

Gulf Coast Water Authority
Board of Directors Regular Meeting
Minutes
June 18, 2015

COUNTY OF GALVESTON §
STATE OF TEXAS §

The Board of Directors of the Gulf Coast Water Authority met on **Thursday, June 18, 2015 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>George F Black</i>	<i>Director</i>

All Board Members were in attendance. A quorum was present

Also present: Ivan Langford, David Sauer, Bob Webb, James Vanderwater, Nancy Matthews, Randy Jones, Karen Ivey, Eric Farrar, Rafael Ortega, Brenda Smith, Chico Negual, Tom Linton

1. Convene Meeting

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

2. Conflict of Interest Declarations

Cliff Mock declared a Conflict of Interest on New Business Item 8b regarding the discussion and possible action to approve the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water.

3. Requests to Address the Board

No Requests to Address the Board

4. Managers' Report

5. Board Committees

- Engineering Committee

Engineering Committee members James McWhorter, Sue Edrozo and James Cesarini met on June 11, 2015. The committee discussed the Industrial Pump Station Issues, the proposals on the Reservoir Study and the Sludge Management Study and the 39" Line Break, the Metering Project.

Safety Committee members Gary Potter, James Cesarini and Shane Hamilton met on June 11, 2015. The committee discussed numerous Unsafe Acts reported from the Water Treatment Plant which had been reported and a recordable incident in the Canal Division.

- Organization and Planning Committee

Organization and Planning Committee members Sue Edrozo, James McWhorter and Russell Jones met on May 27, 2015. The committee discussed the legislation, the metering locations, PUC issue between Enchanted Rock and Texas New Mexico Power regarding the electrical generators, flooding concerns at the pumping stations, the upcoming retreat topics and culture change.

6. Advisory Committees

- Industrial Advisory Committee

The Industrial Operating Advisory Committee met on June 3, 2015. The committee reviewed the 2015-2016 Budget and various projects.

- Mainland Division Operating Advisory Committee

The Mainland Division Operating Advisory Committee met on June 2, 2015. The committee discussed the 2015-2016 Budget and contract language.

7. Consent Agenda

- a. Accept Minutes from the Board of Directors' Regular Meeting held May 21, 2015
- b. Discussion and possible action to approve a Crossing Agreement between the City of Texas City and the Gulf Coast Water Authority for a 4-inch force main crossing the Industrial Canal located in Galveston County, Texas and authorization for the General Manager to sign the pertinent documents.
- c. Discussion and possible action to approve a Pipeline Easement between Gulf Coast Water Authority and DOW Hydrocarbons and Resources LLC for a pipeline easement across Authority properties located in Galveston County, Texas and authorization for the General Manager to sign the pertinent documents.

Russell Jones seconded Gary Potter's motion to approve Consent Items A, B and C. The motion passed unanimously.

8. New Business

- a. Discussion and possible action on the approval of the Gulf Coast Water Authority 2015-2016 Budget.

Sue Edrozo seconded Ray Holbrook's motion to table action on the Gulf Coast Water Authority 2015-2016 Budget. The motion passed unanimously.

- b. Discussion and possible action on the approval of the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water.

Sue Edrozo seconded Ray Holbrook's motion to table action on the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water. The motion passed unanimously.

- c. Discussion and possible action on the approval of Resolution No. 2015-004 of the Gulf Coast Water Authority Board of Directors designating investment officers.

Resolution No. 2015-004 of the Gulf Coast Water Authority Board of Directors; Section 1 appoints the Business Administrator of the Authority, the Secretary-Treasurer of the Board, the Assistant Secretary-Treasurer of the Board and _____ to act as Investment Officers for the Board, performing all required investment related duties while employed or appointed in these positions. Sue Edrozo made a motion to amend Section 1 of the Resolution to include the chair of the Finance Committee. After further discussion, Sue Edrozo restated her motion to amend section 1 of the Resolution to appoint the Business Administrator of the Authority and the Treasurer of the Board to act as Investment Officers for the Board, performing all required investment related duties while employed or appointed in these positions. George Black seconded the motion. Ray Holbrook made a second motion to amend Sue Edrozos amendment to include the General Manager. Sue Edrozo accepted the changes to her amendment. George Black seconded the motion appointing the Business Administrator of the Authority, the General Manager of the Authority and the Secretary/Treasurer of the Board to act as Investment Officers for the Board, performing all required investment related duties while employed or appointed to these positions. The motion passed unanimously with the exception of James Cesarini who opposed.

- d. Discussion and possible action on the approval of Gulf Coast Water Authority providing second crop water for 2015 rice farmers based on the terms of the Second Crop Contract and authorization for the Assistant General Manager to sign the pertinent documents.

Sue Edrozo seconded Ray Holbrook's motion to approve second crop water for 2015 Rice Farmers based on the terms of the Second Crop Contract at the rate of \$47.56 per acre and authorize the Assistant General Manager to sign the pertinent documents. The motion passed unanimously with the exception of Cliff Mock who abstained due to Conflict of Interest.

- e. Discussion and possible action on the approval of awarding a purchasing contract for the Variable Frequency Drives and Transformers for the Industrial Pump Station and authorization for the General Manager to sign the pertinent documents.

James Cesarini seconded Ray Holbrook's motion to approve Gulf Coast Water Authority awarding a purchasing contract for the Variable Frequency Drives and Transformers for the Industrial Pump Station to the proposer receiving the highest number of points and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.

- f. Discussion and possible action on the approval of an Agreement for Professional Engineering Services with Aurora Technical Services, for general engineering support services and authorization for the General Manager to sign the pertinent documents.

Shane Hamilton seconded Sue Edrozo's motion to approve an Agreement for Professional Engineering Services with Aurora Technical Services for general engineering support services for an amount not to exceed \$75,000.00 and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.

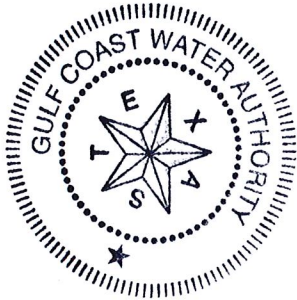
g. Discussion and possible action on approval of amendments to the following Mainland Water Project Customer Contracts

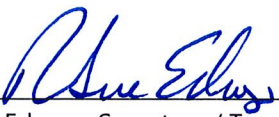
- Third Amendment to Mainland Water Project Customer Contract (South Project) with the City of Galveston
- Second Amendment to Mainland Water Project Customer Contract (South Project) with the City of Hitchcock

Gary Potter seconded George Black's motion to approve the Third Amendment to Mainland Water Project Customer Contract (South Project) with the City of Galveston and the Second Amendment to Mainland Water Project Customer Contract (South Project) with the City of Hitchcock. The motion passed unanimously.

9. Adjourn Meeting

James McWhorter adjourned the meeting at 5:07 PM





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