

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

March 10, 2021

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*
Joseph G. Soliz (*Absent*)
Giti Zarinkelk, P.E.*

CWA Staff

Don Ripley
John Baldwin
David Miller
Greg Olinger
James Lewis
Todd Vu
Mary Caballero

City of Houston Staff

Veronica Osegueda, PW&E*

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP*
Dimitri Millas, Norton Rose Fulbright US LLP*
Leslie A. Bacon, Norton Rose Fulbright US LLP*

With the exception of Director Soliz, 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.

II. PUBLIC COMMENTS

There were no public comments.

III. ITEMS FOR CONSIDERATION – Wayne Klotz

A. Minutes of the February 10, 2021 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of February 10, 2021, as written.

Motion approving the Minutes of the Board Meeting of February 10, 2021.

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

IV. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

The Directors received a copy of CWA's February 2021 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 project team conducted the monthly progress meeting on February 3, 2021. The contractor for the Capers Ridge Pump Station (CRPS), Renda/Johnson Brothers JV (RJB), is approximately 96% complete. Schedule review meetings were held on February 4, 2021, February 11, 2021, February 23, 2021, and February 25, 2021.

Major activities performed by RJB in February 2021 included:

- Continued installation and testing of electrical panels, wiring and terminations
- Placed 300 CY of flow fill at the discharge piping
- Completed rebar and formwork for pipe supports
- Reinstalled Pump Motor 302
- Completed all stormwater drainage piping

Major work activities planned for March 2021 include:

- Complete electrical wiring and panels
- Continue testing electrical and instrumentation systems
- Complete flow fill
- Begin sand blast and painting above ground piping
- Begin concrete roads and parking areas
- Energize the electrical switchgear building

Schedule Items – The winter storm resulted in delays in the following areas:

- Connect to Sam Houston Electrical Cooperative (SHEC) substation - SHEC was impacted by the winter storm and had to deploy resources for power restoration which pushed out connection/energizing switchgear by 20 days
- Wiring terminations to the pump motors was pushed to the latter part of February 2021
- Concrete and flow fill – water lines to on-site plant were damaged and local batch plants have been slow to come back on-line
- Startup and Testing – still working on final scheduling but targeting the startup and testing within the next 3-4 weeks

Director Klotz stated that his understanding was that this project is not tied to ERCOT and asked if he was correct. Mr. Miller stated that it is not, we are on the Entergy System. Director Klotz asked if the City of Houston is aware that during the testing, water is being placed in the canal and will end up in Lake Houston. Mr. Miller stated that is correct. A majority of the startup operation will likely just be filling the canal. Therefore, it may not be until late April/early May 2021 that there are significant flows coming in to Lake Houston. At this time, we are at approximately 30% filled in the canal system. A majority of the pump testing will be one pump for eight hours, one pump for sixteen hours, two pumps for sixteen hours, and three pumps for twenty-four hours. Therefore, it will take some time to fill the canal system. Director Klotz asked about the status on the pipe damage and other damaged items related to the winter storm. Mr. Miller stated that there were two areas damaged by the freeze. One was the water piping that supplies the Renda onsite concrete batch plant. It is not likely that those repairs will be done before the end of the project, so they will bring concrete and flow fill from offsite batch plants. Mr. Miller stated valves on the pump lubrication systems appeared to be damaged as a result of the freeze. Xylem, the pump manufacturer, is on site removing and replacing those valves and it is anticipated that work will be completed by the end of this week.

With reference to the Capers Ridge Final Access Road Project, Mr. Miller stated that as we near the end of construction of the Capers Ridge Pump Station, CWA is ready to begin the bidding process for the final Capers Ridge access road. The road design was completed by WSB (formerly Nathelyne A. Kennedy and Associates) in February 2021. The primary scope of the work for the contract will be:

- Repaving, one mile, CR2317 (per Road Use Agreement with Liberty County)
- New Asphalt on 5.5 mile Capers Ridge access road
- New storm inlets and drainage pipe
- Bank stabilization at stormwater outfalls
- Striping on the roadways and new signage
- Security guard shelter at Capers Ridge entrance and installation of video surveillance equipment

Mr. Miller stated this information was reviewed with the Professional Engineering Service Review Committee (PESRC) on March 2, 2021. The Committee recommended bringing forward for Board consideration today. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a Request for Bids for Construction of Capers Ridge Pump Station Final Access Road Project.

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

Mr. Miller then presented progress photos taken at the Capers Ridge Pump Station site. Mr. Miller stated that it is anticipated that CWA will have a fully operational electrical building by the end of today which will facilitate the startup of the pumps and the SCADA system. Director Klotz asked that when the project gets close enough to the end, where everything is mostly working, the CWA Board Members would like to get a tour of the site.

b. Dual 96-Inch Diameter Pipelines.

Mr. Miller stated the contractor for the Dual 96-inch Diameter Pipelines, Thalle Construction (Thalle) is 98.5% complete through February 2021. Thalle completed concrete placement last week and the final activity is wire termination at the pig retrieval facility building transformer and electrical panels. It is expected that this wiring work will be completed this week. Thalle is currently addressing punchlist work at the flow distribution basin and coatings on the valve vault piping. Mr. Miller presented progress photos taken at the site. There were no questions from the Board.

c. Canals.

Mr. Miller stated that R&T Ellis Excavating (R&T Ellis) is the Canal Startup contractor and they are 20% complete through February 2021. A pre-construction meeting was held on February 9, 2021.

Major activities performed by R&T Ellis in February 2021 included:

- Mobilization and SWPPP
- Removed 30 of 67 earthen dams

Major work activities planned for March 2021 include:

- Complete earthen dam removal
- Assisting with water level gate adjustments
- Hydromulch seed disturbed areas

Mr. Miller stated that this project was also delayed as a result of the freezing weather, however, R&T Ellis has been working seven days a week and have been able to catch up to the required schedule for the contract. Director Klotz asked to send R&T Ellis the Board's compliments for catching up on the schedule.

Mr. Miller stated that similar to CWA's existing key facilities including the Trinity River Pump Station, the Canal Maintenance Station on the Main Canal, and the Capers Ridge Pump Station, a residential house is planned to be built on the Luce Bayou Canal Maintenance Facility property and will

be occupied by a CWA staff member. This will ensure that CWA has an on-site security presence at this remote facility as well as a staff member who can quickly be deployed in the event that CWA has any issues along the canal system, from Capers Ridge down to Lake Houston. CWA engaged Kurk Homes to design an 1,800 SF home and develop a bid package for public advertisement and bidding. CWA's budget for this home is \$200,000. This information was reviewed with the PESRC on March 2, 2021. The Committee recommended bringing forward for Board consideration today. Director Klotz asked if the home will be furnished by CWA or the residing CWA staff member. Mr. Miller stated that the CWA staff member will furnish the home. Director Walker asked how close the residential home would be to the pump station. Mr. Miller stated, approximately eleven miles from the pump station. Director Walker stated that this is really for the Maintenance Facility and not the pump station. CWA has water level monitoring instruments at the five water level control gates which send signals to the maintenance facility and to the residential house. Should there be any water level issues with respect to the canal, the CWA resident will be the first individual deployed to inspect the issue. Director Walker asked what will be the security provided at the pump station. Mr. Miller stated the security at the pump station will be two fold, there is a residential house at the pump station, and there will also be a security guard stationed at the security guard house which is located at the Capers Ridge entrance. The security guard will be responsible for patrolling the Capers Ridge access road throughout the evening hours. It has yet to be decided to have the individual at the guard station during daytime hours. There were no further questions and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a Request for Bids for Construction of a Residential Home at the Canal Maintenance Facility.

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

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

Mr. Miller stated the Phase 1 engineering of the Lake Houston Dam Spillway Improvement Project will be completed later this week with the submittal of the Final Preliminary Engineering Report (PER). CWA is now prepared to move into Phase 2 which is the final design of the selected alternative. The selective alternative was crest gates constructed on the uncontrolled spillway. CWA and Black & Veatch completed negotiation of the scope and fee for the final design in February 2021. The key elements of the final design will include modification of the spillway to support the 1,000 LF of crest gates which will be five 200ft long crest gates, design of the cofferdam system to protect the work areas during construction, and preparation of a new gate operations plan for CWA Lake Houston Dam operators. A table identifying the engineering team members and their areas of responsibility for Phase 2 was included in the Board Members' packet. The scope, fee and schedule were reviewed with the PESRC on March 2, 2021. The Committee recommended bringing forward for Board consideration today. A copy of the scope, fee and schedule were included as an attachment to the Board Members' packet. Director Klotz asked that as the project progresses, please ensure that Black & Veatch stays on their MWDBE every month and not occasionally fall behind. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a contract amendment with Black & Veatch Inc. in the amount of \$4,465,727.00 for Phase 2 – Final Design of the Lake Houston Dam Spillway Improvement Project.

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

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

The Monthly Operations Report for February 2021 was included in the Board Members' Agenda packets.

At this time Mr. Olinger gave the Board a few comments on the Winter Storm and response that occurred during the week of February 15, 2021. The overall report is that CWA facilities remained 100% operational during the entire week with no disruptions to the City of Houston or CWA's industrial customers. CWA faced certain challenges during the winter storm, but was able to overcome such challenges. Supplied power from Entergy to the Trinity River Pump Station was lost on the morning of February 15th due to failures along the transmission line system. The NRG generators were started in a coordinated effort to bring the facility back on-line within two hours. The Entergy feed was returned to service later that evening and CWA was then able to power down the generators and resume supplied power. Another challenge faced was maintaining chlorine delivery to the Lynchburg Pump Station. The CWA supplier lost power to its facility for more than 48 hours and freeze damage to its facility led to a three day delay in chlorine deliveries. With some help from the COH's Office of Emergency Management and Houston Water, CWA was able to secure an interim supply from out of state until the local supplier was back on-line. Mr. Olinger thanked CWA superintendents and the field staff for their vigilant efforts to maintain operations in the midst of the extreme cold temperatures and difficult road conditions.

B. General Electric – Network Configuration Support.

Mr. Olinger stated that this item is for a work order to General Electric Power Conversion to support Eurotherm's (previously known as, Schneider Electric) efforts in upgrading and reconfiguring the pump control system at the Lynchburg Pump Station (LPS). This is the last slate of pump control system updates following the recently completed upgrades to the eleven GE Variable Frequency Drives (GE VFD) at LPS authorized by the Board in March 2019. The new GE VFD upgrades resulted in required changes to the pump control system including the need for additional communications isolators, the addition of serial-to-ethernet gateways, and removal of several ethernet switches. These variations from the original VFD configurations requires rewiring and reprogramming the pump control system. The time and materials scope includes one GE Field Engineer on site for thirty-three days, as well as time for reach back support if needed, to support the pump control system upgrades as well as including the costs for the gateways and various cabling. The estimation is that one drive sequence can be completed within three days. The schedule is to complete the B System Pumps (P201-P205) in March 2021; C System (P207-P212) in April and May 2021; and then A System Pumps (P103-P107) in September 2021 following summer peak demand season. A copy of the GE proposal was provided in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 2, 2021. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to GE Power Conversion in the amount of \$128,000.00 for network reconfiguration and support for 11 drives at CWA's Lynchburg Pump Station.

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

C. Annual Electric Substation Testing.

Mr. Olinger stated that this item is related to the annual Electric Substation testing at four CWA facilities. The scope includes scheduling CenterPoint outages and then conducting inspections, cleaning and repairs to CWA owned electrical equipment (switchgear and circuit breakers) located in the four substations. Mr. Olinger noted that four bids were received on February 12, 2021. The low bid, received from Dashiell is 14% less than the price paid last year and is within the CWA budget amount. Dashiell last completed this service in 2016 and 2017 and

at that time did a high quality job. A copy of the bid tabulation and a summary of the historic substation testing annual costs and received bids was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 2, 2021. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Dashiell Corporation in the amount of \$48,200.00 for Electrical Substation/Switchgear Equipment Testing.

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

D. Lynchburg Pump Station Basement Painting Project.

Mr. Olinger stated that this item is related to maintenance recoating of pumps and discharge piping located in the Lynchburg Pump Station basement area. Chipped paint and exposed piping requires, cleaning, sand blasting and then an application of a new coating system will be applied for protection from corrosion and a prolonged service life. The contractor will use a three coat polyurethane coating system that has been used successfully at other CWA locations across our systems with similar environments. Following contractor site visits held by CWA during the week of February 1, 2021, three bids were received on February 12, 2021, the low bid being within the approved budget amount. The low bidder is Preferred Quality Industrial Services, who recently successfully complete similar projects at Bayport and at Lake Houston Pump Stations. Director Walker asked if precautionary steps were being taken to protect the various equipment located in the area. Mr. Olinger stated, yes and that the contractor will use scaffolds in the areas to facilitate the detailed work to perform the blasting and recoating and while ensuring that there is no collateral damage to the lines in the area. A copy of the bid tabulation was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 2, 2021. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Preferred Quality Industrial Services in the amount of \$280,000.00 for painting of B and C System Pumps at CWA's Lynchburg Pump Station.

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

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 February 28, 2021. Mr. Baldwin stated all expenses and revenues are within the parameters of the budget. All five of the Operating Funds are in good shape and as forecasted. Mr. Baldwin noted that the Auditors are currently engaged in the audit of CWA's financials for the previous year and a draft report from the auditors should be forthcoming later this month. 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 \$43,822.40; the Special Project Equity Fund – in the amount of \$265,550.75; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$273,480.81; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$7,442.00; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$418,370.09; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$321,485.64. 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

At this time, Director Klotz informed the Board Members that he asked Mr. Ripley to work with the Amegy Building and CWA's Legal Counsel, Norton Rose Fulbright, with the idea of the Board Members returning to an in-person Board meeting in the next month or two. An update on the decision will be relayed to the CWA Directors. The meeting was adjourned at 10:35 A.M.



Tony L. Council, 1st Vice-President