

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

July 8, 2020

The Board of Directors (the "Board") of Coastal Water Authority ("CWA") convened its Regular Meeting; open to the public via teleconference, 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 (*Absent*)

Joseph G. Soliz*

Giti Zarinkelk, P.E.*

CWA Staff

Don Ripley

John Baldwin

David Miller

Greg Olinger

James Lewis*

Todd Vu

Mary Caballero

City of Houston Staff

Yvonne Forrest, PW&E*

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP*

Leslie A. Bacon, Norton Rose Fulbright US LLP*

With the exception of Director Sjolander, all Members of the Board were present thus constituting a quorum. (* Attended telephonically.)

I. CALL TO ORDER – Wayne Klotz

Director Klotz identified himself as President of the Coastal Water Authority Board and then called the teleconference meeting to order at 10:00 A.M.

Director Klotz stated that this telephonic meeting is being audio recorded per the Texas Open Meeting regulations and direction from the Attorney General of Texas. Members of the public may request to listen to the audio recording of this meeting after conclusion of the meeting. Director Klotz stated that he hoped everyone is staying well during this time and that the Board is conducting this meeting via teleconference to protect the safety of the staff, board members, and the public to comply with Governor Abbott's emergency disaster declaration and subsequent guidance from the Office of Attorney General suspending certain provisions of the Open Meetings Act.

II. PUBLIC COMMENTS

There were no public comments.

III. ITEMS FOR CONSIDERATION – Wayne Klotz

A. Minutes of the June 10, 2020 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of June 10, 2020, as written.

Motion approving the Minutes of the Board Meeting of June 10, 2020.

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

IV. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

The Directors received a copy of CWA's June 2020 Luce Bayou Interbasin Transfer Project (LBITP) Monthly Status Report in their Board Members' Agenda packets.

a. Capers Ridge Pump Station.

Mr. Miller stated that the contractor for the Capers Ridge Pump Station, Renda/Johnson Brothers JV (RJB), is approximately 90% complete. The project team conducted the monthly progress meetings on June 3, 2020 and June 17, 2020.

Major activities performed by RJB in June 2020 included:

- Installed electrical cables from switchgear buildings to the Sam Houston Electric Coop Substation
- Continued installation of the 48-inch pump discharge pipes
- Completed sediment removal from the pump station
- Poured the concrete apron at the intake entrance bays
- Installed the stop gate frames and rails at the intake entrance bays
- Poured concrete for the discharge header slab

Major work activities planned for July 2020 include:

- Install stop gates
- Install electrical conductors from the electrical building to the pump locations
- Continue discharge header concrete slab pour

Director Klotz asked if the project was on schedule and what could cause future delays. Mr. Miller stated yes, RJB is currently on-schedule. Mr. Miller stated floods over the past 2-3 years may have eroded the river banks immediately upstream and downstream of the pump station. Therefore, some additional excavation/backfill of the upstream and downstream riverbanks may be necessary and could add additional time to the schedule. Mr. Miller stated surveying of the riverbanks will be completed in the next few weeks and he would provide an update on this issue at the next board meeting. Mr. Miller noted that progress photos performed in June at the project site were included in the LBITP Monthly Report.

Mr. Miller stated that the next item is a request for an amendment to the HVJ Associates (HVJ) contract for construction materials testing services on the Capers Ridge Pump Station and Dual 96-inch Diameter Pipelines projects. HVJ provides an on-site lab and full time technicians to test concrete, soils, asphalt, welds, linings and coatings. They also inspect all pile driving, provide bearing calculations and generate reports that document results of all tests. An amendment to HVJ's contract is necessary to extend their services commensurate with the construction schedules of Thalle and RJB. CWA and HVJ completed negotiation of the scope and fee for this amendment in June, 2020 and reviewed it with the Professional Engineering Services Review Committee on June 2, 2020. The Committee recommended bringing forward for Board consideration today. A copy of the scope and fee was included as Attachment to the LBITP Monthly Status Report. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a work order amendment to HVJ Associates Inc. in the amount of \$360,031.00 for additional construction materials testing services on the Capers Ridge Pump Station and Dual 96-Inch Pipelines as part of the Luce Bayou Interbasin Transfer Project.

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

b. Dual 96-Inch Diameter Pipelines.

Mr. Miller stated the contractor for the Dual 96-inch Diameter Pipelines, Thalle Construction (Thalle), is approximately 94% complete through June.

Major activities performed by Thalle in June 2020 included:

- Completed flow distribution basin concrete
- Completed backfill at the pig retrieval facility building
- Began installation of the floor grating and staircases within the pig retrieval facility

Major work activities planned for July 2020 include:

- Pressure test the pig retrieval facility piping
- Install the pig retrieval facility pre-engineered metal building

Mr. Miller stated that the progress photos from the flow distribution basin and the pig retrieval facility were included in the LBITP Monthly Report. There were no questions from the Board.

B. Lake Houston Dam Spillway Improvement Project – Phase 1.

Mr. Miller stated that the project team conducted monthly coordination meetings on June 17, 2020 and June 24, 2020. CWA's consultant, Black & Veatch (B&V) began calibration of their upstream and downstream hydrology and hydraulic (H&H) models and provided an initial assessment of the environmental features associated with each of the alternative locations. The environmental surveys were completed in May 2020 and June 2020 and the environmental scientist provided the project team an update on some of the features at each of the three proposed locations. The initial assessment included quantities and types of wetlands, endangered species, and location of bald eagles and nests. At this time, at least one bald eagle and possibly two nests are located downstream of one of the proposed gate locations.

Major project activities planned for the team in July 2020 include:

- Conduct two workshops – The first will be an evaluation criteria workshop which will establish the framework for comparing and ultimately selecting the location of the new gate structure. The second will be a risk management workshop in which the team will identify the project risks and who will own those risks, and how to mitigate those risks.
- To expedite the permitting process, the team will meet with the United States Army Corps of Engineers – Galveston District (USACE) to provide an update on the findings from the environmental surveys conducted in May 2020 and June 2020.

There were no questions from the Board.

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

The Monthly Operations Report for June 2020 was included in the Board Members' Agenda packets.

B. San Jacinto River Authority and Coastal Water Authority Amended Water Conveyance Contract.

Mr. Olinger stated that this item is related to an amendment to the San Jacinto River Authority (SJRA) Water Conveyance Contract (the contract). The draft contract was previously distributed to the CWA Board Members for review and comment. The amended contract will transfer operations of the south canal transfer pump station to SJRA. SJRA will continue to pay a monthly operating charge for CWA's conveyance services and CWA will retain ownership of the real property located within the Main Canal right-of-way at the pump station location.

Mr. Olinger provided the Board with an aerial image showing the location of the SJRA pump stations at the east and south canal intersection points. The pump stations that are operated by SJRA transfer flows from the CWA Main Canal to augment the flows going into the SJRA industrial canals. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to execute the San Jacinto River Authority and Coastal Water Authority Amended Water Conveyance Contract.

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

C. Lake Houston Dam Rehabilitation Project Update.

Mr. Olinger stated that this item is an update on the Lake Houston Dam Rehabilitation Project. Work on the core elements of the project were completed in June 2020. Remaining work includes placement of erosion control slope paving around the access ramp, cleaning and repair of several concrete joints, and repairs of eroded areas downstream of the main access road. CWA expects completion and contractor demobilization within the next thirty days. Mr. Olinger presented the Board with a site photo of the completed elevated ogee weirs, the eliminated splitter wall in the center and the completed training wall on the left side. The presented photo showed the tainter gates partially open and the elevated weirs holding back the additional seven feet of water in the hearth channel and the gated spillway. Director Klotz asked that CWA staff evaluate coordinating with Stantec to prepare a technical paper on the project. There were no further questions from the Board.

D. A-System Pipeline Riser Pipe Repair.

Mr. Olinger stated that this item is related to a repair completed on an A-System pipeline riser pipe. A small leak to an air vacuum valve riser pipe near the City of Houston's Southeast Water Purification Plant was discovered last month. After excavating down, CWA's pipeline crew was able to place a temporary plug in the three-inch hole, which allowed a repair with the pipeline remaining in service and fully pressurized. The welding crew was able to cinch down a portion of a pipeline clamp and then weld into place. This area of the riser pipe was then wrapped with a protective petroleum based wrap and is being backfilled this week. Director Klotz asked if these types of repairs are becoming a chronic issue, CWA should start looking at making pre-emptive repairs. Mr. Ripley noted that it is the same type of structure that keeps showing up leaking, it is the connection point between riser pipes and the main carrier pipes. As a result, this is something that Mr. Olinger is starting to look at system-wide. Mr. Olinger stated that CWA is noting all of the similar locations and similar contracts. It is believed that this area was a result of original coating that was likely damaged during construction. CWA is now looking at other riser pipe locations in an effort to become more proactive and less reactive in addressing these. Director Walker asked if this was the second leak found recently. Mr. Olinger stated, yes it is the second one that occurred in the last few months where the leak occurs at the interface point between the large carrier pipe and a riser location. Mr. Olinger presented a photo taken at the repair site. Mr. Olinger noted that this repair was performed responsively, effectively, safely and resulted in no downtime to the City's Southeast Plant. The Board Members thanked the team for a job well done. There were no further questions from the Board.

VI. BUSINESS REVIEW – John Baldwin

A. Monthly Financial Statements for the Previous Month.

Mr. Baldwin stated that this item is the Financial Statements for the month ending June 30, 2020. Mr. Baldwin noted that ending the sixth month of the budget year, the expenditures on all five of the Operating Funds are within the budgeted parameters. The revenue stream from the City of Houston are timely. We are currently reviewing and will most likely perform an analysis on the purchase volume of water from CWA's two customers at the Water Treatment

Plant which have slightly dipped in the last couple of months. Information received so far is that they are performing maintenance at their own facilities. It is not a big concern at the moment but CWA will monitor the situation and see if they jump back in July and August. A copy of the report was included in the Board Members' packets. There were no questions from the Board.

VII. DISBURSEMENTS – John Baldwin

Mr. Baldwin stated that this item is the disbursements for the month on the various construction funds. A copy of the summary of disbursements for the month were included in the Board Members' Packets. The disbursements to be approved by the Board included: the Bayport Capital Improvement Fund – in the amount of \$223,602.11; the Special Project Equity Fund – in the amount of \$1,297,253.58; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$47,498.34; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$5,264.68; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$865,718.77; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$543,162.80. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion approving the Disbursement of Funds as presented.

Motion made by Director Reiser, Seconded by Director Council. The Motion carried unanimously.

VIII. OLD BUSINESS – Don Ripley

There were no old business items to discuss.

IX. NEW BUSINESS – Don Ripley

There were no new business items to discuss.

X. EXECUTIVE SESSION – Wayne Klotz

There was no executive session.

XI. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:26 A.M.

[Signature page follows]

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Thomas A. Reiser, Secretary-Treasurer