

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

September 9, 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*	Jon M. Sjolander*
Tony L. Council, P.E., First Vice-President*	Joseph G. Soliz*
Douglas E. Walker, Second Vice-President*	Giti Zarinkelk, P.E.*
Thomas A. Reiser, Secretary-Treasurer	

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*

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 August 12, 2020 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of August 12, 2020, as written.

Motion approving the Minutes of the Board Meeting of August 12, 2020.

Motion made by Director Reiser, 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 August 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 August 6, 2020, and August 19, 2020. The contractor for the Capers Ridge Pump Station, Renda/Johnson Brothers JV (RJB), is approximately 93% complete.

Major activities performed by RJB in August 2020 included:

- Continued installation of electrical wiring throughout the facility
- Continued installation of flushing piping, baffle plates and concrete fillets
- Installed rebar and form work for the discharge slab
- Installed Pumps 302, 304, 306 and 308
- Prepared for Hurricane Laura

Mr. Miller stated that during the early week of August 23, 2020, RJB made preparation for Hurricane Laura including closure of the intake stop gates, anchoring materials, and relocation of all construction equipment. Hurricane Laura made landfall far enough to the east that the site only received a small amount of rainfall and wind and RJB was able to resume activities on August 28, 2020. Entergy and Sam Houston Electric Cooperative (SHEC) delayed energizing the substation and the transmission lines due to the hurricane and deployment of its resources to Louisiana. The new date to provide power to the substation is September 24, 2020. Director Klotz asked in light of the outages from Entergy after Hurricane Laura, would that have created a problem for CWA's operations that CWA would have lost both feeds at this site. Mr. Miller stated he would ask SHEC for a response to that question.

Major work activities planned for September 2020 include:

- Pouring the discharge header slab
- Complete all piping work within the pump station
- Complete drywall in the control building
- Installation of the pump motors

Mr. Miller stated the pump motors are currently in Milwaukee, Wisconsin. The plan is to load and ship them in late September or Early October 2020. The motors will then be off loaded and set on top of the pumps. Mr. Miller presented progress photos of the pump installation. Director Reiser asked what the time frame was for completion. Mr. Miller stated approximately five months of construction and then approximately 45 days for the start-up. Director Reiser asked if the start-up would be soft. Mr. Miller stated that the start-up will involve operating up to three pumps with a discharge of 240 MGD. There were no further questions from the Board.

b. Canals.

Mr. Miller stated that during the month of August 2020, CWA advertised Luce Bayou Interbasin Project equipment purchase, Package No. 7, for a 14 CY dump truck and equipment haul trailer. CWA received three bids on August 31, 2020. The low responsive bidder was submitted by Houston Freightliner. Mr. Miller noted the bids were reviewed with the Professional Engineering Services Review Committee on September 1, 2020, and the committee recommended bringing them forward for Board consideration. A copy of the bid tabulation was presented as Attachment A 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 purchase order to Houston Freightliner, Inc. in the amount of \$199,274.00 for a dump truck and trailer for use on the Luce Bayou Interbasin Transfer Project.

Motion made by Director Walker, Seconded by Director Council. 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 nearing completion of the pipeline project.

Major activity performed by Thalle in August 2020 included:

- Completed the pig retrieval facility building
- Conducted preliminary pig retrieval facility piping pressure tests

Mr. Miller stated pressure tests conducted in August revealed a leak in one of the 96-inch diameter pipe couplings located outside the building. Thalle is currently exposing and adjusting the coupling so the final pressure test can be performed in September. Mr. Miller noted this is fairly common with these type of couplings.

Major work activities planned for September 2020 include:

- Repair leak in 96-inch pipe coupling and pressure test the pig retrieval facility piping
- Complete installation of the building electrical panels and wiring

Mr. Miller stated that upon completion of the pressure test and installation of the building electrical panels and wiring, the final inspection will occur which is estimated later this month or early October 2020. Mr. Miller presented progress photos taken at the site. Director Walker asked what the test pressure test was for the pig retrieval piping. Mr. Miller stated that there are two criteria for pressure testing the pipe within the pig retrieval facility. The test pressure for the large diameter piping is 100 psi and the smaller diameter drain piping is tested at 40 psi. There were no further questions from the Board.

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

Mr. Miller stated the project team conducted monthly coordination meetings on August 5, 2020 (Meeting No. 9) and August 19, 2020 (Meeting No. 10). CWA's consultant, Black & Veatch (B&V) completed upstream and downstream model calibration in August 2020 and began hydraulic evaluation of the various spillway improvement alternatives and associated discharge rates. On August 18, 2020, Risk Management Workshop No. 2 was conducted with CWA, B&V, City of Houston, and Harris County Flood Control District. At this meeting, primary risks were identified and mitigation plans were developed for those risks. On August 27, 2020, B&V conducted a coordination meeting with the water quality modeling consultant, KIT. As the spillway improvement alternatives are developed, KIT will run the water quality model to determine what impacts to water quality can be expected. Mr. Miller stated that an alternative evaluation workshop will be conducted later this month with CWA, B&V, City of Houston and Harris Flood Control District. Director Klotz asked how many alternatives are being reviewed. Mr. Miller stated that there are between 6 and 8 alternatives being considered. There were no further questions from the Board.

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

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

B. Lynchburg Pump Station Motor P-210 Rehabilitation.

Mr. Olinger stated that this item is a proposed rehabilitation of C-System Motor P-210 at Lynchburg Pump Station. Motor 210 began exhibiting vibrations in excess of CWA action levels earlier this year and was removed from service and flagged for rehabilitation. This motor was rebuilt for the first time over thirteen years ago, which is in line with our running average of years between motor rebuilds. The work involves removing and inspection, replacement of three bearings, rewinding of the rotor coils, cleaning, painting and return and reinstallation at the pump station. CWA received five bids on August 28, 2020. The low bid was received from Louis Allis. Mr. Olinger noted that Louis Allis has successfully completed the repair and rehab of the two most recent motors that had been taken out of service and performed good work within the contract requirements and on budget. This item was briefed to the O&M Oversight Committee on September 2, 2020. A copy of the bid tab was provided in the Board Members' packets. 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 Louis Allis in the amount of \$154,358.00 for the repair of Lynchburg Pump Station Motor P-210.

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

C. Annual Chemical Contracts.

Mr. Olinger stated that this item is the annual chemical contracts. Beginning with the ammonia supply contract, CWA received four bids on August 21, 2020. The low bid was received from Airgas, Inc. (Airgas), who is the current supplier. He stated Airgas has been a dependable supplier throughout the year and its submitted price results in a 10% lower unit price than contracted last year. This item was briefed to the O&M Oversight Committee on September 2, 2020. A copy of the bid tab was provided in the Board Members' packets. 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 Airgas Inc. in the amount of \$279,887.00 for aqueous ammonia.

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

Mr. Olinger stated on the chlorine supply contract, CWA received two bids on August 21, 2020. The low bid was received from Brenntag Southwest (Brenntag). Brenntag has been a dependable supplier having had the contract between 2005 – 2015 and then again in 2017. The submitted price also results in a 10% reduced price from last year's contract amount. This item was briefed to the O&M Oversight Committee on September 2, 2020. A copy of the bid tab was provided in the Board Members' packets. Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Brenntag Southwest Inc. in the amount of \$918,517.00 for liquid chlorine.

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

D. Canal Maintenance Station Fiber Optic Install – PS Lightwave.

Mr. Olinger stated that this item is to install fiber optic cable service from Highway 146 to the Canal Maintenance Station in Mont Belvieu, Texas. Currently the facility experiences frequent outages, data latencies, and poor quality phone service, especially during rain events. The fiber optic install will significantly improve data and phone service quality and reliability to the facility. Additionally, the monthly service fee as a result of this new service will be reduced by \$350. This item was briefed to the O&M Oversight Committee on September 2, 2020. A copy of the quote was provided in the Board Members' packets. Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to PS Lightwave in the amount of \$79,334.00 for the installation of new fiber optic cable to the Canal Maintenance 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 August 31, 2020. Mr. Baldwin noted that CWA is ending the eighth month of the budget year with all five of the Operating Funds within the forecasted budget. The revenues and expenditures are also in good shape in all five operating budgets. The three operating funds with the City of Houston are experiencing the budgeted forecast, and are within the budget parameters. CWA customers from Bayport are running in good shape in its operating fund and are within the forecasted water usage. With reference to CWA's Water Treatment Plant operating fund, Pasadena Refining System (PRSI) had another small fire, and its water usage has been down as they have been performing maintenance and repairs on equipment. CWA does expect them to get back up to the daily forecasted budget. CWA is working with them to see what its forecasted water usage will be next year. Chevron employees have been working on the PRSI facility. There might be a transfer of ownership coming in the future. A copy of the financial report was included in the Board Members' packets. There were no questions from the Board.

B. 2021 CWA Budget Preparation Schedule.

Mr. Baldwin presented to the Board a tentative schedule for CWA's 2021 Budget Preparation Schedule. A summary briefing will be presented to the Finance and Audit Committee later this month followed by a Finance and Audit Committee Budget Workshop occurring immediately after the October 14, 2020 Board meeting. All of the Board Members are invited to attend the workshop. 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 \$27,599.83; the Special Project Equity Fund – in the amount of \$574,736.39; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$37,966.50; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$9,151.83; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$454,776.12; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$280,353.77. 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

A. Riverside Development Services, Inc. – Request for Abandonment.

Director Klotz deferred this item to next month's Board meeting.

XI. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:38 A.M.

[Signature page follows]



Tony L. Council, 1st Vice-President