



Gulf Coast Water Authority
Regular Board Meeting
Minutes
June 20, 2013

COUNTY OF GALVESTON §
STATE OF TEXAS §

The Board of Directors of the Gulf Coast Water Authority of Galveston County, Texas, met on **Thursday, June 20, 2013, at 3:00 p.m.** at the Gulf Coast Water Authority's Administrative Office located at 3630 Highway 1765, Texas City, Texas with duly constituted members of said Board to wit:

<i>James McWhorter</i>	<i>President</i>
<i>Eric Wilson</i>	<i>Vice President</i>
<i>Rosalyn Sue Edrozo</i>	<i>Secretary / Treasurer</i>
<i>Russell C Jones</i>	<i>Assistant Secretary / Treasurer</i>
<i>James R Cesarini</i>	<i>Director</i>
<i>Bill Eisen</i>	<i>Director</i>
<i>Ray Holbrook</i>	<i>Director</i>
<i>Shane Hamilton</i>	<i>Director</i>
<i>Gary Potter</i>	<i>Director</i>

All members were in attendance. A quorum was present.

Also present: Bobby Gervais, Charles Williams, Rafael Ortega, Sharon Valiante, Robert Upton, Jonathan Frails, Darrell Richardson, Dennis Shea, SuEllen Staggs, Rick Ramirez, Darrell Hartwick, Scott Carlson, David Van Riper, Jody Hooks, Brenda Smith, David Eby, Mike Morgan, Ivan Langford, David Sauer, Bob Webb, Nancy Matthews, Mack Chapman, George Orum, James Vanderwater, John Martinez & Renee Dondonay

1. Convene Meeting – *James McWhorter*

President James McWhorter called the meeting to order at 2:59 PM.

2. Conflict of Interest Declarations – *James McWhorter*

None

3. Requests to Address the Board - *James McWhorter*

None

4. Consent Agenda

- a. Accept Minutes from the Board of Directors Regular Meeting held May 16, 2013.
- b. Discussion and approval of four (4) Crossing Agreements between Gulf Coast Water Authority and Seaway Crude Piping Company, LLC for a crude oil pipeline crossing the American Canal,

Briscoe Canal and the Juliff Canal System located in Brazoria County, Texas with authorization for the General Manager to sign the pertinent documents – *Nancy Matthews*

- c. Discussion and approval of Sanderson Knox & Company to provide services to Audit the Financial Statements of Gulf Coast Water Authority for the Year Ending August 31, 2013 – *Bob Webb*

Eric Wilson seconded Bill Eisen's motion to accept all items on the Consent Agenda. The motion passed unanimously.

5. Managers' Report (*See Attached*)

The Staff Safety Stand Down on May 22, 2013 was successful.

GCWA recently participated in Operation Storm Ready with Galveston Office of Emergency Management. Changes in the Hurricane Policy will be made based on information learned during the drill. The Hurricane Policy will hopefully be brought before the Board next Month.

Gulf Coast Water Authority received the American Public Works Association Award for Project of the Year in Structures less than \$2 Million for the Knight Flume Replacement Project. The project will be competing next year for a National Award. David Sauer attended the reception with Cody Cockroft of Freese and Nichols to accept the award.

6. Board Committees

- Finance and insurance Committee – *Russell Jones*

The Committee met on June 20, 2013 with all members present. The committee recommended Sanderson Knox for the annual financial audit once it is brought to the Board for approval. Mr. Jones brought to the Boards attention of the necessity to gain Board approval of the Investment Report on a quarterly basis. Eric Wilson seconded Russell Jones' motion to approve the Investment Report. The motion passed unanimously.

- Engineering Committee – *James McWhorter*

The committee met on June 13, 2013 with all members present except Sue Edrozo. The committee discussed HV Engineering, LLC for electrical engineering services for the Industrial Pump Station Transformers / Generators and May Pumping Plant Electrical Power Center, the construction contract for Paving Improvements at the Thomas S Mackey Water Treatment Plant and Administration Building, the Industrial Pump Station P4 Pump Refurbishment by Standard Alloys, Inc, possible policy for water rationing during extreme drought, water supply strategies with means and methods to expedite and various ongoing projects.

- Organization and Planning Committee – *Sue Edrozo*

The committee met on June 12, 2013 with all members in attendance. The committee reviewed the budget and Bob Webb clarified various items and was requested to add verbiage to the budget explaining those items for future reference, Nancy Matthews gave a presentation on the ongoing records retention project and demonstrated its abilities for tracking necessary documents with the committee discussing methods to expedite the process, the implementation of the interim pay plan and the planning of a performance based pay plan and the water contracts with Sugarland. The committee will no longer meet on a monthly basis. The committee meetings will call for more participation from Board Members in a Workshop which will take place quarterly.

- Personnel and Compensation Committee – *Eric Wilson*

The committee did not meet in June 2013.

- Safety Committee – *James Cesarini*

The committee met on June 13, 2013 with all members in attendance. The committee discussed incidents and near incidents over the past month, the status of the Safety Policy update, Staff Safety Meeting and the status of Safety Audit Issues.

7. Advisory Committees

- Industrial Advisory Committee – *Darrell Richardson*

The committee met on June 5, 2013 following a tour of the Industrial Reservoir. Mr. Richardson also announced a new representative to the Industrial Advisory Committee – Mr. David Davalos who is replacing Mr. Tom Burm as the Dow Representative and Mr. Bennie Jones who is replacing Mathews Abraham as the Ineos Representative. The next committee meeting is scheduled for July 10, 2013.

- Mainland Division Operating Advisory Committee – *Steve Jefferson*

The committee did not formally meet in June 2013 and opted to tour the Industrial Reservoir on June 5, 2013. Ivan Langford announced a new representative to the Mainland Division Operating Advisory Committee – Mr. Jody Hooks who is replacing Mr. Mike Moreno as the City of League City Representative. The next committee meeting is scheduled for July 16, 2013.

8. New Business

- a. Discussion and possible action to approve an engineering services agreement and work authorization with HV Engineering, LLC for electrical engineering services for the Industrial Pump Station Transformers / Generators and May Pumping Plant Electrical Power Center with authorization for the General Manager to sign the pertinent documents – *James Vanderwater*

Shane Hamilton seconded James Cesarini's motion to accept the engineering services agreement and work authorization with HV Engineering, LLC for electrical engineering services for the Industrial Pump Station Transformers / Generators and May Pumping Plant Electrical Power Center and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.

- b. Discussion and possible action on a construction contract for Paving Improvements at the Thomas S Mackey Water Treatment Plant and Administration Building with the contractor who submitted the lowest price bid with authorization for the General Manager to sign the pertinent documents – *James Vanderwater*

Eric Wilson seconded Gary Potter's motion to accept a construction contract for Paving Improvements at the Thomas S Mackey Water Treatment Plant and Administration Building with the contractor who submitted the lowest price bid (Hugh Patrick) and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.

- c. Discussion and possible action on the Industrial Pump Station P4 Pump Refurbishment by Standard Alloys, Inc with Authorization for the General Manager to sign the pertinent documents – *John Martinez*

Bill Eisen seconded Eric Wilson's motion to accept the Industrial Pump Station P4 Pump Refurbishment by Standard Alloys, Inc and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.

- d. Discussion and possible action on Agreement with the Galveston County Emergency Communication District (GCECD) to participate in the Regional Trunked Radio System – *Ivan Langford*

James Cesarini seconded Ray Holbrook's motion to accept an Agreement with the Galveston County Emergency Communication District (GCECD) to participate in the Regional Trunked Radio System. The motion passed unanimously.

- e. Discussion and possible action for Bracewell & Giuliani (Legal Counsel) and First Southwest Company (Financial Advisor) to begin preparation of a plan of finance for the Industrial Reservoir and the Industrial Pump Station, including a review of existing contracts and to work with the GCWA staff to initiate conversations with affected customers regarding the financing – *Bob Webb*

Jonathan Frails of Bracewell & Giuliani updated the Board on the process in working with Gulf Coast Water Authority and all customers.

Bill Eisen seconded Ray Holbrook's motion to accept Bracewell & Giuliani (Legal Counsel) and First Southwest Company (Financial Advisor) to begin preparation of a plan of finance for the Industrial Reservoir and the Industrial Pump Station, including a review of existing contracts and to work with the GCWA staff to initiate conversations with affected customers regarding the financing. The motion passed unanimously.

- f. Discussion and possible action on the Second Crop Contract template and to deliver water for the Second Crop to the Rice Farmers with authorization for the Assistant General Manager to sign the pertinent documents – *David Sauer*

This item was skipped to allow the Board to discuss item g. The decision on Item g. would have a direct influence on the decision of Item f.

Bill Eisen seconded Eric Wilson's motion to accept the Second Crop Contract template and to deliver water for the Second Crop to the Rice Farmers and authorize the Assistant General Manager to sign the pertinent documents. The motion passed unanimously with the exception of Ray Holbrook who voted no.

- g. Discussion and possible action for the General Manager to make a Senior Call on the Gulf Coast Water Authority Water Rights on the Brazos River – *Ivan Langford*

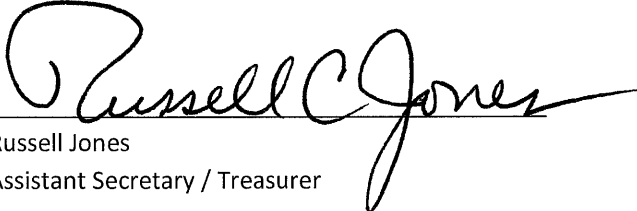
Eric Wilson seconded Ray Holbrook's motion for the General Manager to make a Senior Call on the Gulf Coast Water Authority Water Rights on the Brazos River. The motion passed unanimously.

9. Adjourn Meeting

President James McWhorter adjourned the meeting at 4:46PM.

Passed and approved this 18th day of July 2013.




Russell Jones
Assistant Secretary / Treasurer