

COASTAL WATER AUTHORITY

Minutes of Special Meeting

For the Purpose of a Budget Workshop to Discuss the 2024 Operating Budgets

October 11, 2023

The Board of Directors (the "Board") of Coastal Water Authority ("CWA") convened its Special 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 (*Absent*)
Joseph G. Soliz, Assistant Secretary-Treasurer
Jon M. Sjolander
Giti Zarinkelk, P.E.

CWA Staff

Greg Olinger
John Baldwin
David Miller
Todd Vu
Mary Caballero

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

I. CALL TO ORDER

Director Klotz opened the meeting at 10:55 A.M. (The sign-in sheets for those in attendance at the special meeting are attached hereto.)

II. REVIEW OF THE PROPOSED 2024 OPERATING BUDGETS

A. Consolidated Coastal Water Authority Operating Budget

- 1) Trinity River Water Conveyance Project**
- 2) Lake Houston Facilities Project**
- 3) Bayport Water System Funds**
- 4) Red Bluff Water Treatment Plant Funds**
- 5) Luce Bayou Water System Project**

Mr. Baldwin presented to the Board the CWA Consolidated 2024 Annual Budget for all five of the Authority's Operating Budgets. The Trinity River Water Conveyance Project; the Lake Houston Facilities Project and the Luce Bayou System Project are City of Houston contracts. The Bayport Water System Project and Red Bluff Water Treatment Plant Project are contracts with CWA's other customers. Mr. Baldwin stated the Reconciliation of 2023 Budget to 2024 Budget was the first item of discussion which included the roll up summary of all of five of CWA's operating budgets. The total for next year's 2024 budget on all five operating budgets totals \$47,512,675, an increase of about 7.7%.

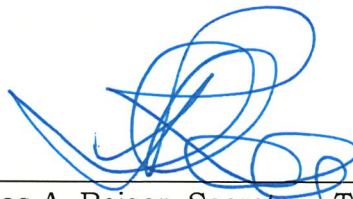
Mr. Baldwin then presented the Board with a summary of each Budget and discussed various account categories that were reflecting increases forecasted in 2024 such as the 3% "pool" for salary increases based on annual performance reviews. Increases in the Contract Labor and Equipment category for major repairs or replacements of critical equipment at the facilities in all five (5) operating budgets. There are also increases in the various electricity accounts due to increases in water demands along with some increases in energy delivery fees.

The Board voiced its support to continue on with the Budget Schedule. Mr. Baldwin stated that he would have the 2024 Budgets forwarded to the appropriate contact persons for their review and comments. The next step is to place the five (5) 2024 Operating Budgets on the Board's Agenda for the November 8, 2023 Meeting for discussion and consideration of final approval by the Board.

[Signature page follows]

III. ADJOURNMENT

The meeting was adjourned at 11:38 A.M.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Thomas A. Reiser, Secretary-Treasurer