

COASTAL WATER AUTHORITY

Minutes of Special Meeting

February 19, 2020

The Board of Directors (the "Board") of Coastal Water Authority ("CWA") convened a Special Meeting; open to the public, at the CWA Conference Room, 1801 Main Street, Suite 800, Houston, Texas, with the following in attendance:

Directors

D. Wayne Klotz, P.E., President
Tony L. Council, P.E., First Vice-President
Douglas E. Walker, Second Vice-President
Thomas A. Reiser, Secretary-Treasurer

Jon M. Sjolander
Joseph G. Soliz
Giti Zarinkelk, P.E.

CWA Staff

Don Ripley
David Miller
Greg Olinger
Todd Vu
Mary Caballero

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP

All Members of the Board were present thus constituting a quorum.

I. CALL TO ORDER – Wayne Klotz

Director Klotz called the meeting to order at 10:00 A.M. and welcomed all attendees to the meeting. (The sign-in sheets for those in attendance at the meeting are attached hereto.)

- A. Welcome.**
- B. Pledge of Allegiance.**
- C. Salute to the Texas Flag.**
- D. Moment of Silence.**

II. PUBLIC COMMENTS

There were no public comments.

III. MAINTENANCE & OPERATIONS – Don Ripley/Greg Olinger

A. Lake Houston Dam Spillway Improvements Project Interlocal Agreement.

Mr. Ripley stated that the Draft Lake Houston Dam Spillway Improvements Project Interlocal Agreement (ILA) is an agreement between the City of Houston (COH) and CWA to cover the implementation of this Project. The draft ILA was received by CWA on January 24, 2020. The draft ILA review meeting was held with CWA's Legal Counsel (Norton Rose Fulbright) and COH Counsel on February 5, 2020. The draft ILA has since been through a couple of negotiation sessions. The contract terms that needed to be resolved centered primarily around payment for services and have been resolved. The document is now in final and agreeable form. At this time Mr. Neil Thomas (CWA Legal Counsel) stated that the ILA is a little different from CWA's other agreements with the COH because it is subject to Federal Emergency Management Agency (FEMA) requirements. FEMA is the ultimate payor on most of the funds under this ILA. Mr. Thomas noted that the COH also has a local share. Because FEMA is paying, there are a lot of federal regulations regarding review and qualifications of services. This contract is for planning and designing the Lake Houston Dam gateways. The way the contract will work is that CWA will submit invoices to the COH, the COH will review before any payment is made. CWA will then receive payment from the COH and pay the Contractor. Mr. Thomas stated that most of the negotiations were about how that process would take place. CWA's administrative cost on the contract will be covered up to about three percent which was acceptable to the CWA staff. Mr. Thomas stated it is recommended that the Board accept the contract today and then it will go back to the COH for its approval and final execution. The ILA will also need to go before Houston City Council for approval. Director Klotz asked if City Council is aware that time is of the essence and if someone is going to push it to go through to get on the COH Agenda. Mr. Ripley stated they do. Director Klotz asked if there was a max dollar amount in this contract. Mr. Ripley stated there is. Director Klotz asked if whenever CWA negotiates a contract for professional services if it would reference this ILA. Mr. Ripley stated the ILA will be referenced including the payment terms which Mr. Thomas just referenced. Director Klotz stated that was good since CWA will likely not be able to make payments within 30 days. Mr. Thomas stated CWA will want the Consultants to know what the payment terms are. Mr. Ripley stated the payment terms would be included in the Consultant's contract. Mr. Thomas stated that the total contract amount of the contract without additional COH action is limited to \$4,375,199.00. Director Klotz asked Mr. Thomas if there were any concerns with the contract. Mr. Thomas stated that there are procedures in the agreement that CWA will need to follow; it comes down to execution of the procedures specified in the contract. Director Klotz asked who from CWA would be running this project. Mr. Ripley stated Mr. David Miller. Director Klotz asked if CWA would retain someone who would help CWA monitor the FEMA requirements. Mr. Ripley stated that CWA intends to have a Technical Advisor for the Boards' consideration on next month's Board meeting agenda and that would be a component of that procurement. Director Zarinkelk asked if CWA was comfortable with the procedures. Mr. Ripley stated that the procedures are different than what CWA normally does with the COH but CWA can definitely execute them. The entity with the most potential to suffer a little pain will be the

Consultant who has the possibility of not getting paid as rapidly as CWA typically pays. This will be something they will have to agree to when they sign the Engineering Services contract. There were no further questions from the Board and Mr. Thomas recommended the motion as presented.

Motion to approve a Lake Houston Dam Spillway Improvements Project Interlocal Agreement between the City of Houston and Coastal Water Authority, as evidenced by execution of the Agreement, upon advice of the Executive Director and counsel.

Motion made by Director Walker, Seconded by Director Zarinkelk. The Motion carried unanimously.

B. Southwest Lateral G Partial Easement Abandonment.

Mr. Olinger stated that this item is related to a requested canal abandonment in Chambers County that CWA had previously briefed the Board Members. CWA has received a request and completed application from the underlying fee owner who is Old Needlepoint 97.2 LLC for abandonment of this canal segment. Mr. Olinger noted that the portion of the canal that is being requested is 2,700 lf of 30-ft. wide easement that is 1.789 acres in total size. An aerial photograph was presented to the Board for their orientation of the site location. Mr. Olinger stated that this segment meets all three criteria of CWA's Abandonment Policy in that there has been no active associated contracts; it has not been in use for over five years, it has actually not been in use for over 20 years, with no anticipated future use; and abandonment would not result in an orphaned portion of the downstream canal. The owner did provide an appraisal that was very close in value to the CWA acquired appraisal. A copy of the summary appraisal was included in the Board Members' folder. Director Sjolander asked if CWA owned the easement and the property. Mr. Olinger stated that CWA owned the easement but not the underlying property. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to abandon a portion of Coastal Water Authority's Southwest Lateral G easement in Chambers County in the amount of \$45,591.00 contingent upon receipt of no objections from the adjacent property owners at the end of the 30-day notice period.

Motion made by Director Walker, Seconded by Director Zarinkelk. The Motion carried unanimously.

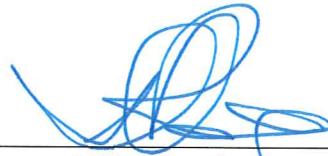
IV. EXECUTIVE SESSION – Wayne Klotz

There was no Executive Session.

V. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:16 A.M.

[Signature page follows]

A handwritten signature in blue ink, consisting of several overlapping loops and a trailing flourish.

Thomas A. Reiser, Secretary-Treasurer