

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

November 10, 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

Sharon Citino, PW&E*

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 October 14, 2020 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of October 14, 2020, as written.

Motion approving the Minutes of the Board Meeting of October 14, 2020.

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

IV. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

The Directors received a copy of CWA's October 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 project team conducted the monthly progress meetings on October 7, 2020 and October 21, 2020. The contractor for the Capers Ridge Pump Station (CRPS), Renda/Johnson Brothers JV (RJB), is approximately 94% complete.

Major activities performed by RJB in October 2020 included:

- Continued installation of electrical panels and wiring
- Continued installation of 36-inch, 48-inch, and 84-inch piping, valves and flowmeters
- Continued upstream river bank rip rap installation
- Began rip rap installation at intake apron
- Installed lights in control building

Major work activities planned for November 2020 include:

- Continue electric panels and wiring
- Continue the piping, valves and flowmeters
- Continue rip rap installation
- Begin cofferdam removal (November 16, 2020)
- Receive pump motors (November 20, 2020)

At this time, Mr. Miller presented to the Board an update on the overall LBTP schedule. Based on the latest schedule from RJB an extension of the completion date by 7-9 weeks is being forecasted. The completion of startup/testing is estimated to be late March/early April, 2021. Mr. Miller stated that the primary reasons for the extension include reduced production due to RJB's COVID-19 safety protocols and equipment downtime. Mr. Miller stated that following the COVID-19 infections at the site in July 2020 that shut down site activities, RJB began implementation of stricter safety protocols that limit the number of workers in confined areas, require workers to break and wash hands two times per day and require workers to be tested following extended breaks away from the site. Director Klotz expressed concern with RJB's schedule and requested monthly updates to the Board on the project schedule.

Mr. Miller stated that Jacobs Engineering Group is CWA's construction administration and inspection firm for the Capers Ridge Pump Station and Dual 96-Inch Pipelines projects. The scope of the contract is on-site construction management, schedule review/analysis, scheduling construction materials testing, and startup and testing coordination. The Jacobs contract requires an amendment to extend the services commensurate with the remaining construction schedules of RJB (CRPS project). Mr. Miller stated that CWA and Jacobs completed negotiation of the scope and fee for this amendment in October 2020 and this information was reviewed with the Professional Engineering Services Committee (PESRC) on November 2, 2020. The PESRC recommended bringing the proposed amendment forward for Board consideration. A copy of the proposal and fee was included as Attachment 1 in the LBTP Monthly Report. Director Zarinkelk asked about the scope of the Jacobs contract relative to RJB's schedule. Mr. Miller stated that Jacobs reviews and analyzes the monthly schedules and provides a written report to CWA and RJB. Director Klotz asked if Jacobs just monitors or do they assist the contractor in meeting the schedule. Mr. Miller stated that Jacobs does provide suggestions on schedule. Director Klotz asked how the schedule review recommendations from Jacobs are conveyed to RJB. Mr. Miller stated it is reviewed with the contractor on a monthly basis. There were no further questions and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a contract amendment in the amount of \$1,838,707.00 to Jacobs Engineering Group for construction administration and inspection 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 Reiser, Seconded by Director Soliz. The Motion carried unanimously.

At this time, Mr. Miller presented progress photos taken at the site to the Board.

b. Canals.

Mr. Miller stated that upon completion of the CRPS and Dual 96-inch pipelines, startup and testing will occur. This testing will involve pump operation, transmission of water through the pipelines to the canal system and conveyance of water in the canal to Lake Houston. During canal construction, CWA directed the canal contractors to install earthen dams upstream and downstream of the 26 inverted siphons and five water level control gates to prevent sediment buildup in those structures. These dams are required to be removed in advance of the startup procedures. CWA also anticipates adjustment of the five water level gates will be necessary as flows are varied during startup/testing. Gunda Corp has prepared a bid package for the dam removal and gate adjustments which is ready for advertisement in November/December 2020. Director Klotz asked about the timing of the pump station startup and testing. Director Klotz asked about coordination efforts if the pump station will not be ready until middle of April 2021. Mr. Miller clarified that April 9, 2021 date is completion of start-up and testing and that pump station construction completion is scheduled for late January/early February 2021. Therefore, the initial pumping work will begin in middle/late February 2021 and be completed by early April 2021. Mr. Miller stated CWA will award the contract in December 2020/January 2021. Mr. Miller noted that it is expected to take approximately 30-40 days to remove all of the earthen dams. Director Klotz asked that CWA try and ensure that enough bids are received. Mr. Miller stated that CWA and Gunda will perform contractor outreach to ensure we receive at least 3 responsive bids. There were no further questions and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to advertise a Request for Bids for Construction Services to support Canal startup as part of the Luce Bayou Interbasin Project.

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

c. Dual 96-Inch Diameter Pipelines.

Mr. Miller stated the contractor for the Dual 96-inch Diameter Pipelines, Thalle Construction (Thalle) is 96% complete through October 2020.

Major activity performed by Thalle in October 2020 included:

- Continued electrical conduit/wiring in the pig retrieval facility building
- Pipe couplings and gaskets

Mr. Miller stated that Thalle is nearing completion of the electrical work within the pig retrieval building. Pressure testing conducted in October revealed leaks in the 72-inch piping coupling on the north line. Upon removal of the pipe spool and inspection of the pipe grooves and couplings, the manufacturer, Victaulic, determined replacement is necessary. The replacement process was estimated by the Victaulic Representative at 3-4 weeks and once completed and installed final pressure testing will occur. Upon successful pressure test, the final activity will be installation of the concrete pavement around the building.

Major work activities planned for November 2020 include:

- New pipe couplings and gaskets
- Final pressure test
- Install concrete pavement

Mr. Miller presented progress photos taken at the site. There were no questions from the Board.

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

Mr. Miller stated that during the month of October, the project team conducted monthly coordination meetings on October 15, 2020 (Meeting No. 13) and October 28, 2020 (Meeting No. 14). On October 16, 2020 CWA, City of Houston and Harris County Flood Control District provided an on-site status update to U.S. Congressman Dan Crenshaw. The project purpose, H&H studies/modeling and considerations that will go into alternatives development were discussed at that meeting. Mr. Miller stated that the primary permitting agency, the United States Army Corps of Engineers - Galveston District (USACE), visited the site on October 22, 2020 with CWA, Black & Veatch, and CWA's environmental consultant, Halloway, to inspect/verify the wetlands delineation. There were no major issues with that inspection. USACE agreed with the delineation. Mr. Miller noted that the third pre-application meeting was conducted on November 5, 2020 with the USACE Project Manager and an update of the H&H modeling and the alternatives development process were presented to him at that time. There were no further questions from the Board.

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

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

B. CWA Easement and Right-of-Way Encroachment General Requirements.

This item was deferred to next month's Board meeting.

C. CWA Raw Water Service Connection General Requirements.

This item was deferred to next month's Board meeting.

D. Trailer Mounted Diesel Pump.

Mr. Olinger stated that this item is the purchase of a trailer mounted diesel pump. The purchase is proposed to replace an existing 30-year old, 10-inch pump that has reached its useful service life. The replacement would be a 6-inch x 6-inch heavy duty solids handling pump. This pump will be used for dewatering excavations, cofferdam areas and Lake Houston Dam structures as required. CWA obtained three quotes and a copy of the bid was provided in the Board Members' packet. This item was briefed to the O&M Oversight Committee on November 2, 2020. 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 in the amount of \$41,750.00 to Sunbelt Rental Pump Solution for a new Pioneer 6-inch Trailer Mounted Diesel Pump.

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

E. Asset Management Software.

Mr. Olinger stated that this item is for the replacement of CWA's asset management system. The existing software, Mainstar, has been in active use since 1999. The owned version is no longer supported by the software company. Mr. Olinger noted that required Windows operating system upgrades on the CWA computer system will eventually render the software unusable. CWA staff reviewed four replacement products including a program from the developer of the existing asset management system. The programs were evaluated based on overall functionality, ease of use, ability to migrate historic data, mobile device and GIS compatibility and life cycle costs. The program that rated the highest was Cartegraph Systems, Inc. and this program also has the lowest cost projected over a 10-year time period. The proposal with Cartegraph Systems, Inc. includes migration of historic data, configuration, setup and training for CWA staff. A copy of the evaluation matrix and benefit/cost dated was provided in the Board Members' packet. This item was briefed to the O&M Oversight Committee on November 2, 2020. Director Klotz asked if there will be an annual cost going forward. Mr. Olinger stated, yes and that there will be an annual license fee going forward. 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 in the amount of \$53,620.00 to Cartegraph Systems, Inc. for download, configuration, integration, and training for a replacement asset management software system.

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

F. Lake Houston Pump Station Discharge Pipe Painting.

Mr. Olinger stated that this item is for recoating the six discharge lines at the Lake Houston Pump Station. Recent inspection of the lines that range from 24-54 inches in diameter indicated cracked and peeling paint and signs of corrosion. The scope includes sand blasting the pipes and applying a three coat system including zinc clad, macropoxy, and high solids polyurethane. Mr. Olinger noted that is a similar spec that CWA has used on recoating other pipelines in the system and has proven effective. CWA obtained three bids and a copy of the bid tab was provided in the Board Members' packet. This item was briefed to the O&M Oversight Committee on November 2, 2020. 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 in the amount of \$57,000.00 to Preferred Quality Industrial Services for blasting and painting of discharge lines at CWA's Lake Houston Pump Station.

Motion made by Director Walker, Seconded by Director Reiser. 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 October 31, 2020. Mr. Baldwin stated that all five of the operating budgets as running as forecasted and each of the budgets are running slightly under budget from 1% - 5% on expenditures. The revenue side of all five operating budgets are also in good shape and current with City of Houston payments on schedule and coming in as anticipated along with CWA's Bayport and Treatment Plant customers. There were no questions from the Board on the financials. A copy of the financial report was included in the Board Members' packets. There were no questions from the Board.

B. Adoption of the 2021 Operating Budgets for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project.

Mr. Baldwin stated that this item is Coastal Water Authority's proposed Fiscal Year 2021 Operating Budgets with the City of Houston for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project. Mr. Baldwin noted that there were no changes made to the Budgets from the October 14, 2020 Finance and Audit Committee Budget Workshop meeting which was open to all of the Board Members. Mr. Baldwin stated that Mr. Ripley has reviewed the Budgets with Ms. Yvonne Forrest, City of Houston, Houston Public Works (COH/HPW) and a letter of concurrence for the budgets was received from COH/HPW. A copy of the budgets were included in the Board Members' packets. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion adopting the 2021 Operating Budgets for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project and authorizing the Chief Financial Officer to submit said Budgets to the City of Houston Mayor and City Council for their review and approval.

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

C. Adoption of the 2021 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant.

Mr. Baldwin stated that this item is Coastal Water Authority's proposed Fiscal Year 2021 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant and stated that there were no changes made from the Committee Budget Workshop meeting held on October 14, 2020. A copy of the budgets were included in the Board Members' packets. There were no questions for the Board and Mr. Baldwin recommended the motion as presented

Motion approving the Resolutions adopting the 2021 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant.

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

D. Internal Management Report – September 30, 2020.

Mr. Baldwin stated that this item is CWA's Quarterly Internal Management Report (the Report) detailing the investment activities on all of the Authorities' funds for the quarter ending September 30, 2020 as required by the Texas Public Funds Investment Act. The Report reflects the investment yields available in the market place during that time frame. Mr. Baldwin stated that all investments were held to maturity. This item was reviewed with the Finance and Audit Committee earlier. There were no questions from the Board and Mr. Baldwin recommended the motion as presented. A copy of the Report was included in the Board Members' packets. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion approving the Coastal Water Authority's Internal Management Report for the Quarter ending September 30, 2020.

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

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 \$546,910.92; the Special Project Equity Fund – in the amount of \$210,360.09; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$39,902.50; the Construction Fund – Series 2015 (Luce Bayou Project) – in the

amount of \$7,662.95; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$349,375.89; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$87,395.71. 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.

At this time, Director Klotz asked if there was any update on the easement issues discussed in last month's executive session. Mr. Ripley stated yes, and that CWA is waiting on a response from the firm seeking to acquire the easements.

X. EXECUTIVE SESSION – Wayne Klotz

There was no executive session.

XI. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:46 A.M.

[Signature page follows]



Thomas A. Reiser, Secretary-Treasurer