



Gulf Coast Water Authority

Gulf Coast Water Authority
Board of Directors Regular Meeting
MINUTES
December 21, 2017

Notice is hereby given that the Board of Directors of the Gulf Coast Water Authority will meet on **Thursday, December 21, 2017 at 3:00 PM** at the GCWA Administrative Office, 3630 FM 1765, Texas City, Texas 77591, for the following purpose(s).

1. Convene Meeting

Gulf Coast Water Authority Board of Directors President Russell Jones called the meeting to order at 3:00 PM.

2. Roll Call

President Russell C Jones, 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 and Director James McWhorter PE were in attendance.

Absent: Hamilton

3. Conflict of Interest Declarations

- a. David Leaver - Item 6d - Discussion and possible action to approve a Consent to Assignment of Amended and Restated Industrial Customer Contract between Gulf Coast Water Authority and Marathon Petroleum Company and Blanchard Refining Company.
- b. Bennie Jones Jr. - Item 6e - Discussion and possible action to approve Amendment No. 1 to Amended and Restated System Raw Water Availability Agreement between Gulf Coast Water Authority and INEOS Olefins & Polymers USA, A Division of INEOS USA LLC.

4. Requests to Address the Board

No Requests to Address the Board.

5. Executive Session

The Gulf Coast Water Authority Board of Directors retreated into Executive Session at 3:03 PM.

Absent: Hamilton

- a. *The Executive Session is held in accordance with Texas Open Meeting Act, (Vernon's Civil Statutes) Texas Government Code, Section 551.074 – Personnel Matters, to discuss the following: Assistant General Manager Position*
- b. *The Executive Session is held in accordance with Texas Open Meeting Act, (Vernon's Civil Statutes) Texas Government Code, Section 551.072 – Deliberation on Real Property, to discuss the following: City of Texas City / Texas City Economic Development Corporation Lease and Purchase of Land from Gulf Coast Water Authority*

The Gulf Coast Water Authority Board of Directors reconvened in Open Session at 3:31 PM.

6. Consent Agenda

The Gulf Coast Water Authority Board of Directors addressed the Action Agenda prior to addressing the Consent Agenda.

GCWA Board of Directors President Russell Jones read the items of the Consent Agenda. President Jones presented an opportunity to remove items from the Consent Agenda. The following items were removed:

- *Item 6d - Discussion and possible action to approve a Consent to Assignment of Amended and Restated Industrial Customer Contract between Gulf Coast Water Authority and Marathon Petroleum Company and Blanchard Refining Company*
- *Item 6e - Discussion and possible action to approve Amendment No. 1 to Amended and Restated System Raw Water Availability Agreement between Gulf Coast Water Authority and INEOS Olefins & Polymers USA, A Division of INEOS USA LLC*
- *Item 6h - Discussion and possible action to approve the Third Amendment to Mainland Water Project Customer Contract (South Project) with the City of La Marque.*

President Russell Jones made a motion to approve Items 6a, 6b, 6c, 6f, 6g and 6i. Motion passed by a vote of 8-0.

Absent: Hamilton, Wilson

- a. *Discussion and possible action to approve the Gulf Coast Water Authority Board of Directors Workshop Minutes of November 2, 2017.*
- b. *Discussion and possible action to approve the Gulf Coast Water Authority Board of Directors Regular Meeting Minutes of November 16, 2017.*
- c. *Discussion and possible action to approve the Gulf Coast Water Authority Board of Directors Workshop Minutes of December 7, 2017.*

- d. Discussion and possible action to approve a Consent to Assignment of Amended and Restated Industrial Customer Contract between Gulf Coast Water Authority and Marathon Petroleum Company and Blanchard Refining Company.

C.B. Rathburn PhD made a motion to approve a Consent to Assignment of Amended and Restated Industrial Customer Contract between Gulf Coast Water Authority and Marathon Petroleum Company and Blanchard Refining Company. Brad Matlock seconded the motion. Motion Passed by a vote of 7-0

Abstain: Leaver

Absent: Hamilton, Wilson

- e. Discussion and possible action to approve Amendment No. 1 to Amended and Restated System Raw Water Availability Agreement between Gulf Coast Water Authority and INEOS Olefins & Polymers USA, A Division of INEOS USA LLC.

Cliff Mock made a motion to approve Amendment No. 1 to Amended and Restated System Raw Water Availability Agreement between Gulf Coast Water Authority and INEOS Olefins & Polymers USA, A Division of INEOS USA LLC. Dave Leaver seconded the motion. Motion Passed by a vote of 7-0

Abstain: Jones Jr

Absent: Hamilton, Wilson

- f. Discussion and possible action to approve Work Authorization LAN0907F with Lockwood Andrews & Newnam, Inc. for professional services supporting the construction of the Industrial Pump Station in the amount of \$84,429.00 and authorization for the General Manager to sign pertinent documents.

- g. Discussion and possible action to approve 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 Thomas Mackey Water Treatment Plant.

- h. Discussion and possible action to approve the Third Amendment to Mainland Water Project Customer Contract (South Project) with the City of La Marque.

Brad Matlock made a motion to approve the Third Amendment to Mainland Water Project Customer Contract (South Project) with the City of La Marque. Cliff Mock seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson

- i. Discussion and possible action to approve the purchase of eleven (11) vehicles from Silsbee Ford through HGACBuy and authorization for the General Manager to sign the pertinent documents.

7. Old Business

- a. Discussion and possible action to approve Gulf Coast Water Authority to authorize the use of the power of eminent domain to acquire an easement across 0.0393 acres of land located at I-45 and Calder Road in Galveston County, Texas to be used for an underground water line as provided in RESOLUTION 2017-006 - A RESOLUTION OF THE BOARD OF DIRECTORS OF GULF COAST WATER AUTHORITY, DETERMINING THAT A 0.0393 ACRE TRACT OF LAND OUT OF AND A PART LOT 5 BLOCK B OF CLEAR CREEK SUBDIVISION A SUBDIVISION IN GALVESTON COUNTY, TEXAS ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 119 PAGE 67 OF DEED RECORDS OF GALVESTON COUNTY, TEXAS, AND BEING OUT OF THAT CERTAIN RESIDUE 5.254 ACRE TRACT CONVEYED TO I 45 & CALDER, LTD AS DESCRIBED IN GALVESTON COUNTY CLERK FILE NO. 2004023638 IS NEEDED FOR THE CONSTRUCTION, OPERATION, MAINTENANCE, INSPECTION, REPLACEMENT, AND REMOVAL OF A WATER LINE BY GCWA; AND AUTHORIZING THE INSTITUTION OF EMINENT DOMAIN PROCEEDINGS.

C.B. "Bix" Rathburn PhD made a motion to approve Gulf Coast Water Authority to authorize the use of the power of eminent domain to acquire an easement across 0.0393 acres of land located at I-45 and Calder Road in Galveston County, Texas to be used for an underground water line as provided in Resolution 2017-006. Brad Matlock PE seconded the motion. Motion Passed by a vote of 8-0.

J McWhorter PE - AYE

R Jones - AYE

B Jones Jr. - AYE

B Matlock PE - AYE

C.B. Rathburn PhD - AYE

M O'Connell - AYE

C Mock - AYE

D Leaver - AYE

8 - AYE, 0 - NO

Absent: Hamilton, Wilson

- b. Discussion and possible action to approve Gulf Coast Water Authority to authorize the use of the power of eminent domain to acquire a water line easement across 0.0291 acres of land located at I-45 and Calder Road in Galveston County, Texas to be used for an underground water line as provided in RESOLUTION 2017-007 - A RESOLUTION OF THE BOARD OF DIRECTORS OF GULF COAST WATER AUTHORITY, DETERMINING THAT A 0.0291 ACRE TRACT OF LAND OUT OF LOT 1 OF CALDER PLAZA A SUBDIVISION IN GALVESTON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2014A PAGE 60 OF THE MAP RECORDS OF GALVESTON COUNTY, TEXAS, IS NEEDED FOR THE CONSTRUCTION, OPERATION, MAINTENANCE, INSPECTION, REPLACEMENT, AND REMOVAL OF A WATER LINE BY GCWA; AND AUTHORIZING THE INSTITUTION OF EMINENT DOMAIN PROCEEDINGS.

Brad Matlock PE made a motion to approve Gulf Coast Water Authority to authorize the use of the power of eminent domain to acquire a water line easement across 0.0291 acres of land located at I-45 and Calder Road in

Galveston County, Texas to be used for an underground water line as provided in Resolution 2017-007. Bennie Jones Jr seconded the motion. Motion Passed by a vote of 8-0.

*J McWhorter PE - AYE
R Jones - AYE
B Jones Jr - AYE
B Matlock PE - AYE
C.B. Rathburn PhD - AYE
M O'Connell - AYE
C Mock - AYE
D Leaver - AYE*

8 - AYE, 0 - NO

Absent: Hamilton, Wilson

8. New Business

- a. Discussion and possible action to approve an Agreement for Designated Services between Gulf Coast Water Authority and Hicks-Ray Associates and authorization for the General Manager to sign the pertinent documents.

*Mike O'Connell made a motion to approve an Agreement for Designated Services between Gulf Coast Water Authority and Hicks-Ray Associates and authorize the General Manager to sign the pertinent documents. Cliff Mock seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

- b. Discussion and possible action to approve the renewal of employee healthcare insurance with United Health Care and setting employee premium cost sharing rates.

*Brad Matlock made a motion to approve the renewal of employee healthcare insurance with United Health Care at the set employee premium cost sharing rates. James McWhorter seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

- c. Discussion and possible action to approve the Comprehensive Annual Financial Report for the Fiscal Year 2016-2017 as performed by Whitley Penn LLP.

*Bennie Jones Jr made a motion to approve the Comprehensive Annual Financial Report for the Fiscal Year 2016-2017 as performed by Whitley Penn LLP. Dave Leaver seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

- d. Discussion and possible action to approve an Interlocal Agreement between

Gulf Coast Water Authority and Lower Colorado River Authority (LCRA) and authorization for the General Manager to sign the pertinent documents.

*Brad Matlock made a motion to approve an Interlocal Agreement between Gulf Coast Water Authority and Lower Colorado River Authority (LCRA) and authorize the General Manager to sign the pertinent documents. Cliff Mock seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

- e. Discussion and possible action to approve the appointment of Hutchinson Shockley Erley & Co as Placement Agent and approve amended Financial Advisor fee letter for upcoming Contract Revenue Bonds, Series 2018.

*Mike O'Connell made a motion to approve the appointment of Hutchinson Shockley Erley & Co as Placement Agent and approve amended Financial Advisor fee letter for upcoming Contract Revenue Bonds, Series 2018. Brad Matlock seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

- f. Discussion and possible action to approve Board Member expenses to attend TWCA Texas Water Day 2018, February 6-8, 2018 in Washington, D.C.

*Brad Matlock made a motion to to approve the reimbursement of eligible expenses which GCWA Directors incur while attending TWCA Texas Water Day 2018, February 6-8, 2018 in Washington, D.C. C.B. Rathbum PhD seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

9. Action Agenda

Action Agenda was immediately addressed after the GCWA Board of Directors reconvened into Open Session.

- a. Discussion and possible action regarding the Assistant General Manager position.

*C.B. Rathbum PhD made a motion to authorize the General Manager to negotiate employment for the Assistant General Manager position within the funds available in the budget with Mr. Brandon Wade. Eric Wilson seconded the motion. Motion Passed by a vote of 9-0
Absent: Hamilton*

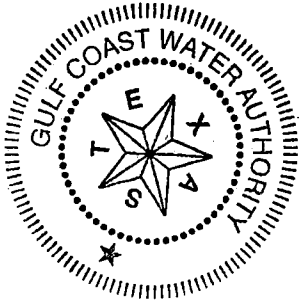
- b. Discussion and possible action regarding the City of Texas City / Texas City Economic Development Corporation Lease and Purchase of Land from Gulf Coast Water Authority.

*James McWhorter made a motion to authorize the General Manager to negotiate a price and bring the final contract to the Board for approval. Brad Matlock seconded the motion. Motion Passed by a vote of 8-0
Absent: Hamilton, Wilson*

10. Adjourn Meeting

*Gulf Coast Water Authority Board of Directors President Russell Jones
adjourned the meeting at 4:48 PM.*

Passed and approved this 4th day of January 2018.



A handwritten signature in black ink, appearing to read 'Eric Wilson', is written above a horizontal line.

Eric Wilson, Secretary
Gulf Coast Water Authority Board of Directors