

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

October 11, 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
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, all Members of the Board were present thus constituting a quorum. Director Sjolander entered the meeting in progress.

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 September 13, 2023.

A. Minutes of the September 13, 2023 Board Meeting.

Motion approving the Minutes of the Board Meeting of September 13, 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 during the month of September 2023, Lake Houston was at 42.20 feet (msl) and 0.20 feet below pool. CWA currently has maintenance activities and surveys in progress at Lake Houston. Lake Conroe was at 198.78 feet and 2 feet below pool. Lake Livingston was at 126.96 feet and over four feet below pool. Regarding production, during the month of September 2023 with continued very hot and dry conditions, the Trinity River Pump Station (TRPS) pumped 22.1 billion gallons, with a daily average of 738 million gallons per day (MGD), and was 119% above the projected amount of 18.6 billion gallons. The Lake Houston Pump Station (LHPS) pumped 1.4 billion gallons, with a daily average of 47 MGD, and was at 78% of the projected amount of 1.8 billion gallons. The City of Houston (COH)'s East Water Purification Plant is currently performing maintenance activities. The Capers Ridge Pump Station (CRPS) pumped 3.4 billion gallons, an average of 114 MGD, and was at 136% of the projected amount of 2.5 billion gallons.

B. Lynchburg Pump Station B-System Improvements Project – Variable Frequency Drives.

Mr. Olinger stated this item is related to the Lynchburg Pump Station (LPS) B-System Improvements Project and specifically the new P-201 and P-206 variable frequency drives (VFDs). The VFDs are designed to control the pump speeds to maintain a set pressure in the distribution system. The scope includes supply of two VFD systems that includes switchgear, power houses, pad mounted transformers and low voltage electrical equipment. All of the equipment is installed in a pre-fabricated building, factory tested, and then the building is delivered and installed on a pre-constructed pier-mounted concrete pad at LPS, next to the B-system meter vault. Mr. Olinger noted that a mandatory on-site pre-bid meeting was conducted on June 29, 2023, and four bids were received on July 24, 2023. The low bid was received from Smith Pump Company for the supply of two Danfos-Vacon drives. 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 Smith Pump Company Inc. in the amount of \$3,763,000.00 for the purchase of two variable frequency drives as part of the Lynchburg Pump Station B-System Improvements Project.

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

C. B-2 Pipeline Feasibility Study.

Mr. Olinger stated this item is related to the B-2 Pipeline Feasibility Study. As discussed in previous Board Meetings, the existing B-1 pipeline is over fifty years old and is not able to be taken out of service for condition assessment inspections. To ensure the system's continued reliability and resiliency for the future, a fully redundant B-2 pipeline is required. The purpose of the new pipeline is to facilitate the inspection, repair, and maintenance of the original B-1 pipeline and to add needed capacity to meet future raw water demands. The feasibility study for the proposed B-2 Pipeline Project will determine the alignment and pipe sizes for the B-2 pipeline. The scope of work for this project will include data collection, field investigations, stakeholder coordination, hydraulic modeling, and the development of a preliminary engineer report including an opinion of probable construction cost.

Mr. Olinger noted that a solicitation for proposals was published on August 9, 2023 and a pre-proposal meeting was conducted on August 16, 2023. Eight proposals were received on September 7, 2023. Following a review and scoring of the proposals, interviews with a short list of the firms were conducted by the interview team on October 3, 2023. Following the interviews, the interview team unanimously agreed to recommend Binkley and Barfield / DCCM for

consideration for selection by the Board. Director Klotz thanked the selection/interview team, which included both Board members and CWA staff members. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to negotiate a contract with Binkley & Barfield / DCCM for Professional Engineering Services for the B-2 Pipeline Feasibility Study.

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

D. SCADA Master Plan – Request for Qualifications (RFQ).

Mr. Olinger stated this item is related to a Request for Qualifications (RFQ) for Engineering Services for the preparation of a Supervisory Control and Data Acquisition (SCADA) Master Plan. The goal of the SCADA Master Plan is to assess, upgrade, modernize, and standardize the systems used to monitor and control CWA's facilities. A critical element of the work is to identify cybersecurity protection tools and to integrate those throughout the system. The scope of work comprises an evaluation of CWA's current systems by gathering data from both site visits and CWA staff interviews. The contractor will conduct workshops and meetings to establish standards, conventions, narratives and a prioritized schedule for replacements and upgrades. The contractor will then provide a comprehensive master plan report, outlining the roadmap for successful update, replacement, and transition to the upgraded SCADA systems.

In terms of schedule should the Board authorize this RFQ, CWA would post the RFQ today; a pre-proposal conference would be held on October 18, 2023, at 10:00 A.M (CST) at LPS; Statement of Qualifications would be due on November 10, 2023, at 3:00 P.M. (CST) at the CWA downtown office. In response to a question from Director Klotz, Mr. Olinger stated that the pre-proposal meeting is optional but highly recommended.

At this time Director Klotz noted that the Board and CWA staff are focused on increasing opportunities for a greater number of qualified firms to work with CWA on its projects. This particular project has the potential to establish the philosophy of control for the entire CWA system, which is noteworthy because CWA is the raw water provider for the COH for the next twenty years. Director Klotz encouraged all firms who are interested in participating in projects with long-term impacts to propose on this project, which will have a significant impact on the CWA system.

Motion authorizing the Executive Director to issue a Request for Qualifications (RFQ) for Engineering Services for the preparation of a SCADA Master Plan.

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

E. Security Guard Contract Extension.

Mr. Olinger stated this item is in regard to a proposed extension to the CWA Security Guard Contract. Weiser Security Services (Weiser) has provided security services this past year and this would be the final year of a three year contract. The contract consists of a base year with two option years and includes security guard services at six CWA facilities (Bayport Pump Station; Canal Maintenance Facility; CRPS; LPS; and LHPS/Lake Houston Dam). Weiser has provided dependable service this past year with no issues and very little personnel turnover. In accordance with the contract provisions, Weiser has requested a 3% increase in its hourly unit rates, which will be passed on to security staff in the form of pay increases.

In response to a question from Director Soliz, Mr. Olinger stated that the guards are not armed. In response to a question from Director Klotz, Ms. Yvonne Forrest, COH/Houston Public Works Department/Houston Water Division (HPW/HW), noted that at the COH Drinking Water Facilities, the security

guards are armed and that the COH's position is to be as protective as possible. Mr. Olinger stated that CWA has close coordination with HPW/HW security staff and will look at how the COH scoped its security guard contract and follow suit. Director Klotz encouraged Mr. Olinger to anticipate the Board's desire to ensure that CWA's security guards are armed. Mr. Olinger confirmed that CWA will address arming the security guards with Weiser. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a 1-year contract extension to Weiser Security Services, Inc. in the amount of \$968,624.00 for security guard services at six Coastal Water Authority facilities.

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

At this time Director Klotz stated that the motion carries but with a specific request from the Board for a review of the security guard arming.

F. Bayport Distribution System Air Vacuum Valve Coating.

Mr. Olinger stated that this item is regarding a recoating project for Bayport distribution system air vacuum valves. The scope of work includes vault cleanout/excavation, surface preparation, application of a three coat system comprising two coats of Phenalkamide epoxy, and one coat of high-performance polyurethane, and then backfilling of the vaults following the set-up of the coatings. A mandatory site visit was conducted on September 11, 2023. Four bids were received on September 22, 2023. The lowest responsive bid was received from Paradalis Industrial Enterprise, Inc., located in Houston, Texas. Mr. Olinger presented the Board with a photo of one of the double dual air valves values located inside of the below ground vault and noted that the gravel and water shown in the photo will be excavated out prior to the coating. Once the coating is complete, the gravel material will be placed back inside of the vault.

Mr. Olinger noted that the air vacuum valves were last recoated ten years ago which is about the expected service life of 10-15 years. CWA performs periodic inspections on the air vacuum valves throughout the entire system to make note of the current conditions. In response to a question from Director Klotz, Mr. Olinger noted that the decision to perform this work at ten years was based on both the asset management plan and the current condition of the vacuum valves performed at Bayport based on inspections conducted by CWA's maintenance staff. The current condition assessments are maintained into the asset management program which provides recommended recoating timeframes. In response to a question from Director Klotz, Director Walker concurred with the process and stated it sounded perfect. There were no further questions and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid from Pardalis Industrial Enterprise, Inc. in the amount of \$202,500.00 for coating services on the air vacuum valves on CWA's Bayport Distribution System.

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

G. General Engineering Consultant – Update.

Mr. Olinger stated that this item is an update on CWA's general engineering consultant (GEC), BGE, Inc. (BGE), for information purposes in advance of the Board's budget workshop later today. Mr. Olinger noted that BGE continues to provide very helpful support in a broad range of areas.

Major efforts this year, excluding B-system work, included:

- Technical review of Encroachment Applications and Raw Water Applications
- Hydraulic Modeling Services/Capacity Analysis in the conveyance and distribution systems
- GIS Support

- Property Surveys and Appraisals
- Technical support on pump and motor rehabilitations
- SCADA system support

Mr. Olinger stated that in previous years, and this year, CWA utilized the full amount budgeted annually for GEC support. Looking ahead to next year, CWA is projecting a need for increased GEC support and is recommending an increase of \$100,000 to the Trinity River System Budget to include the additional proposed services. This item will be included in today's budget workshop.

Major work activities planned for next year to justify the increase in the GEC budget include:

- TRPS Access Road Replacement Design
- Large Utility and Roadway Crossing Applications and Coordination – HCTRA Improvements at Beltway 8/Hwy 225; TXDOT – I-10 Expansion at San Jacinto River Bridge: Ameriport Business Park large storm drainage crossings
- Lynchburg VFD Houses – Replacement and relocation of access stairs/walkways/guard rails in and around VFD houses and HVAC units (for improved safety)
- GIS Support
- Pipeline Cathodic Protection System Support
- Funding Application Support in preparation of cost estimates
- Cedar Point Lateral Canal Capacity Analysis
- Dam Emergency Action Plans and Table Top Exercise Support

Mr. Olinger stated that BGE has done a good job to date in meeting CWA's MWDBE goals. With the work BGE has performed at the B-system, they are at 42%. Excluding B-system work, BGE has a 30% participation rate for MWDBEs, which exceeds BGE's commitment and goal.

Director Zarinkelk indicated that perhaps some of the listed GEC tasks would fall under \$75,000 limits and asked if CWA is utilizing small businesses for these contracts. Mr. Olinger responded that where CWA sees opportunities that are not areas covered in the GEC, CWA does go to other providers. Small businesses are included within the 24% MWDBE goal that CWA requires all of its professional services providers to meet or attempt to meet.

Director Klotz stated that generally speaking, the Board expects the GEC to handle normal daily operations, permits, conflicts, maintenance, etc., but if there is a discreet design package for a project, the Board has frequently indicated that CWA should look at those projects as distinct from the GEC's scope of work. Director Klotz also noted that it is useful for CWA staff to consult with Board members to evaluate which projects may be handled outside of the GEC contract. Director Zarinkelk concurred with Director Klotz. Director Klotz further noted that he would like to discuss with CWA staff some of the projects proposed for the GEC. Mr. Olinger stated he would be happy to discuss those items and would be mindful of the small business element. Director Zarinkelk noted that in addition to small businesses, CWA should be cognizant of local businesses who may be able to provide specific services, such as MEPs.

Mr. Olinger confirmed his understanding that with higher dollar projects, the Board expects not to be limited to the GEC. Director Klotz stated that he expects that CWA will continue to have a need for a GEC in the future.

H. Lynchburg Pump Station P-202 and P-209 – Update.

Mr. Olinger stated that this item is an update on three recently completed LPS pump and motor projects: Pump P-202, Pump P-209 and Motor P-209.

As previously authorized by the Board in April 2023, Pump P-202 from the B-system was removed and delivered to Total Industrial Services Specialties (TISS). This is a 50K GPM vertical centrifugal pump that was exhibiting excessive vibrations. After review of the inspection report and on-site

inspection by CWA staff, TISS was authorized to replace the three bearings and to fabricate and replace the pump shaft. After completion of the work, the pump was returned and reinstalled on September 26, 2023. Confirmation vibrations at LPS were successfully completed on October 5, 2023, and the pump is now running in a 21-day run period that will go through October 26, 2023. If the performance is acceptable at the end of the period, a one-year warranty period will be initiated for the rehabilitation. Mr. Olinger noted that Pump P-209 was originally installed in 1975 and there was one rebuild completed previously in 2001, which is a 22-year service life since the last rebuild. In response to a question from Director Klotz, Mr. Olinger stated that this pump was taken out of service in April 2023. Director Klotz explained that in light of a recent discussion about trying to project when CWA has to complete rehabilitation projects, it is important to know how long CWA can operate without a pump. Mr. Olinger presented the Board with project progress photos of the work that was performed on Pump P-202.

Regarding Pump and Motor P-209, Mr. Olinger noted that the Pump and Motor P-209 rehabilitation from the C-system was authorized by the Board in May 2023. Pump P-209 is also a 50K GPM vertical centrifugal pump that was experiencing excessive vibrations. After review of the inspection report and on-site inspection by CWA staff, the Alfred Conhagen shop located in La Marque, Texas, was authorized to replace the three bearings and to machine and rebalance the impeller. After completion of the work, the pump was returned and reinstalled on September 30, 2023. This was the first rebuild on Pump P-209 since installation in 2001, which is a 22-year service life.

Motor P-209 is a 2,800HP, 4,000 V Toshiba Induction motor that was exhibiting high temperatures and vibrations. The motor was removed to Shermco in Irving, Texas, for inspection and rebuild. Following inspection, replacement of the three bearings (upper thrust and lower guide bearings); replaced the four Resistance Temperature Detectors for the bearings (two for the upper bearing and 2 for the lower bearing), and a 240V Space Heater were authorized and completed. The motor was returned on September 7, 2023. This was the first rebuild on this motor that was installed in 2001, which was a 22-year service life. Mr. Olinger provided the Board with project progress photos of the work performed on Pump and Motor P-209.

Mr. Olinger noted that all three rebuild projects were completed successfully and within budget. Mr. Olinger thanked CWA's mechanical staff as well as CWA's downtown office staff members, Saad Al Taie, Jonathon Jung, and Will Shappee for a job well done in overseeing this work and in reviewing the inspection reports and ensuring that the pumps and motor were returned and put back into operation. On behalf of the Board, Director Klotz recognized all CWA staff involved in these projects and stated the reports were appreciated.

I. Lake Houston Dam Debris Removal – Update.

Mr. Olinger stated that this update is the debris removal project from the Lake Houston Dam. Removal of the accumulated debris was required to facilitate a new survey of the dam. The Board authorized Looks Great Services to complete the debris removal in July 2023. Sixty tons of debris were removed and disposed over a six day period in September 2023. The debris was transported and disposed of at the Republic Services' McCarty Road facility. Before, during and after photos of the buildup and cleanup of debris uncontrolled spillway and hearth channel was presented to the Board. Mr. Olinger thanked CWA staff member John Sealy for his work in overseeing the contract to completion and for the drone photo documentation of the cleanup. In response to a question from Director Klotz, Mr. Olinger stated that CWA performs periodic surveys of the dam every five years given that there has been differential settlement in the past years, and it is needed also as CWA works on Texas Commission on Environmental Quality dam inspections. There were no further questions from the Board.

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 September 30, 2023. Mr. Baldwin noted that at the end of the ninth month of the current budget year CWA is slightly under budget on all five Operating Funds and the revenue stream from the COH was punctual. CWA's Bayport customers utilized a little less water usage in September and the Water Treatment Plant customer was also slightly under its usage as well. CWA is in good shape as far as the fund balances in all Operating Funds. There were no questions from the Board.

B. Auditing Services.

Mr. Baldwin stated that CWA issued an outside auditing services RFQ for CWA's pension fund and financial statements in July 2023. Weaver and Tidwell, LLC (Weaver) has provided these services the past six years, prior to that McConnell & Jones LLP provided services for ten years. CWA received five responses on August 25, 2023. Following a review and scoring of the proposals by CWA staff, it was recommended to the Finance and Audit Committee (FAC) to engage Weaver for the next year. Director Klotz explained that the FAC reviewed and endorsed Mr. Baldwin's recommendation. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion authorizing the Chief Financial Officer to negotiate engagement letters with Weaver and Tidwell, LLC to conduct CWA's Annual Audits.

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

At this time Director Klotz noted that the Board believes it is important for firms to be present at the meeting at which the Board is scheduled to approve their contracts.

C. 2024 Operating Budgets Preparation Schedule.

Mr. Baldwin presented the Board with the 2024 Budget Preparation Schedule and stated that a Special Meeting to discuss the 2024 Operating Budgets will occur separately following today's Board Meeting. Mr. Baldwin noted that this Special Meeting was posted to all respective counties. All Directors are encouraged and invited to attend. Director Klotz noted to the guests that the meeting is a budget workshop for 2024 and all are welcomed to stay.

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 \$4,629.10; the Special Project Equity Fund – in the amount of \$105,452.92; Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$45,922.50; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$152,263.77. 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 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 10:53 A.M.

[Signature page follows]

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

Thomas A. Reiser, Secretary-Treasurer