



Gulf Coast Water Authority
Board of Directors Regular Meeting
Minutes
November 20, 2014

COUNTY OF GALVESTON §
STATE OF TEXAS §

The Board of Directors of the Gulf Coast Water Authority of Galveston County, Texas, met on **Thursday, November 20, 2014, at 3:00 p.m.** at the Gulf Coast Water Authority's Administrative Office located at 3630 FM 1765, Texas City, Texas, with the duly constituted Board said to wit:

<i>James McWhorter</i>	<i>President</i>
<i>Russell Jones</i>	<i>Vice President</i>
<i>Sue Edrozo</i>	<i>Secretary / Treasurer</i>
<i>Gary Potter</i>	<i>Assistant Secretary / Treasurer</i>
<i>James Cesarini</i>	<i>Director</i>
<i>Ray Holbrook</i>	<i>Director</i>
<i>Shane Hamilton</i>	<i>Director</i>
<i>Cliff Mock</i>	<i>Director</i>
<i>David Van Riper</i>	<i>Director</i>

All Board Members attended with the exception of James Cesarini. A quorum was present.

Also present: Scott Bounds, Ivan Langford, David Sauer, Bob Webb, Nancy Matthews, James Vanderwater, Renee Dondonay, Aric Owens, Thomas Gilbert, Randy Jones, Mack Chapman, Juan Hernandez, Chris Hunniford, Jose Villalobos, Josh Metcalf, Otis O'Callaghan, Kerry Lackey, Kevin Ebrom, Darrell Richardson, Rick Gerlach, Lora Marie Bernard

1. Convene Meeting

James McWhorter called the meeting to order at 3:00 PM.

2. Conflict of Interest Declarations

No Conflict of Interest Declarations

3. Requests to Address the Board

No Requests to Address the Board

4. Managers Report

5. Board Committees

- Engineering Committee

Committee members James McWhorter, James Cesarini, Sue Edrozo and David Van Riper met on November 13, 2014. Discussions on amending the LAN Engineering Agreement and on a new contract with HV Engineering regarding the Industrial Pump Station took place; both items are on the Board Agenda for consideration. The committee also discussed the upcoming project with LAN Engineers to install an additional pump at the Briscoe Pump Station. The committee was also updated on several ongoing projects.

- Safety Committee

Committee members Gary Potter, James Cesarini and Shane Hamilton met on November 13, 2014. There were no new accidents reported. Mickey Pallardy's accident involving a sink hole has initiated further investigations into comparable safety concerns at similar sites. An update on the Safety Investigation of various GCWA sites was completed and will be reviewed again in January 2015. One point which the committee reviewed at length was the storage of hazardous materials and the notification of local fire departments of the materials being stored.

- Personnel and Compensation Committee

Committee members Cliff Mock, Gary Potter, Ray Holbrook and Shane Hamilton met on November 13, 2014. Ron Cox updated the committee on the Performance Pay Plan and some updates which are being introduced. Texas County and Special District Retirement System also provided a detailed presentation to the committee on the retirement plan offered to GCWA Employees. TCDRS also has training opportunities for Board Members to learn about what the system does and how the funds are invested.

- Organization and Planning Committee

Committee members Sue Edrozo, James McWhorter, Russell Jones and Ray Holbrook met on October 22, 2014. The committee discussed the funding of the Chocolate Bayou System (Fund 21) which is supported 2/3 by Rice Farmers and 1/3 by INEOS. The absence of farming has led to a shortage in fund availability which has led to projects being deferred. The Salt Water Barrier is one of those projects and although deferred, GCWA is still pursuing the permit for the project. Succession planning, the purchase of stored water from NRG and the request from the City of Manvel to purchase water (GCWA is unable to assist in selling water at this time however the possibility of sharing information on available options could be a possibility).

6. Advisory Committees

- Industrial Advisory Committee

The committee met on November 5, 2014. Customers of the Industrial Pump Station were presented readings from the new meters.

- Mainland Division Operating Advisory Committee

The committee met on November 4, 2014. A Unified Drought Contingency Plan was presented to the committee. The request was made for the customers of the Thomas

Mackey Water Treatment Plant to present the plan to their Boards or City Counsels for adoption. Galveston County WCID #12 – Bayou Vista has already received Board approval to adopt the plan.

7. Consent Agenda

- a. Accept Minutes from the Board of Directors Regular Meeting held October 16, 2014.
- b. Accept Revised Minutes from the Board of Directors Regular Meeting held September 18, 2014.
- c. Authorize the purchase of New Vehicles included in the 2014-15 Budget

Sue Edrozo seconded Russell Jones motion to approve Consent Agenda Items A, B & C. The motion passed unanimously with the exception of James Cesarini who was not present.

- d. Authorize the Agreement with the Texas County and Special District Retirement System for employee retirement benefits.

Ivan Langford presented a plan to the Board which would provide a cost of living adjustment for retirees. Gary Potter noted if the information provided had been dispersed three months prior, it would have allowed the Board time to review the options available and make a more informed decision. At this point, the Board has to make a decision or the cost of living adjustment would be postponed for another full year. Ivan Langford requested a few Board Members attend a retirement conference to become more familiar with past and current retirement options for GCWA. James McWhorter requested for the Personnel and Compensation Committee to research the retirement options as well.

Russell Jones seconded Ray Holbrook's motion to authorize the agreement with the Texas County and Special District Retirement System for employee retirement benefits. The motion passed unanimously with the exception of Gary Potter who voted against and James Cesarini who was not present.

8. New Business

- a. Discussion and possible action on the nomination of a GCWA Representative to the Brazos River Watermaster Advisory Committee.

Russell Jones recommended the Gulf Coast Water Authority Board of Directors endorse candidates who have already self-nominated to serve on the committee. Cliff Mock recommended an educated member of the GCWA staff, such as David Sauer, would benefit the committee with their knowledge and requested David to self-nominate. The Board agreed the more self-nominations the more likely GCWA will have representation on the committee. The Board requested Renee Dondonay to contact TCEQ for a list of nominees to present at the December Board Meeting. The Board will discuss the possibility of providing endorsement of one or more of the nominees at the December 2014 Board Meeting.

- b. Discussion and possible action on GCWA's Legislative Agenda for the 2015 State Legislative session.

PROPOSED LEGISLATIVE PRIORITIES

1. BRA Watermaster

GCWA supports the implementation of the Commission ordered Watermaster program for the lower portion of the Brazos River and will work to defeat any measures to dismantle or minimize that program. GCWA will support measures to provide sufficient funding to support that program through appropriations.

2. Board Governance

GCWA applauds the legislature for creating more balance in the governance of GCWA in 2011 and will work diligently under the current board structure to ensure the region continues to have sustainable water resources to support growth and economic development. After the legislated change to the makeup of Board, we have implemented measures to modernize operations and increase transparency, and collectively these actions have given us needed efficiency and stability for the future.

3. TCEQ Budget

Support efforts to secure sufficient funding for efficient management of TCEQ's water rights program and other operations relevant to GCWA.

4. Allen's Creek

Support any efforts to accelerate the development of Allen's Creek Reservoir in the lower Brazos River basin.

5. Desalination

Support efforts to incentivize and accelerate the development seawater desalination projects.

6. Recreational Lakes

Oppose efforts to establish a constant level requirement for reservoirs in the Brazos River Authority system not currently subject to such a requirement, and any efforts to elevate recreational use in the priority use system established by the Texas Water Code.

After review, the Board agreed to change the TCEQ Budget to TCEQ Watermaster Right Program and remove the words "and other operations" and under Desalination to remove the word "incentivize" and replace it with "administrative simplification".

Sue Edrozo seconded Gary Potter's motion to approve the priority list with requested changes to verbiage. The motion passed unanimously with the exception of Ray Holbrook who voted against and James Cesarini who was not present.

- c. Discussion and possible action to approve work authorization with HV Engineering, LLC, HV13-04 , for electrical engineering services for Industrial Pump Station Replacement and authorization for the General Manager to sign the pertinent documents.

Cliff Mock seconded Sue Edrozo's motion to approve a work authorization with HV Engineering, LLC, HV13-04, for electrical engineering services for the Industrial Pump Station Replacement in an amount not to exceed \$127,100.00 and authorize the General Manager to sign the pertinent documents. The motion passed unanimously with the exception of James Cesarini who was not present.

- d. Discussion and possible action for professional services work authorization with Lockwood Andrew & Newnam, Inc. for LAN0907D Industrial Pump Station Design Update and authorization for the General Manager to sign pertinent documents.

Sue Edrozo seconded Ray Holbrook's motion to approve the professional services work authorization with Lockwood, Andrew & Newnam, Inc for LAN0907D Industrial Pump Station Design Update in the amount of \$518,054.00 and authorize the General Manager to sign the pertinent documents. The motion passed unanimously with the exception of James Cesarini who was not present.

9. Adjourn Meeting

James McWhorter adjourned the meeting at 5:14PM.

Passed and approved this 18th day of December 2014.



Sue Edrozo, Secretary / Treasurer
Gulf Coast Water Authority Board of Directors