



Gulf Coast Water Authority

Gulf Coast Water Authority
Board of Directors Board Workshop
MINUTES
December 7, 2017

Notice is hereby given that the Board of Directors of the Gulf Coast Water Authority will meet on **Thursday, December 7, 2017 at 3:00 PM** at the GCWA Administrative Office, 3630 FM 1765, Texas City, Texas 77591, for the following purpose(s).

1. Call to Order

Gulf Coast Water Authority Board of Directors Vice President C.B. "Bix" Rathburn, PhD called the meeting to order at 3:05 PM.

2. Roll Call

President Russell C Jones (late at 3:06 PM), Vice President C.B. "Bix" Rathburn, PhD, Secretary Eric Wilson, Treasurer Bennie Jones Jr, Assistant Secretary Brad Matlock, PE, Director Mike O'Connell, Director Cliff Mock, Director Dave Leaver, Director Shane Hamilton (late at 3:11 PM) and Director James McWhorter, PE were in attendance.

3. Conflict of Interest

No Conflict of Interests

4. Request to Address the Board

a. College of the Mainland and the City of Texas City

Representatives from the City of Texas City and Representatives from College of the Mainland Requested to Address the Board in regards to Old Business Item 6a: Discussion on the City of Texas City's possible lease and purchase of land from Gulf Coast Water Authority. Vice President C.B. "Bix" Rathburn, PhD combined the two items and addressed them during the Request to Address the Board. The representatives presented a power point which highlighted plans for a Joint Training Facility on the site and a concept drawing of the facility. President Russell Jones announced the Board would readdress Item 6a later in the meeting if necessary.

5. Monthly Reports

a. Environmental Health & Safety

Environmental Health & Safety Manager Thomas Gilbert reviewed the

Report for November 2017. The report noted a few incidents over the past month. The board was surprised by the number of incidents and concerned by the possible severity. Mr. Gilbert reminded the board of their decision to only receive notification of incidents which result in injury or significant loss of property. None of the reported incidents resulted in injury or significant loss of property, so the board was not notified. Employees responsible for each incident were reprimanded and management conducted a Safety Stand Down to address the issues. Director Dave Leaver recommended future injury-free incidents which have high potential for a significant risk be reported. Ivan Langford agreed with Mr. Leaver and stated future incidents which pose a Significant Risk (even if there were no injuries or significant loss of property) will be reported to the GCWA Board of Directors.

b. Financials

Business Manager Bob Webb reviewed the Financials and Reserves for October 2017.

c. Thomas Mackey Water Treatment Plant

Plant Manager Jake Hollingsworth reviewed the Thomas Mackey Water Treatment Plant Report for November 2017.

d. Capital Projects

James Vanderwater presented a power point review of the Capital Projects for November 2017.

e. Canal Division

Canal Division Maintenance Superintendent David Hudson presented a power point review on the Canal Division for November 2017.

f. Assistant General Manager

Assistant General Manager David Sauer accessed Google Earth while reviewing the issues surrounding the County Road 58 and County Road 94 Intersection Alignment.

g. General Manager

General Manager Ivan Langford updated the board on the following items:
City of Houston

- Settled budget disputes for 2015, 2016, 2017 and 2018*
- Moving forward with contract regarding operations at SEWPP - RFQ in draft stages and Co-Participants meeting to discuss*
- GCWA commented on draft agreement for Old Galveston Line Replacement and expects revisions in January 2018*

Region H

- City of Manvel requesting to amend 2016 Regional Water Plan with approval of new water from Mustang Bayou*
- GCWA will hire an engineering firm to create a model of Mustang*

Bayou, and expects to bring the item to the board for consideration in January 2018

Consulting Firm - Washington DC Lobbyist

- *Proposal has been received*
- *Committee requested to review contract for services - Russell Jones, C.B. "Bix" Rathburn, PhD and Mike O'Connell*

Healthcare Renewal

- *Ardent has been retained to assist*
- *Employee Committee is reviewing*
- *Board will receive information and is invited to attend meeting with Ardent on Tuesday, December 12, 2017*

6. Old Business

The GCWA Board of Directors recessed at 5:30 PM for a short break.

The GCWA Board of Directors reconvened at 5:43 PM.

- a. Discussion on the City of Texas City's possible lease and purchase of land from Gulf Coast Water Authority.

See Requests to Address the Board

- b. Discussion of a Work Authorization LAN0907F with Lockwood Andrews & Newnam, Inc. in the amount of \$84,429.00.

James Vanderwater reviewed Work Authorization LAN0907F which covers changes during the bid phase and additional inspector time due to the overtime work being done on the Industrial Pump Station. The work was completed in April 2017 and resulted in significant saving on the Industrial Pump Station construction costs. Work Authorization LAN0907F will be presented to the board for consideration at the December 21, 2017 Regular Meeting.

- c. Discussion on INEOS Agreement

Ivan Langford pointed out there is no change from the previous review of the INEOS Agreement with the exception of the last page which now includes the dollar impact. The INEOS Agreement will be presented to the board for consideration at the December 21, 2017 Regular Meeting.

7. New Business

- a. Discussion on Gulf Coast Water Authority participating in a desalination project.

Discussion on the Gulf Coast Water Authority participating in a desalination project was tabled to the January 4, 2018 Workshop.

- b. Discussion on a Professional Service Agreement with Strategic Automation Services, LLC.

Ivan Langford explained the primary representative on GCWA's SCADA

project changed employers from Prime Controls to Strategic Automation Services, LLC. In order to keep Garrett Crowell working on GCWA's SCADA Project, GCWA needs to enter into a new agreement with Garrett's new employer. GCWA will continue the agreement with Prime Controls. The Strategic Automation Services LLC Professional Service Agreement will be presented to the board for consideration at the December 21, 2017 Regular Meeting.

- c. Discussion on Consent to Assignment of Amended and Restated Industrial Customer Contract between GCWA and Marathon Petroleum Company and Blanchard Refining Company.

Ivan Langford explained Marathon Petroleum Company and Blanchard Refining Company merger will be complete on January 1, 2018 and the previous contracts of each organization has been combined into one agreement. The Consent to Assignment of Amended and Restated Industrial Customer Contract between GCWA and Marathon Petroleum Company and Blanchard Refining Company will be presented to the board for consideration at the December 21, 2017 Regular Meeting.

- d. Discussion on the disposition of cash funds remaining in the 2011 Plant Expansion Study.

Ivan Langford requested the disposition of cash funds remaining in the 2011 Plant Expansion Study be tabled to the January 4, 2018 Workshop.

- e. Discussion on an amendment to Gulf Coast Water Authority's Amended Rate Order passed and approved on August 18, 2016: Providing for a refund or surcharge for customers in accordance with a cost allocation mechanism for operating charges for the Water Treatment Plant.

Ivan Langford explained the Municipal Customers True Up Process. An Amendment to Gulf Coast Water Authority's Amended Rate Order approved August 18, 2016 Providing for a Refund or Surcharge for Customer in Accordance with a Cost Allocation Mechanism for Operating Charges at the Thomas Mackey Water Treatment Plant will be presented to the board for consideration at the December 21, 2017 Regular Meeting.

- f. Discussion on revisions to Reserve requirements for Fund 06, Thomas Mackey Water Treatment Plant.

Ivan Langford requested the discussion on revision s to the Reserve Requirements for Fund 60 - Thomas Mackey Water Treatment Plant will be tabled to the January 4, 2018 Workshop.

- g. Discussion on future bond funded projects for improvements at the Thomas S. Mackey Water Treatment Plant and other locations.

Ivan Langford requested the discussion on future bond funded projects for improvements at the Thomas S Mackey Water Treatment Plant and other locations be moved to a future date.

8. Adjourn Meeting

Gulf Coast Water Authority Board of Directors President Russell Jones adjourned the meeting at 5:57 PM.

Passed and approved this 21st day of December 2017.



Eric Wilson, Secretary

Gulf Coast Water Authority Board of Directors

Brad Matlock PE, Assistant Secretary

