

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

August 9, 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 (<i>Absent</i>)
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
James Lewis
Todd Vu
Mary Caballero

City of Houston Staff

Yvonne Forrest

General Legal Counsel

Mary Buzak, Bracewell LLP

With the exception of Director Reiser and 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 noted for the record that the Honorable Joe Zimmerman, Mayor of Sugar Land, Texas, was in attendance. Director Klotz 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 July 12, 2023.

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

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

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

IV. EXECUTIVE DIRECTOR'S REPORT – Greg Olinger

A. Operations Summary Report.

Mr. Olinger stated that all the reservoirs including Lake Houston are currently running slightly below pool due to the hot and dry weather conditions. During the month of July 2023, the Trinity River Pump Station (TRPS) pumped 21.6 billion gallons, with a daily average of 697 million gallons per day (MGD), and was 104% above the projected amount of 20.7 billion gallons. The Lake Houston Pump Station (LHPS) pumped 1.5 billion gallons, with a daily average of 48 MGD, and was at 80% of the projected amount of 1.9 billion gallons. The Capers Ridge Pump Station (CRPS) pumped 5.4 billion gallons, an average of 174 MGD, and was at 208% of the projected amount of 2.6 billion gallons. CWA is operating two pumps at CRPS to increase canal flows in order to complete gate opening and closing adjustments. In response to a question from Director Klotz, Mr. Olinger stated that the two pumps are running at full speed.

Mr. Olinger announced to the Board that CWA's Luce Bayou Interbasin Transfer Project (LBITP) was selected as the winner of the 2023 Texas American Society of Civil Engineers' (ASCE) Outstanding Civil Engineering Achievement Award. This highly respected award in the engineering community is bestowed on a Texas project that demonstrates the greatest contribution to civil engineering progress and society as a whole. Mr. Olinger mentioned a few other previous winners, including the following well known sports stadiums: Houston Astrodome (1966); Alamodome (1993); Minute Maid Park (2000); Reliant Stadium (2003); and Cowboys Stadium (2009). Awarded key water projects include: Olmos Dam Modifications (San Antonio – 1982); O.H. Ivie Water Supply System (San Angelo – 1996); San Antonio River Flood Control Tunnel (1998); TRWD's Benbrook Pipeline (1999); Lake Brazos Labyrinth Wier (Waco – 2008); Hamilton Pool Restoration (Austin – 2012); and Able Pump Station (Dallas Flood Control – 2021). Other notable awarded local projects include: Fred Hartman Bridge in Baytown (1995); NASA's Sonny Carter Neutral Buoyancy Laboratory (1997); Houston Gateway Bridges on Hwy 59 (2002); West Park Tollway (2006); and the US Highway 290 Expansion Program (2020). Mr. Olinger noted that the addition of LBITP to this list of outstanding and impactful projects is no exception.

Mr. Olinger stated that the award will be presented on September 21, 2023, at the Texas Civil Engineering Conference in San Marcos, Texas. CWA will display the award at CWA's downtown office.

Mr. Olinger thanked CWA staff members, consultants, and contractors for the incredible success of this project, including former Executive Director, Don Ripley, and CWA's Project Manager, David Miller, who both saw the LBITP to its successful completion. Mr. Olinger also thanked CWA's Board President and Directors for their vision, direction, and unwavering support throughout the project, and on behalf of the Board, Director Klotz congratulated all involved for their efforts on this project.

At this time Mr. Olinger noted that the Texas Legislature has approved an increase to directors' daily compensation from \$150 to \$221 per diem, as well as an increase to the annual cap on directors' fees of office. CWA will work with its general legal counsel, Bracewell, to implement the change going forward. In response to a question from Director Klotz, Mary Buzak with Bracewell explained that the legislative update aligns the daily fees of office with the per diem set by the Texas Ethics Commission for members of the legislature but does not state a specific dollar amount, which allows for future adjustments to the per diem and the annual cap.

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

Mr. Olinger stated this item is related to a feasibility study for the proposed B-2 Pipeline Project. As briefed previously, CWA has been working to move forward with a planned B-2 pipeline that would provide 100% redundancy to the existing B-1 pipeline. The B-1 pipeline currently services about a third of the rated demand to the City of Houston (COH)'s East Water Purification Plant and also services the critical industrial raw water demands to approximately thirty facilities in Pasadena and Deer Park along SH225. The B-1 system pipeline is comprised of 96-inch down to 48-inch pre-stressed concrete cylinder pipe. This B-line is considered aging infrastructure and was originally installed fifty years ago. Due to the high reliance on this pipeline, there have been no opportunities to take the pipeline out of service to complete necessary inspections and condition assessments. Therefore, a fully redundant B-2 pipeline is critically needed to allow inspections, repairs, and maintenance of the original B-1 line, which will then increase system reliability, resiliency, and flexibility and create an opportunity to closely evaluate future demands to ensure the pipeline is sized to not only meet current demands, but also future projected demands. For the Board's orientation of the project site, Mr. Olinger provided aerial images from Valve Stations 1 through 3 along with an aerial image of one of the more congested segments of the B-system right-of-way encroachments.

Mr. Olinger stated that in order to secure funding through the COH, the Texas Water Development Board and federal funding sources, a feasibility study and a Professional Engineer Review (PER) is required to determine alignment options and pipe sizes, and to generate construction costs estimates and schedules. Given the urgent need for this pipeline, CWA is proposing to begin the process of procuring an engineering firm to complete the feasibility study and generate the required PER. CWA has finalized a draft Request for Qualifications (RFQ) for preparation of the B-2 feasibility study. The proposed schedule is as follows: a non-mandatory pre-proposal conference will be held on August 16, 2023; Statements of Qualifications are due on September 7, 2023; and the RFQ selection recommendation will be presented to the Board at the October 11, 2023 Board Meeting. Director Klotz noted that the RFQ is open to all interested engineering firms. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a Request for Qualifications (RFQ) for Engineering Services for the preparation of a Feasibility Study for the B-2 System Pipeline.

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

C. Capers Ridge Pump Station Additional Pump Capacity Project – Technical Advisor.

Mr. Olinger stated this item is for the CRPS additional pump capacity project technical advisor contract. With the CRPS expansion design consultant under contract and beginning work, CWA has completed scope, fee and contract negotiation with its technical advisor, Black & Veatch Corporation (B&V). The scope of the technical advisor will include design deliverable reviews, updated hydraulic modeling associated with the additional pumps, assistance with contractor procurement, and support to the pump/motor testing period. Mr. John D'Antoni was present to represent B&V. After a brief discussion amongst the Board, Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to execute a Contract with Black & Veatch Corporation in an amount Not-to-Exceed \$373,100.00 for Technical Advisor 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.

D. Capers Ridge Final Access Road – R&T Ellis Excavating Change Order.

Mr. Olinger stated this item is on the final access road construction at CRPS. As briefed previously, four oil and gas pipelines cross the proposed Capers Ridge access road and were required to be lowered to accommodate the final road and associated drainage. The lowering activities were delayed approximately one year resulting in delay costs to CWA's road construction contractor, R&T Ellis Excavating (R&T Ellis). The lowering of the last pipeline was completed last month. CWA is ready to remobilize the contractor to complete the remaining roadway and drainage work. Director Klotz asked if all issues related to the Capers Ridge access road will be resolved after this change order. Mr. Olinger confirmed that this is the last work to be completed on the access road and that CWA and R&T Ellis completed negotiations of the change order last month. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a change order in the amount of \$609,100.00 to R&T Ellis Excavating Inc. as part of the Capers Ridge Final Access Road and Luce Bayou Interbasin Transfer Project.

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

E. Trinity River Pump Station – Motor P-8 Rehabilitation.

Mr. Olinger stated this item is related to the rehabilitation of Motor P-8 at the TRPS. The 1,000 HP motor was originally installed in May 1999, which is twenty-four years and 86,000 hours without a rebuild. Predictive analysis indicates that motors begin to exhibit wear requiring rehabilitation around 85,000 hours. Per the contract documents, the scope involves the removal, repair and reinstallation of Motor P-8 at the TRPS. CWA received two bids on July 26, 2023. The low bidder was Louis Allis, LLC (Louis Allis) located in Birmingham, Alabama. Mr. Olinger noted that Louis Allis has successfully rebuilt several CWA motors previously, and last month they completed and reinstalled LPS Motor 105 which is currently running well. The contract work for the rehabilitation is sixty calendar days. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid from Louis Allis, LLC in the amount of \$213,426.00 for the rehabilitation of Trinity River Pump Station Motor P-8.

Motion made by Director Walker, Seconded by Director Zarinkelk. 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 July 31, 2023. All five of the Operating Funds are within forecasted budget as the budget accommodates the planned increase in the summer pumpage required at the CWA pump stations that were mentioned earlier in today's briefing by Mr. Olinger, as well as the necessary chemicals, electricity usage, etc. going into the summer months. The revenue stream from the COH and CWA's two customers at the Water Treatment Plant and at the Bayport Treatment Plant are timely. There were no questions from the Board.

Mr. Baldwin noted that the process for CWA's next budget year starts this month. Further information on the budget will be forthcoming to the Board.

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 \$2,645.20; the Special Project Equity Fund – in the amount of \$16,317.04; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$24,796.00. 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 Walker. 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 10:26 A.M.

[Signature page follows]



Joseph G. Soliz, Assistant Secretary-Treasurer