evacuation release times were made consistent with the Galveston County Office of Emergency Management. Eric Wilson seconded William Pedersen's motion to approve the revisions to the GCWA Hurricane Procedure and authorization for the General Manager to reissue, distribute, and implement the revised policy. The motion carried unanimously.

- (g) Discussion and approval of selected long range water supply priorities and authorization for the General Manager to proceed accordingly.

Rosalyn Sue Edrozo seconded James McWhorter's motion to approve the selected long range water supply priorities and authorization for the General Manager to proceed accordingly. The motion carried unanimously.

- (h) Discussion and approval of the declaration of an emergency repair of pumps, motors, and equipment at the Shannon Plant not to exceed \$250,000 with authorization for the General Manager to sign the pertinent documents.

Eric Wilson seconded James Cesarini's motion to approve the declaration of an emergency repair of pumps, motors, and equipment at the Shannon Plant not to exceed \$250,000 with authorization for the General Manager to sign the pertinent documents. David Sauer reported the estimated cost was high and expected repairs to be completed within two weeks. David Sauer commended Herb Adickes, Mickey Pallardy and crew that responded and stopped the leak before further damages were incurred. The motion carried unanimously.

16. Executive Session

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:

- (a) Pending litigation and mediation at TCEQ involving Fort Bend, WCID #1, Certificate of Adjudication.
- (b) Proposed Settlement Agreement with City of Sugar Land.
- (c) Legal issues involving Intera Report and Daily Water Accounting in the Lower Brazos River Basin.
- (d) Legal issues involving municipal option and interruptible water supply agreements.
- (e) Consider purchase of ½ undivided interest in 20 acres of property located within Mustang Lake in Abstract 110 in Brazoria County, Texas from George A. and David N. Dingee.

Reconvene from Executive Session at 5:05 p.m.

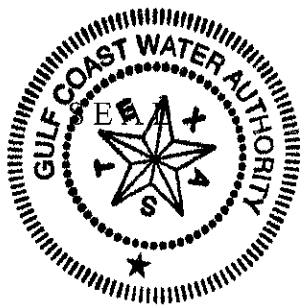
17. Discussion and consideration of possible action involving the following:

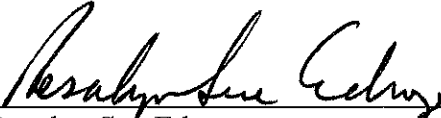
- (a) Pending litigation and mediation at TCEQ involving Fort Bend, WCID #1, Certificate of Adjudication.
No action taken.
- (b) Proposed Settlement Agreement with City of Sugar Land.
No action taken.
- (c) Legal issues involving Intera Report and Daily Water Accounting in the Lower Brazos River Basin.
No action taken.
- (d) Legal issues involving municipal option and interruptible water supply agreements.
No action taken.
- (e) Consider purchase of ½ undivided interest in 20 acres of property located within Mustang Lake in Abstract 110 in Brazoria County, Texas from George A. and David N. Dingee.

James McWhorter seconded Eric Wilson's motion to approve the purchase of ½ undivided interest in 20 acres of property located within Mustang Lake

in Abstract 110 in Brazoria County, Texas from George A. and David N. Dingee in the amount of \$20,000.00 plus closing costs and authorization for the General Manager to sign the pertinent documents. The motion carried unanimously.

18. R.C. Williams adjourned the meeting at 5:07 p.m.





Rosalyn Sue Edrozo
Board Secretary-Treasurer

Attachments: Assistant General Manager's Report
General Manager Report

***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

May 17, 2012

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

• **Annual Contract for Water Transmission Repairs**

Over the past several years we have experienced failures of the fire hydrant blow-offs on the southline as well as several tap and saddles on the north line and the 39 - inch. We have stated in previous Board meetings that we need to take a more pro-active approach to the repairs instead of a reactive approach. Many times we are able to use canal employees to make the repairs, other times they are busy and can't make the repairs. We now have an adequate supply of spare parts on hand, but have nothing in place with a contractor to perform the repairs if we are not available. We have prepared a Scope of work for various types of annual pipe repairs. We are soliciting bids now and plan to come to the Board for approval of a contract in June.

(e) Canal (Funds 08 & 21)

1) Drought/BRA System Update

• **2012 Brazos River Reservoir Levels (System Total):**

- May 10, - 95%, April - 96%, March - 85%, Feb - 78%, Jan - 63%
- System Total in May 2011 - 89%
- This time last year we were already releasing 275cfs. To date no releases have been called for and none are expected in the near future.
- April 30, 2012 **System Projection** 77% full

• **Somerville:**

- May 10, - 101% , April - 133%, March - 80%, Feb - 58% , Jan - 40%,

• **Lake Limestone:**

- May 10, - 97%, April - 100%, March - 91%, Feb - 75%, Jan - 53%,

• **Stillhouse:**

- May 10, - 94%, April - 93%, March 7 - 65%, Feb - 61%, Jan - 61%

• **Belton:**

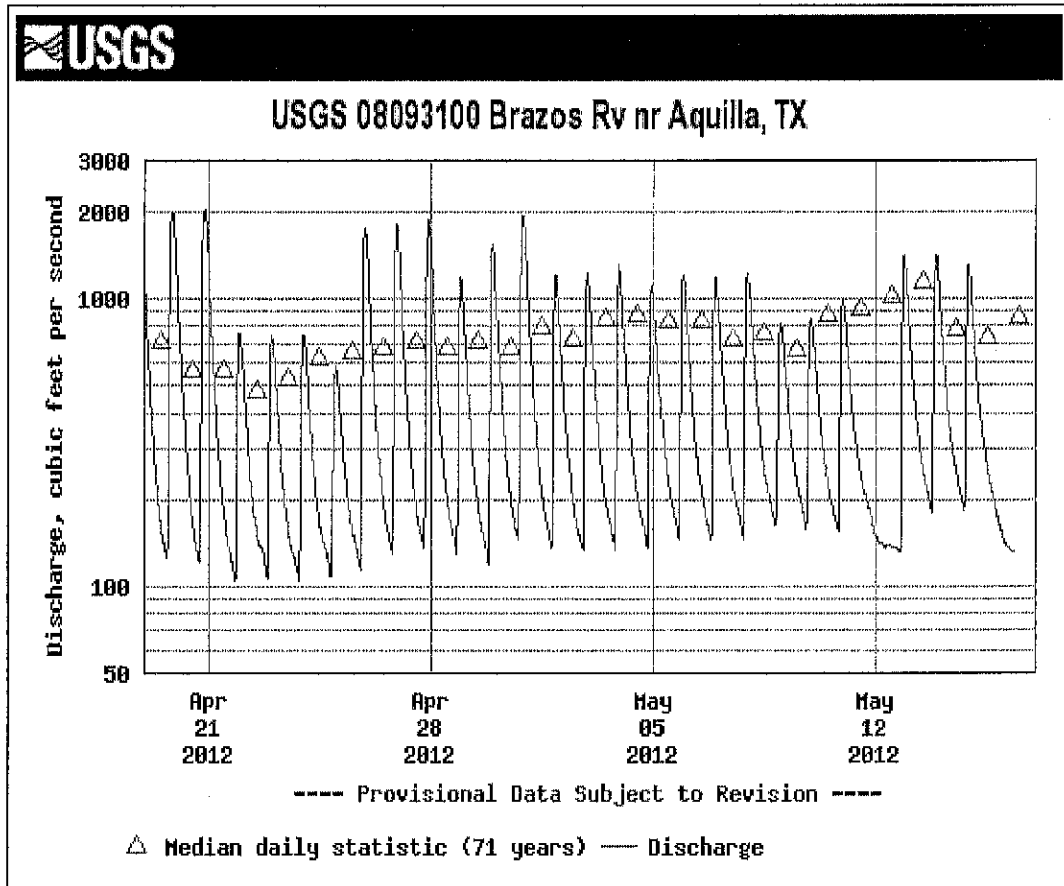
- May 10, - 100%, April 11 - 103%, March 7 - 92%, Feb - 76%, Jan - 70%,

• **Possom Kingdom:**

- May 10, - 86%, April 11 - 88%, March 7 - 84%, Feb - 81%, Jan - 75%

As of today we have purchased the following quantities of Interruptible Water from the listed sources and at the following price. All costs will be reimbursable from the customers for which the water was purchased.

Contract Source	Quantity (A/F)	Price	Use Type
BRA #1	36,527	\$ 1,598,081.21	Rice Irrigation
BRA #2	629	\$ 27,543.75	Rice Irrigation
City of Rosenberg	4,380	\$ 274,350.00	Industrial
City of Richmond	2,892	\$ 181,350.00	Industrial
Totals	44,428	\$ 1,900,156.31	



The graph above represents release for power generation out of Lake Whitney since the last Board meeting. Each day beginning around 10:00pm and continuing until approximately 3:00pm anywhere from 1,500cfs and 2,000cfs is being released for power generation. BRA's storage still shows to be at 100%

- 2) **Canal A, Tract A1.045, Jones Creek Spillway Replacement (CIP \$700,000)**
Final grading, installation of rip rap, and completion of the all-weather access road was all completed by the first week in May. A substantial Completion walk through was conducted on May 7th. Only a few minor items remain to be completed. Five days after substantial completion on May 12, 2012 approximately 12 inches of rain fell upstream of the Jones Creek Spillway causing approximately 3 feet of water to spill over the spillway, approximately 1,333cfs. On Sunday approximately 2 feet was still spilling. On Monday, May 15th approximately 6 inches was still spilling over the spillway. The contractor continues to address items on the punch list and is still on schedule for June completion. I'm happy to report the spillway performed as designed.

- 3) **Canal B, Tract B.104-105 Bridge 27, Knight Flume Replacement (CIP \$1,500,000)**
The 48 inch storm drain inlet was completed on April 23, 2012. A final walk through took place on April 27th. Only one punch list item remains to be completed, a small leak at bent #3. Freese Nichols anticipates delivery of As-Built Drawings in late May or very early June. Approximately 7 inches of rain fell in the C-1 watershed on May 12, 2012 and the gabions and flume also performed as designed.

- 4) **Flooding of motors at the Shannon Plant**
On Saturday, May 12, 2012 significant rain fell in Fort Bend County in the area around the Shannon Pump Station. The plant operators received a high sump alarm at 9:10am. By the time the first operator arrived at 9:25am water had risen approximately three feet. The second operator arrived at 9:30am. The sump pump was running; however, more water was flowing through a rusted three inch pipe than the sump pump could keep up with. The two plant operators, Herbert Adickes and Mickey Pallardy, removed the manhole cover on the intake side of pump#2 so the water could flow back into the river and not rise anymore. By the time they got the cover off the water had risen about another foot. Luckily the rains that day did not fall upstream of the Shannon Plant or they would not have been able to open the manhole cover. The Richmond gauge had risen 9 feet between midnight and 6:00am, the Rosharon gauge rose 11 feet in the same time period. After removing the manhole cover a temporary patch consisting of wrapping rubber belting from a hay baler around the 3 inch pipe and securing it with a series of water hose clamps was installed. Later the piping was removed from the headwall, excavated, cut off, and a cap welded over the pipe before backfilling. Motor #1 and #2 did get water in them but as a result of the operators efforts #3 was spared. It was determined the pipe went all the way up to the top of the building and out through the discharge headwall. Run-off from Flewellen Ditch and other sources drained into Jones Creek causing high water to back up against the discharge headwall approximately 1 ft. over the pipe. The pipe had been grouted but the grout failed. Crews from Alvin worked Saturday to stop the leak and to pump the water out of the building.

Both motors were pulled and sent to Southwest Industrial Motors Tuesday afternoon to be cleaned, checked and dried. We plan to use the time the motors are out to perform additional preventative maintenance. The remaining number 3 pump is the smallest pump at the Shannon Plant pumping approximately 40,000gpm. This pump is marginal to keep up with customer demands on System A. A contract welder spent 3 days at the plant welding a new full circle clamp around the outside of the intake pipe to fix a leak in the intake pipe. A liner was also rolled and welded inside the pipe for extra stability. Southwest Industrial Motors estimates they could possibly have #1 motor back to us by the weekend. #2 Motor will probably require additional repairs on the coils causing a longer repair time.

Industrial (Fund 02)

1) Project Updates

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

Staff terminated negotiations with CDM/Smith on this project. The PER performed by CDM/Smith provided sufficient specifications for the transformers to go out for bids. Since the age and condition of the transformers are the more critical of the two items and we have sufficient funding available we plan to move forward on this project. We will conduct the bid process in house for procurement of the transformers and contact with an outside firm to design the slab. Timing of installing temporary transformers and installation of the transformers can be worked out internally as well with assistance from our Electrician. We will resume work on the backup generators in the near future.

- **Meter Installation**

We have an item on today's agenda to approve a work authorization for design of flow meters and pressure sensors as well as SUE

- **Pump House Replacement/Refurbishment**

We met with LAN on Monday and identified locations where the discharge piping should be tested. Excavation of the piping will need to be performed at each site. John will meet with Mack next week to discuss excavation.

- **Ashland Meter Leak Update**

On April 9, 2012 a leak was identified next to the Meter Vault that is located north of Attwater, across the street from Ashland Chemical. Canal employees determined the leak was caused by a broken 16" diameter AC pipe just outside the vault. We have met with Ashland and developed a repair plan to replace approximately 24 LF of 16" pipe with ductile iron pipe and new fittings. Bids were taken and Hugh Patrick will be contracted to install the pipe in early June.

Date: May 17, 2012
To : Board of Directors
From: Ivan Langford
Re : May General Manager Report

Customer Visits

April 23- Attended City of League City Workshop to discuss alternative water supply solutions.

April 26- Joint meeting with City of Missouri City staff at their surface water plant to discuss canal/water plant operation procedures.

May 7- meeting with League City and their consultant on reuse of wastewater effluent into canal.

Internal Operations-

April 20- Monthly facility tour with David Sauer. April 23- Review of INEOS contract with Ron Freeman.

April 25- Employee safety meeting in Alvin, driving safety presentation by TML-IMP rep.

April 26- Final walk-through inspection on Jones Creek Spillway Project, and

May 2- First of three Safety Committee facility tours.

May 3- follow up with Energy Edge (electricity broker for GCWA), locked in natural gas pricing in range of \$3.25 to \$3.50..

May 7- Hurricane committee policy review and update. May 8- Second of three Safety Committee facility tours.

May 14- All day meeting with Ron Freeman, review of all raw water contractual obligations.

May 15- tour Shannon Pump Station to view damage from water leak inside pump station.

External Contacts-

April 23- Conference call with Gena' Leathers, Dow Chern- Freeport- General discussion on projects of common interests.

April 24- Attended Basin and Bays Stakeholder Committee (BBASC) meeting at BRA offices in Waco.

April 25- Bay Area Houston Economic Partnership- Commissioner Ken Clark presenting on water supply needs.

April 27- Road trip to Milam County {Caldwell) to meet with group interested in selling ground water rights to GCWA.

April 30- Brazoria County C & R District #3 Appreciation Luncheon and facilities tour.

May 3- Road trip to Milam and Robinson Counties to meet with two different groups interested in selling groundwater to GCWA.

May 16- Meeting with Ronnie Schultz, Gal. Cnty Health District, Environmental Division

May 16- Hurricane Preparedness Meeting- Texas City

May 17- BCPC Water Symposium- Brazosport College Center

Upcoming-

May 18- meeting with Mike Loftin, City Manager City of League City and City of South Houston to discuss possible water purchase.

May 22- meeting with Post Oak- Savannah Ground Water District General Manager in Milano.

May 22- meeting with BRA in Waco to hear presentation of BRA System Rates

May 23- tour of Lower Neches Valley Water Authority facilities and discussion of irrigation billing.

May 24- Hurricane Awareness presentation

May 25- meeting with the Goodman Corporation to discuss desalinization.

May 25- meeting at Dam 1 with City of Sugar Land to discuss vegetation removal options.

May 30- meeting with City of Houston and City of League City to discuss water availability out of SE Water Plant and upsizing of Hwy 3 Water Line replacement project

June 1- road trip to Austin to meet with Larry French, TWDB, to discuss groundwater withdrawal and transport down Brazos River.

June 7- Gal Cnty Emergency Management- Hurricane Kickoff Meeting

June 13- 1S Texas Water Conservation Assn. - Conference- Horseshoe Bay