

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

May 10, 2023

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
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

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

City of Houston Staff

Yvonne Forrest

General Legal Counsel

Barron Wallace and Mary Buzak, Bracewell LLP

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

Copies of the agenda materials were included in the Board Members’ packets.

I. CALL TO ORDER – Wayne Klotz

A. Welcome.

Director Klotz opened the meeting 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 stated that the first item of business was the approval of the Minutes of the Board Meeting of April 12, 2023.

A. Minutes of the April 12, 2023 Board Meeting.

Motion approving the Minutes of the Board Meeting of April 12, 2023.

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

IV. EXECUTIVE DIRECTOR'S REPORT – Greg Olinger

A. Operations Summary Report.

Mr. Olinger stated that during the month of April 2023, the Trinity River Pump Station (TRPS) pumped 18.1 billion gallons, with a daily average of 610 million gallons per day (MGD), and was 2% above the projected amount of 17.7 billion gallons. With slightly less demands from the East Water Purification Plant, the Lake Houston Pump Station (LHPS) pumped 1.2 billion gallons, with a daily average of 40 MGD, and was 67% less than the projected amount of 1.8 billion gallons. The Capers Ridge Pump Station (CRPS) pumped 1.7 billion gallons, an average of 57 MGD, and was 68% of the projected amount of 2.5 billion gallons. April 2023 experienced 6.5 inches of rain (historic average is about 2.5 inches) and as a result, there were fifteen days of suspended operations at CRPS.

B. Lynchburg Pump Station Improvements Project P-201 and P-206 Pump Package.

Mr. Olinger stated this item is the Lynchburg Pump Station (LPS) B-System Improvement Project Pump Procurement Package. A request for bid was issued on March 16, 2023, for the supply of two 50,000 GPM Vertical Centrifugal Dry Pit Pumps and the bid also included individual vibration monitors as well as two 4,000 HP Medium Voltage Synchronous Motors. CWA received three bids on April 28, 2023. The range of the bids was within 2.5% of each other and each bid was below the CWA budget number of \$6M. The low bidder was Xylem Water Solutions USA, Inc. (Xylem) located in Alvin, Texas. Mr. Olinger noted that CWA has had a good working relationship with Xylem as they recently supplied the four pumps to the CRPS. In response to a question from Director Klotz about Xylem's delivery time, Mr. Olinger responded that a contract period of 450 days has been established as part of the contract, and there were no identified issues in meeting the contract period in Xylem's submittal. This item was briefed to the O&M Oversight Committee on May 2, 2023. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid in the amount of \$5,689,360 to Xylem Water Solutions USA Inc. for the Pump P-201 and P-206 Pump Package as part of the Lynchburg Pump Station B-System Improvement Project.

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

C. Lynchburg Pump Station Improvements Project P-201 and P-206 Variable Frequency Drive Procurement Package.

Mr. Olinger stated this item is also related to the LPS B-System Improvement Project and is the Variable Frequency Drive (VFD) Procurement Package. The VFDs allow automated motor speed modulation to meet a prescribed downstream pipeline pressure in the distribution system. The scope includes supply of two VFD systems that include switchgear, power houses, pad mounted transformers and low voltage electrical equipment. All of the equipment is installed in a pre-fabricated building and is factory tested. The pre-fabricated building will then to be delivered and installed on a pre-constructed concrete pad (pier mounted) at the LPS facility. In response to a question from Director Walker, Mr. Olinger stated that the dimensions of the pre-fabricated building are 20'W x 70'L. Mr. Olinger noted that an on-site mandatory pre-bid meeting will be held on May 24, 2023. Bids are due on June 19, 2023. This item was briefed to the O&M Oversight Committee on May 2, 2023. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue an invitation to bid for Variable Frequency Drives for P-201 and P-206 as part of the Lynchburg Pump Station B-System Improvement Project.

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

At this time, Director Klotz noted that CWA is currently in a selection process for additional new pumps and motors at the CRPS and that Director Council and Mr. Olinger have indicated that at the next Board Meeting, there will be a recommendation for the selection of a new engineering team for this project.

D. Lynchburg Pump Station Motor P-209 Rehabilitation.

Mr. Olinger stated this item is related to the rehabilitation of LPS Motor P-209. The motor has exhibited high operating temperatures over the last few months that exceed the established manufacturer's action level and what is included in the O&M Plan. Performed megohmmeter readings indicated that the rotor and stator coils are in good shape and do not require rewinding. The motor was originally installed in March 2001 and has 131,000 hours without any previous rehabilitations. CWA received two bids on April 28, 2023. The low bidder was Shermco Industries (Shermco) located in Houston, Texas. Mr. Olinger noted that CWA has worked with Shermco on previous motor rehabilitation projects. This item was briefed to the O&M Oversight Committee on May 3, 2023. In response to a question from Director Klotz, Mr. Olinger stated that service life is definitely a consideration in the decision to complete a rehabilitation of CWA equipment. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid in the amount of \$123,639 to Shermco Industries for the rehabilitation of Lynchburg Pump Station Motor P-209.

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

E. Lynchburg Pump Station Pump P-209 Rehabilitation.

Mr. Olinger stated this item is related to the rehabilitation of LPS Pump P-209. The pump is exhibiting high vibrations above the established manufacturer's action level that are indicative of worn bearings that cause vibration issues. CWA received three bids on April 28, 2023. The low bidder was Alfred Conhagen of Texas (Conhagen) located in La Marque, Texas. CWA has previously worked with Conhagen and they have done good work. Mr. Olinger noted that this pump was originally installed on March 2001 and has 131,000 hours with any previous rehabs. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid in the amount of \$348,000 to Alfred Conhagen of Texas for the rehabilitation of Lynchburg Pump Station Pump P-209.

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

F. Amended and Restated Resolution (2023) Delegating Authority to Executive Officers.

Director Klotz noted that this item is deferred to next month's Board Meeting.

V. 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 April 30, 2023. Mr. Baldwin noted that at the end of the first four months of the budget year CWA is within budget on all five Operating Funds

and the revenue stream from CWA's two customers at the Water Treatment Plant and at the Bayport Treatment Plant is steady. The City of Houston (COH) is working with CWA on its timely reimbursement of monthly invoices for the three operating budgeted systems. There were no questions from the Board.

B. Internal Management Quarterly Report – March 31, 2023.

Mr. Baldwin stated that this item is the Internal Management Report (Report) for the quarter ending March 31, 2023, which details the investment activities on all of CWA's funds as required by the Texas Public Funds Investment Act. The Report reflects the investment yields available in the market place during that time frame. All investments were held to maturity and there were no losses on CWA's investments. Mr. Baldwin stated that as the Federal Reserve has adjusted its rates, the interest rates have inched up slowly over the last couple of years. Currently, CWA is earning about 4.5% monthly, and about 4.8% annually as the result of the banking situation and the Federal Reserve action. The interest rate is not anticipated to increase above 5% in the near term unless there are other issues. Mr. Baldwin noted that CWA gives the COH credit for some of the earnings on the operating funds. In response to a question from Director Klotz, Mr. Baldwin responded CWA is slightly above budget in interest earnings and within budget in the operating expenses. There were no further 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 March 31, 2023.

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

VI. DISBURSEMENTS – John Baldwin

Mr. Baldwin stated that this item is the disbursements for the month on the various construction funds. The disbursements to be approved by the Board included the Bayport Capital Improvement Fund – in the amount of \$6,613.00; the Special Project Equity Fund – in the amount of \$157,215.49; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$1,347.17; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$4,395.90. 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.

VII. OLD BUSINESS – Greg Olinger

No items to discuss.

VIII. NEW BUSINESS – Greg Olinger

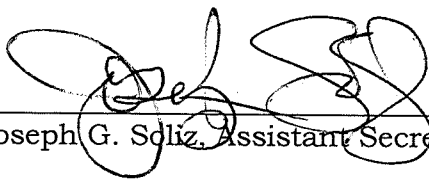
No items to discuss.

IX. EXECUTIVE SESSION – Wayne Klotz

There was no executive session.

X. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:19 A.M.



Joseph G. Soliz, Assistant Secretary-Treasurer