

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

July 12, 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	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

Greg Olinger
John Baldwin
David Miller
Todd Vu

City of Houston Staff

Venus Price

General Legal Counsel

Barron Wallace and Mary Buzak, Bracewell LLP

With the exception of Director Reiser, 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 June 14, 2023 (which included a revision as noted by Director Walker).

A. Minutes of the June 14, 2023 Board Meeting.

Motion approving the Minutes of the Board Meeting of June 14, 2023.

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

IV. EXECUTIVE DIRECTOR'S REPORT – Greg Olinger

A. Operations Summary Report.

Mr. Olinger stated that during the month of June 2023, the Trinity River Pump Station (TRPS) pumped 20 billion gallons, with a daily average of 667 million gallons per day (MGD), and was 4% above the projected amount of 19.3 billion gallons. With continued lower demands from the City of Houston (COH) for a decrease of supply from the East Water Purification Plant (EWPP) due to ongoing maintenance activities, the Lake Houston Pump Station (LHPS) pumped 1.3 billion gallons, with a daily average of 43 MGD, and was at 68% of the projected amount of 1.9 billion gallons. The Capers Ridge Pump Station (CRPS) pumped 4.8 billion gallons, an average of 160 MGD, and was at 192% of the projected amount of 2.5 billion gallons due to a needed increase in flows to complete adjustments to the five water level control gates' balancing systems. Given the hot and dry weather conditions, it was an ideal time to complete the required adjustments. CWA will continue its testing over the next few months.

At this time Mr. Olinger briefed the Board on CWA's Hot Weather Safety Implementation Plan. As CWA's operations and maintenance staff are required to work outside every day maintaining right-of-way, facilities, and equipment, CWA has been implementing the necessary precautions to minimize the risk of heat-related casualties. Mr. Olinger provided an overview of these precautions, which include awareness of heat injury signs, symptoms, and prevention; a reinforced and deliberate buddy system; proper hydration; periodic work breaks; and supervisor oversight of workplace safety. In response to a question from Director Klotz, Mr. Olinger confirmed that these specific safety procedures are in written format for CWA staff. Mr. Olinger noted that CWA's operations and maintenance teams are doing a good job of working through these current extremely harsh heat conditions in a safe manner. Director Klotz commended CWA staff for this safety effort, which includes individual breaks for employees as needed.

B. Capers Ridge Pump Station – Expansion Design/Engineering Services.

Mr. Olinger stated this item is related to the CRPS Expansion Project and selection of a design engineering firm. As authorized by the Board last month, CWA has completed a negotiated scope, fee, and schedule with Carollo Engineers, Inc. (Carollo). The scope includes preparation of the final design for the addition of the four remaining pumps, motors, discharge piping and valves, and the related electrical controls equipment. More specifically, the scope includes review and update of the hydraulic model; evaluations of pump and motor selections, gate operations and sediment control, discharge piping and valves, electrical and instrumentation and controls equipment; preparation of separate technical memoranda on equipment procurement, contractor procurement, and design; and completion of 60%, 90%, and 100% design packages. Mr. Olinger noted that Carollo presented a plan to achieve a 34% MWDBE goal. The 100% final contract documents are projected to be submitted in July 2024. Mr. Olinger mentioned that Mr. Greg Hooten and Ms. Meera Victor were present at today's meeting representing Carollo. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to execute an Agreement with Carollo Engineers, Inc. in an amount Not-to-Exceed \$2,315,800.00 for Engineering Services for the Additional Pump Capacity Project at Capers Ridge Pump Station as part of the Luce Bayou Interbasin Project.

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

C. General Engineering Consultant – Trinity River System.

Mr. Olinger stated this item is related to the issuance of a general Trinity River System work order to CWA's general engineering consultant, BGE, Inc (BGE). This is the second of two planned general work orders for the year that covers general day-to-day engineering support. This work order will go mostly toward ongoing support of utility crossing application reviews, pump and motor rehabilitation support, and GIS/asset management support. Individual work orders with negotiated scope, fee, and schedule will be completed for each task before a work order is issued. In response to a question from Director Klotz, Mr. Olinger stated that BGE has met the MWDBE goal of 32%. Director Klotz noted that BGE cannot perform all activities listed in a typical month and asked about BGE's most frequently-performed work item activity. Mr. Olinger reported that BGE works on about five to ten ongoing utility crossing application reviews monthly. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to execute a work order to BGE, Inc. in the amount of \$150,000.00 for general engineering consultant services related to the maintenance and operation of the Coastal Water Authority's Trinity River System.

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

D. B-2 Pipeline Project Feasibility Study – Request for Qualifications (RFQ).

Mr. Olinger stated this item is an informational item for the Board related to a feasibility study for the proposed B-2 Pipeline Project. Currently, the B-system pipeline delivers water from the Lynchburg Pump Station through large diameter pre-stressed concrete cylinder pipe (PCCP) to EWPP Plants 1 and 2 (100 MGD) and to thirty-three industrial customers in Deer Park, La Porte, and Pasadena located along SH225. This B-line is considered aging infrastructure and was originally installed fifty years ago in the early 1970s. Because the COH and CWA's industrial customers heavily rely on this pipeline, there have been no opportunities to take the pipeline out of service to complete necessary inspections and condition assessments. Mr. Olinger emphasized that the EWPP is the COH's largest drinking water production facility currently, at a rated capacity of 400 MGD. The B-line is a critical raw water source to the EWPP, and a disruption to the B-line would seriously impact CWA's operation and ability to provide water to the COH. In response to a question from Director Klotz, Mr. Olinger reported that the pipe ranges from 60- to 96-inches in diameter. The American Water Works Association states that PCCP has a fifty-year service life that could be extended depending on inspection and condition assessment, which CWA has not been able to perform due to the high customer reliance on the B-line.

Mr. Olinger stated that a fully redundant B-2 pipeline is needed to allow inspections, repairs, and maintenance of the original B-line, which will then increase system reliability, resiliency, and flexibility to meet the COH and industrial customers' current and future demands. In response to a question from Director Sjolander, Mr. Olinger stated the right-of-way that houses the existing B-line was purchased to accommodate an additional pipeline, but there are currently numerous encroachments and utility crossings and basic congestion with the right-of-way that will create challenges to installation of a new pipeline. In response to a question from Director Klotz, Mr. Olinger reported that this stretch of pipeline will span approximately thirteen miles.

Mr. Olinger noted that this project will be a major feat and will be one of the most important projects CWA will be engaged in over the next five years. Mr. Olinger noted that the Board and the COH's Public Works-Houston Water support the project and that CWA hopes that the engineering and construction community will also have a strong interest in supporting this effort.

As a first step, a feasibility study is necessary to identify options for alignment options and pipe sizes and to generate opinions of probable construction costs and an estimated schedule. This information would then be used to apply for project funding through the Texas Water Development Board (TWDB) and federal grant and loan programs. Given the urgent need for this pipeline, CWA has begun preparation of a request for qualifications (RFQ) with the intent to identify a firm that has the relevant qualifications and experience to complete the feasibility study. CWA plans to bring the RFQ forward at the next Board meeting for consideration. In response to questions from Director Klotz, Mr. Olinger responded that CWA has earmarked funds to perform the feasibility study and preliminary design and confirmed that the TWDB is aware of this project. The project is listed on the Region H state water plan and CWA has had discussions with the Region H planning group. Director Sjolander asked about the condition status on C-pipeline and its construction material. Mr. Olinger responded that the C-pipeline, which is thirty years old, is newer and is made up of the same material as the B-pipeline. There were no further questions from the Board.

E. Lake Houston Dam – Debris Removal Services.

Mr. Olinger stated this item is a maintenance project for the Lake Houston Dam involving removal of accumulated debris. The scope includes removal and offsite disposal of accumulated logs, debris, and trash from the spillway and hearth channel. This item is budgeted each year and is used, as needed, to keep the spillway free of debris. CWA has several TCEQ dam safety inspections coming up later this year that are requiring CWA to manage this debris now for access to view the entire dam. A mandatory site visit to the dam was conducted on June 20, 2023, and CWA received three bids on June 30, 2023, with the low bidder being Looks Great Services of Mississippi. In response to a question from Director Sjolander, Mr. Olinger stated that the low bidder has its Texas office located in Dallas and they have performed debris removal throughout Texas and locally. This is CWA's first time working with this contractor, but CWA did contact references that checked out well. Director Klotz asked if CWA or the contractor is responsible for finding a place to dispose of the debris. Mr. Olinger responded that the contractor will determine where the debris will be recycled or disposed, and CWA requires submittal of all certificates of disposal/recycling. 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 \$110,000.00 to Looks Great Services of Mississippi for removal of debris from the Lake Houston Dam Spillway.

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

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 June 30, 2023. Mr. Baldwin noted that halfway through the budget year, all five of the Operating Funds are within the forecasted budget. At this time, expenditures are lower and the revenue stream from the COH and CWA's two customers at the Water Treatment Plant and at the Bayport Treatment Plant are timely. Mr. Baldwin noted that the Red Bluff Treatment Plant is beginning to use more water. There were no questions from the Board.

B. Auditing Services Request for Qualifications (RFQ).

Mr. Baldwin stated that this item is an auditing services RFQ for the pension fund and financials. Weaver has provided these services the past six years. Mr. Baldwin noted that it is CWA's policy to periodically undergo a RFQ process for this service and that CWA expects to bring the approval of the auditing services contract to the Board for consideration of approval at the November 8, 2023

Board Meeting. There were no questions from the Board. Mr. Baldwin recommended the motion as presented.

Motion authorizing the Executive Director to issue a Request for Qualification (RFQ) to provide Auditing Services for the required annual audits of the Authority's Financial Statements and the Authority's Pension Plan.

Motion made by Director Council, Seconded by Director Soliz. 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 \$60,059.75; the Special Project Equity Fund – in the amount of \$124,830.97; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$42,775.24. 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 Council, Seconded by Director Sjolander. 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 10:33 A.M.

[Signature page follows]



Joseph G. Soliz, Assistant Secretary-Treasurer