

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

July 13, 2022

The Board of Directors (the "Board") of Coastal Water Authority ("CWA") convened its Regular 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	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 (<i>Absent</i>)	

CWA Staff

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

City of Houston Staff

Yvonne Forrest, Houston Public Works

General Legal Counsel

Barron Wallace, Bracewell LLP

With the exception of Director Reiser all Members of the Board were present thus constituting a quorum.

I. CALL TO ORDER – Wayne Klotz

A. Welcome.

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

B. Pledge of Allegiance.

C. Salute to the Texas Flag.

D. Moment of Silence.

II. PUBLIC COMMENTS

There were no public comments.

III. ITEMS FOR CONSIDERATION – Wayne Klotz

Director Klotz requested a motion approving Item III.E., the Minutes of the Board Meeting of June 8, 2022, as the first item of business.

E. Minutes of the June 8, 2022 Board Meeting.

Motion approving the Minutes of the Board Meeting of June 8, 2022.

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

At this time Director Klotz recognized the reappointments of Tom Reiser, Doug Walker and Mark Sjolander to the CWA Board. Director Klotz thanked Director Walker and Director Sjolander for their ongoing service to CWA and noted that the entire Board works well together and is committed to the mission of CWA.

- A. Recognition of the reappointment by Governor Greg Abbott of Thomas “Tom” A. Reiser to Coastal Water Authority Board of Directors, representing Harris County; Statement of Officer, Oath of Office and Bond.**
- B. Recognition of the reappointment by Governor Greg Abbott of Douglas “Doug” E. Walker to Coastal Water Authority Board of Directors, representing Chambers County; Statement of Officer, Oath of Office and Bond.**
- C. Recognition of the reappointment by Governor Greg Abbott of Jon “Mark” M. Sjolander to Coastal Water Authority Board of Directors, representing Liberty County; Statement of Officer, Oath of Office and Bond.**

At this time the Oath of Office was administered to Director Walker and Director Sjolander by Ms. Caballero, notary public.

- D. Administration of Oath of Office to Douglas “Doug” E. Walker and Jon “Mark” M. Sjolander.**

IV. ONGOING PROJECTS – David Miller

A. Lynchburg Pump Station – B-System Expansion (P201/P206).

Mr. Miller stated CWA and CWA’s General Engineering Consultant, BGE, Inc., conducted the Final Design Kickoff Meeting on June 22, 2022. Thereafter, CWA provided the Notice to Proceed to BGE and Alden Labs to build a physical model to evaluate flow profiles as part of the pump design. Should the modeling determine vortices or swirl angles are present, Alden will provide recommendations on mitigation solutions which will then be provided to the pump manufacturers. Mr. Miller stated the Pump Procurement Package is scheduled to advertise in January 2023 and the Construction Package is scheduled to advertise in May 2023. Director Klotz asked if the funds for the pump are in this year’s budget or next year’s budget. Mr. Miller stated that the funds are in next year’s budget. There were no further questions.

B. Lake Houston Dam Spillway Improvement Project.

Mr. Miller stated Black & Veatch (B&V), the engineer of record for the project, continued preparation of a Technical Memorandum that evaluates the additional gates located to the east of the existing gate structure. The Technical Memorandum was requested approximately 4-5 weeks ago by the City of Houston (COH). CWA anticipates the Technical Memorandum from B&V will be submitted to CWA and the COH within the next few weeks. Director Klotz asked if B&V would provide cost estimates to calculate a benefit cost ratio. Mr. Miller indicated B&V will provide construction cost estimates with the Technical Memorandum. These estimates will be used by the COH’s Benefit Cost Assessment (BCA) Consultant to complete the official BCA. There were no further questions.

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report.

The Monthly Operations Report for June 2022 was included in the Board Members’ packets.

B. Vehicle Purchases.

Mr. Olinger stated this item is related to the purchase of three vehicles for CWA staff usage. Two of the vehicles are replacements for current high mileage trucks and includes the associated trade-in value, the other vehicle is for CWA's new safety/security manager. All three vehicles will be assigned to Tier 1 employees with responsibilities to immediately respond to any natural disaster, security incident, or service interruption. Mr. Olinger stated bids were received from multiple dealerships that have current inventory. A copy of the bid tab was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on July 5, 2022. Director Klotz asked why the trucks chosen were 2021 rather than 2022 models. Mr. Olinger stated that this is due to the current vehicle inventory shortage and global supply chain challenges. These three vehicles were available for immediate purchase. There were no further questions and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order in the amount of \$105,006.00 to Tommie Vaughn Ford for the purchase of three new 2021 Ford F-150 4x4 pickup trucks.

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

C. Lynchburg Pump Station – Motor P106 Rehabilitation Update.

Mr. Olinger stated this item is a project update for the Lynchburg Pump Station (LPS) Motor P106 rehabilitation that was authorized by the Board in March 2022. The motor was removed from service and rehabilitated at the Shermco Industries facility in Irving, Texas. Inspection of the motor indicated worn bearings and all 12 rotor coils required rewiring. CWA personnel witnessed and inspected the final balancing and shop testing before shipment last month. The motor was returned and reinstalled at LPS on June 14, 2022 and the 21-day run in time was successfully completed on July 5, 2022. A photo of the rotor and new rotor coils during balancing was presented to the Board. Mr. Olinger stated all of the work was completed in accordance with the contract documents and was under budget and on schedule. Mr. Olinger thanked CWA's construction management lead, Felipe Gomez, and CWA's electrical engineer, Saad Al Taie, for a job well done on this project. Director Klotz asked what the differential of the cost between refurbishing this motor and buying a new motor. Mr. Olinger stated the estimate for a new motor would be \$500,000, and the rebuild for this motor was \$160,000, a difference of approximately \$350,000. Based on the CWA rehabilitation history, the rebuild should provide an added twenty years to the motor service life. Director Sjolander asked if this rebuild project will be on CWA's maintenance tracking schedule. Mr. Olinger stated it is. This project was listed on CWA's Asset Management System as a prioritized repair, it will now be updated to reflect a 95% condition rating. Mr. Olinger noted the 95% rating is due to the fact the pump is not brand new but is close to new. This updated rating will drive this asset toward the bottom of the priority ranking list. Director Sjolander asked about the warranty period, and Mr. Olinger stated it is a one-year warranty built in with all of CWA's pump repair contracts that includes labor/parts, etc. Director Klotz asked Mr. Ripley to provide an overview of CWA's Asset Management System at next month's Board Meeting, and Mr. Ripley stated he would also provide a brief overview of CWA's Supervisory Operations Feed to the Downtown Office.

D. Annual Electrical Substation/Switchgear Testing Update.

Mr. Olinger stated this item is an update on the annual electrical substation/switchgear testing contract authorized by the Board in March 2022. Inspections, testing, and cleanings were completed at all five of the CWA owned and operated substations. The contractor, National Field Services, completed all of the work safely with no incidents, within authorized budget and completed the project eight days ahead of schedule. Mr. Olinger noted that typically this work extends into the fall months due to the need to coordinate temporary outages with CenterPoint Energy. This year National Field Services was very proactive in the coordination and was able to finish ahead of schedule. Director

Walker asked if any issues were found during the testing. Mr. Olinger stated nothing out of the ordinary was discovered. There were no further questions.

E. Lake Houston Vegetation Control Update.

This item is an update on the Lake Houston Vegetation Control Program. Mr. Olinger stated that CWA is under contract with the COH to control the growth and proliferation of invasive/nuisance aquatic vegetation on Lake Houston in order to prevent buildups at the Northeast Water Purification Plant and the Lake Houston Pump Station raw water intakes. A monthly surveillance assessment has been completed every month starting in March which is then followed by targeted spraying in areas with identified growth the following week. Mr. Olinger noted that water hyacinth, water lettuce, common salvinia, crested floating heart and giant salvinia are the types of vegetation targeted for spraying. Focus so far this year has been on the West Fork treating water hyacinth nurseries found in Zones A & B and common salvinia found in Zone F north of Luce Bayou. Director Klotz asked if the same herbicide was used on all of the various types of vegetation. Mr. Olinger stated the herbicides are different based on the vegetation type. Director Sjolander asked about the safety of the herbicides. Mr. Olinger stated the applications are safe for aquatic use and are approved by the EPA. As of this month 12 of 60 programmed spray days have been used. Mr. Olinger presented before and after photos of various sprayed zones. Mr. Olinger noted that this year has seen the emergence of giant salvinia for the first time. Giant salvinia is about the size of a silver dollar and is fast growing, with nurseries able to double in size within a week if not treated. Since it is a new vegetation to Lake Houston, it was reported to Texas Parks and Wildlife Department (TPWD), which provided CWA with a recommended chemical mix and spray schedule for treatment that has been effective in other lakes. CWA is reporting its progress in treating the giant salvinia, as well all of the other vegetation species, to the TPWD. Mr. Olinger stated that the current weather has been creating conditions for a very active year, but CWA's team is staying on top of it. Mr. Olinger recognized the efforts of the contractor, Lake Management Services, and CWA's contracts manager, Jonathon Jung, in controlling the growth of these invasive vegetation outbreaks.

VI. BUSINESS REVIEW – John Baldwin

A. Monthly Financial Statements for the Previous Month.

This item is the Financial Statements for the month ending June 30, 2022. Mr. Baldwin stated that ending the sixth month of the budget year the expenditures on all five of the Operating Funds are within the forecasted range, and the revenue stream is sufficient. Mr. Baldwin noted there is an uptick in water pumpage as we get into the summer season. The last two months have been slightly higher than forecasted resulting with increases in usage of electricity and pre-treatment chemicals. A copy of the report was included in the Board Members' packets. There were no questions from the Board.

B. Business Insurance Policy Renewal Update.

Mr. Baldwin stated this item is CWA's Business Insurance Policy Renewal update. At last month's Board Meeting, CWA renewed its business insurance policy with the Risk Management Fund of the Texas Water Conservation Association (TWCA) with the contingency that motion include the amount not to exceed the estimated amount of \$725,000. The final quote came in from TWCA at the lower rate of \$705,744. 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 \$941,750.00; the Special Project Equity Fund – in the amount of

\$25,187.50; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$516,399.44; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$542,736.07. 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 Sjolander, Seconded by Director Council. The Motion carried unanimously.

VIII. PERSONNEL MATTERS – Wayne Klotz

A. Personnel Matters – Executive Director.

Director Klotz deferred this item to Executive Session.

IX. OLD BUSINESS

No items to discuss.

X. NEW BUSINESS – Wayne Klotz

No items to discuss.

XI. EXECUTIVE SESSION – Wayne Klotz

Director Klotz noted the time at 10:33 A.M. and stated that the Board would at this time convene in Executive Session. The Executive Session was held pursuant to provisions of Section 551.071-551.084 of the Texas Government Code to conduct deliberations regarding Item VIII.A. – Personnel Matters – Executive Director. No action was taken in Executive Session.

XII. RECONVENE – OPEN SESSION – Wayne Klotz

Open Session reconvened at 10:58 A.M. Director Klotz stated that no action was taken in Executive Session.

VIII. PERSONNEL MATTERS (continued) – Wayne Klotz

A. Personnel Matters – Executive Director.

At this time Director Klotz proposed the following motion:

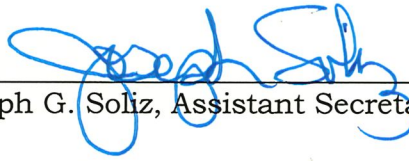
Motion to select Mr. Greg Olinger as the sole finalist for the position of Executive Director and to authorize staff and counsel to prepare an offer letter for adoption by the Board for the August Board Meeting.

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

XIII. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 11:00 A.M.

[Signature page follows]



Joseph G. Soliz, Assistant Secretary-Treasurer