

# COASTAL WATER AUTHORITY

## Minutes of Regular Meeting

December 13, 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 ( <i>Absent</i> )	Joseph G. Soliz ( <i>Absent</i> )
Douglas E. Walker, Second Vice-President	Giti Zarinkelk, P.E.
Thomas A. Reiser, Secretary-Treasurer	

### **CWA Staff**

Greg Olinger  
John Baldwin  
David Miller  
Todd Vu  
Mary Caballero

### **City of Houston Staff**

Greg Eyerly

### **General Legal Counsel**

Barron Wallace, Bracewell LLP

With the exception of Director Council and Director Soliz, 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 November 8, 2023. Director Sjolander noted a spelling correction was necessitated in the November 8, 2023 Meeting Minutes.

### **A. Minutes of the November 8, 2023 Board Meeting.**

**Motion approving the Minutes of the Board Meeting of November 8, 2023 as amended by Director Sjolander.**

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

**IV. EXECUTIVE DIRECTOR'S REPORT – Greg Olinger**

**A. Operations Summary Report.**

Mr. Olinger stated that during the month of November 2023, Lake Houston was at 42.43 feet (msl) and has fully recovered to normal pool. Lake Conroe was at 200.23 feet and was a little low at 0.7 foot below pool. Lake Livingston was at 130.92 feet and also is at normal pool. In response to a question from Director Klotz, Mr. Olinger stated that Lake Conroe is back to normal operations now that hurricane season is over. Regarding production, during the month of November 2023 the Trinity River Pump Station pumped 19.3 billion gallons, with a daily average of 642 million gallons per day (MGD), and was 111% above the projected amount of 17.4 billion gallons. The Lake Houston Pump Station pumped 1.2 billion gallons, with a daily average of 41.2 MGD, and was at 66% of the projected amount of 1.8 billion gallons. The Capers Ridge Pump Station pumped 4.7 billion gallons, a daily average of 157 MGD, and was at 188% of the projected amount of 2.5 billion gallons.

**B. Supervisory Control and Data Acquisition (SCADA) Master Plan.**

Mr. Olinger stated this item is related to the CWA SCADA Master Plan. In October 2023 the Board authorized issuance of a Request for Qualifications for procurement of a firm to complete an evaluation of the existing CWA SCADA systems and development of a SCADA Master Plan for implementing upgrades and replacements of this equipment. The scope of work includes the review of existing SCADA hardware, software and configurations; evaluation and recommendation of SCADA upgrades and replacements; preparation of standards, conventions, and product narratives; development and incorporation of cybersecurity measures; development of a prioritized schedule of replacements to ensure there are no interruptions in service; and development of a SCADA Master Plan Report.

A pre-proposal conference was held on October 18, 2023 at the Lynchburg Pump Station (LPS). Five Statements of Qualifications were received on November 10, 2023. CWA staff completed a comprehensive review and scoring of the received proposals. Based on the scoring, CWA is recommending Tetra Tech for negotiation and award of this contract. 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 Tetra Tech for Professional Engineering Services for a SCADA Master Plan.**

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

**C. Lynchburg Pump Station B-System Improvement Project – Procurement Support.**

The next item is related to the ongoing LPS B-System Improvement Project. This work involves the addition of two 50K gallons per minute (GPM) pump/motor systems on the LPS B-System pump lineup. As previously approved by the Board, the associated pumps, motors, and variable frequency drives (VFDs) are being procured directly from the manufacturers. During this process, the manufacturers are required to submit various deliverables for review and approval. The design engineer, BGE, as part of construction phase services will review and approve submittals, shop drawings, and O&M manuals and will respond to any Request for Information (RFI). BGE will also attend biweekly progress meetings as well as participating in the pump, motor, VFD witness testing. As submittals are reviewed and approved, BGE will also integrate the specific pump, motor and VFD details into the general construction package which requires drawing updates to reflect the actual pumps, motors and VFDs being fabricated/built.

CWA completed the negotiations of scope and fee with BGE. The period of performance is estimated at 18 months of support. In response to questions from Director Klotz, Mr. Olinger stated that these pumps will be similar in size and configuration to the existing pumps, the VFDs will have the latest

technology and an additional drive house will be fabricated just outside of the existing control room. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

**Motion authorizing the Executive Director to issue a work order to BGE, Inc. in the amount of \$299,000.00 for pumps, motors and variable frequency drives procurement support associated with the Lynchburg Pump Station B-System Improvement Project.**

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

**D. Lynchburg Pump Station B-System Improvement Project – Technical Advisor Procurement Support.**

Mr. Olinger stated this item is also related to the ongoing LPS B-System Improvement Project. The contracted technical advisor, Black and Veatch, is requested to support the efforts of CWA staff with a technical review of the various required project submittals during the manufacturing process including shop drawings, O&M Manuals, and RFIs. A technical expert will also attend the pump and motor witness testing as well as the biweekly progress meetings. The negotiated scope and fee, which also includes technical advisor support during the installation work, will require review of submittals associated with the pump control valve, pump suction/discharge piping, and the pump/motor/VFD installation details prior to approval for manufacture and installation. In response to a question from Director Klotz, Mr. Olinger stated the pumps should be delivered in 18 months and should be fully installed by the end of 2025. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

**Motion authorizing the Executive Director to issue a work order to Black & Veatch in the amount of \$124,000.00 for Technical Advisor Services associated with the Lynchburg Pump Station B-System Improvement Project.**

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

**E. Armed Security Guard Services Contract Amendment.**

Mr. Olinger stated that this item is regarding a proposed amendment to the CWA Security Guard Contract. During the October 2023 Board Meeting, the Board requested that CWA staff look into modifying the security guard contract to include armed guards at CWA facilities. At the November 2023 Board Meeting, the Board approved the use of armed guards at CWA facilities. Since then, CWA has negotiated a proposal with CWA's current security guard contractor, Weiser Security Services, Inc., to provide trained and licensed armed security guards. The total increase to the remaining one-year contract is \$478,460. CWA would begin implementation of the change during the first quarter of 2024. Mr. Olinger noted that the additional funding for armed guard services was included in the proposed Fiscal Year 2024 Operating Budgets.

In response to questions from Mr. Eyerly, Director of City of Houston/Houston Public Works/Houston Water, as well as Director Klotz and Director Reiser, Mr. Olinger stated that he will ask whether Amegy Bank, the owner of CWA's downtown office building, will allow CWA to employ armed guard services for CWA's office suites. Mr. Olinger noted that there will not be an immediate transition from unarmed to armed security guards, as CWA is requiring that the new armed guards complete facility-specific training before they assume security guard duties, and the requested amount of \$478,460 does include the required phase-in period. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

**Motion authorizing the Executive Director to issue a contract amendment to Weiser Security Guard Services, Inc. in the amount of \$478,460.00 for armed security guard services at Coastal Water Authority Facilities.**

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

**F. Lynchburg Pump Station C-System Pump P-207.**

Mr. Olinger stated that this item is related to a rebuild of LPS Pump P-207. This is a 50K GPM pump located on the C-System pipeline which was originally installed in 2007 and has been in operation for sixteen years with just over 100,000 hours of lifetime service hours. This would be the first rebuild for this pump, which is consistent with CWA's average service life between rebuilds of 15-20 years. The scope includes removal of the pump to the repair shop located in South Houston, Texas, inspection, repair, rebalancing and then reinstallation at the LPS. In response to a question from Director Sjolander, Mr. Miller noted that, based on similarities with Pumps P-201 and P-206, the cost for a new pump and motor together is approximately \$3,000,000.

**Motion authorizing the Executive Director to accept a bid from Total Industrial Services Specialties, Inc. in the amount of \$345,000.00 for the rehabilitation of Lynchburg Pump Station Pump P-207.**

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

**G. Lynchburg Pump Station C-System Motor P-207.**

Mr. Olinger stated that this item is related to a rebuild of LPS Motor P-207. This motor was originally installed in 2007 and has been in operation for sixteen years with just over 100,000 hours of service life. During CWA's routine preventative maintenance activity, the motor was exhibiting high temperatures exceeding CWA action levels. The scope includes removal of the motor to the repair shop to Birmingham, Alabama, inspection, repair, rebalancing and then reinstallation at the LPS. Mr. Olinger noted that the performance schedule is about sixty calendar days. In response to questions from Director Klotz, Mr. Olinger stated that there is a distinct operational advantage in performing the pump and motor repairs simultaneously and confirmed that the latest condition assessments from CWA's new asset management system predicted the need for Pump P-207 and Motor P-207's rebuild and repair.

**Motion authorizing the Executive Director to accept a bid from Louis Allis in the amount of \$269,691.68 for the repair of Lynchburg Pump Station Motor P-207.**

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 November 30, 2023. Mr. Baldwin noted that at the end of the eleventh month of CWA's budget year, all five Operating Funds are in good shape and are forecasted to come in slightly under budget at year-end. The revenue stream from the City of Houston (COH) and CWA's two customers, Bayport and Red Bluff Treatment Plant, are on schedule. There were no questions from the Board.

Mr. Baldwin noted that the COH City Council passed the 2024 Operating Budgets for the Lake Houston Facilities and the Luce Bayou Water System Project on December 6, 2023. The 2024 Operating Budget for the Trinity River Conveyance System was on the COH's City Council Agenda today for recommendation of approval.

**B. Internal Management Quarterly Report – September 30, 2023.**

Mr. Baldwin stated that this item is the Internal Management Report (Report) for the quarter ending September 30, 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. The current market is around 5% interest for short term investments of one year or less. There were no 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 September 30, 2023.**

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

**C. Holiday Schedule for Calendar Years 2024 and 2025.**

Mr. Baldwin presented to the Board the holiday schedule for 2024 and 2025 approved by the COH Mayor and City Council on December 6, 2023. Mr. Baldwin noted that the Board historically has adopted a holiday schedule for CWA that matches the COH's holiday schedule since most of CWA's operations involve working with the COH's treatment plant operations and water delivery service to the COH's municipal and industrial customers.

**Motion approving the Holiday Schedule for Calendar Years 2024 and 2025 consistent with the schedule approved by the City of Houston Mayor and City Council.**

Motion made by Director Reiser, Seconded by Director Zarinkelk. 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 \$1,322.50; Special Project Equity Fund – in the amount of \$50,376.17; Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$130,549.36; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$2,014,298.36. 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 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

**A. Personnel Matters – Executive Director.**

Director Klotz noted the time at 10:32 A.M. and stated that the Board would at this time convene in Executive Session pursuant to the provisions of Sections 551.071-551.084 of the Texas Government Code. No action would be taken in Executive Session.

**X. RECONVENE – OPEN SESSION**

Open session was reconvened at 10:45 A.M. Director Klotz stated that no action was taken in Executive Session.

After discussion, in connection with Item IX.A., Personnel Matters – Executive Director, Director Reiser recommended the motion as presented.

**Motion approving John Baldwin as interim Executive Director of CWA.**

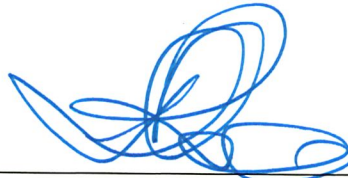
Motion made by Director Reiser, Seconded by Director Walker. The Motion carried unanimously.

Directors Walker, Reiser, Zarinkelk and Sjolander all expressed their appreciation to Mr. Olinger for doing an excellent job as Executive Director and noted that his departure will be a loss to CWA. Mr. Olinger thanked the Board for their support and recognized CWA staff for all of the work that they have done to contribute to CWA's successes.

**XI. ADJOURNMENT** – Wayne Klotz

The meeting was adjourned at 10:47 A.M.

[Signature page follows]

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Thomas A. Reiser, Secretary-Treasurer