

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

February 14, 2024

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

Tony L. Council, P.E., President
Douglas E. Walker, First Vice-President
Giti Zarinkelk, P.E., Second Vice-President
Joseph G. Soliz, Secretary-Treasurer
Jon M. Sjolander, Assistant Secretary-Treasurer
Thomas A. Reiser

CWA Staff

John Baldwin
David Miller
Todd Vu
Mary Caballero

City of Houston Staff

Gabriel Mussio

General Legal Counsel

Barron Wallace and Mary Buzak, Bracewell LLP

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 – Tony Council

A. Welcome.

Director Council 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 – Tony Council

Director Council stated that the first item of business was the approval of the Minutes of the Board Meeting of January 10, 2024.

A. Minutes of the January 10, 2024 Board Meeting.

Motion approving the Minutes of the Board Meeting of January 10, 2024.

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

IV. OPERATIONS AND MAINTENANCE – David Miller

A. Operations Summary Report.

Regarding the levels at CWA's regional drinking water reservoirs, Mr. Miller stated that significant flood events occurred across the region in late January 2024. As a result, the reservoirs are at or above normal pool. Mr. Miller provided the maximum dam discharge/release rates following the storms: Lake Houston Dam: 68,000 cfs; Lake Conroe Dam: 19,450 cfs; and Lake Livingston Dam: 84,400 cfs. Regarding CWA's surface water production, during the month of January 2024, the Trinity River Pump Station pumped 19.8 billion gallons which is an average of 639 million gallons per day (MGD). The Lake Houston Pump Station pumped 1.2 billion gallons which is an average of 40 MGD. The Capers Ridge Pump Station operated 21 out of 31 days and pumped 3.6 billion gallons.

Mr. Miller presented a drone video of the Lake Houston Dam to the Board showing the 50,000 cfs discharge on January 21, 2024.

B. CWA Employee Uniform Service.

Mr. Miller stated CWA's employee uniform services contract expired at the end of 2023 and was recently rebid. Mr. Miller noted that services under the contract include uniforms for up to 90 CWA employees, including specialized uniforms for electricians and instrument technicians, weekly laundry service and maintenance/cleaning of floor mats. CWA received two bids on November 17, 2023. The low responsive bid was provided by AlSCO, Inc. The bids were reviewed with the O&M Oversight Committee (O&M Committee) on February 6, 2024, and the O&M Committee recommended bringing this item forward for Board consideration. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to AlSCO, Inc., in the amount of \$145,540.00 for uniform rental services for a three-year contract period.

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

C. Lake Houston Aquatic Vegetation Control Services.

Mr. Miller stated that at end of 2023 a request for bids was advertised for aquatic vegetation control at Lake Houston for 2024. The scope of the contract is monthly inspections and assessments of invasive aquatic vegetation across the lake and follow-on herbicide applications to control the spread and growth of the vegetation. CWA received three bids for these services on January 26, 2024. The low responsive bid was provided by Houston Spraying and Supply, Inc. The bids were reviewed with the O&M Committee on February 6, 2024, and the O&M Committee recommended bringing this item forward for Board consideration. Mr. Miller acknowledged and thanked CWA's Procurement Manager, Jonathon Jung, for his successful work on the CWA employee uniform contract and the Lake Houston aquatic vegetation control services contract. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Houston Spraying and Supply, Inc. in the amount of \$160,600.00 for aquatic vegetation control and assessments on Lake Houston.

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

D. Upcoming Bids/Procurement.

Mr. Miller stated that over the next three months CWA is planning to advertise bids for the following items:

- CWA Facilities:
 - Annual Substation Testing
- Lynchburg Pump Station:
 - Pump P-107 Rehabilitation
 - Motor P-107 Rehabilitation
 - Variable Frequency Drive House AC Units
- Trinity River Pump Station:
 - Pump P-7 Rehabilitation
 - Motor P-7 Rehabilitation
- Bayport Pump Station:
 - 115 HP Tractor
 - 15-ft. Batwing Mower
- Canal Maintenance Station:
 - 45 KW Mobile Generator
 - 37 HP Front Mower
- Capers Ridge Pump Station:
 - Dredge Equipment Accessories

V. ONGOING PROJECTS – David Miller

A. CWA Five-Year Capital Improvement Plan (FY 2024-2028).

Mr. Miller stated that during the 3rd and 4th quarter of 2023, CWA staff, with input from Board Members, developed CWA's Capital Improvement Plan (CIP) for 2024 through 2028. The CIP outlines projects to be implemented to help modernize CWA's equipment and facilities, build in redundancy and improve reliability and resiliency. Some of the projects include pump station expansions and improvements; the B-2 Pipeline; SCADA Upgrades/Replacements; CWA Building/Facilities Improvements; and the Lake Houston Dam Spillway Improvement Project. The CIP contains descriptions of the projects, estimated engineering and construction costs, schedules and funding sources. Mr. Miller noted that the CIP was reviewed with the Professional Engineering Services Review Committee (PESRC) and O&M Committee on February 6, 2024. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion adopting the Coastal Water Authority Five-Year Capital Improvement Plan (FY 2024-2028).

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

B. CWA Facilities Improvement Master Plan.

Mr. Miller stated that one of the major components of the CIP is improvement of the buildings and support infrastructure used by CWA's field staff. The buildings at these facilities are between 30-60 years of age and need to be renovated, expanded or replaced. To begin the process a Master Plan is needed to assess the condition of the facilities, conduct a needs assessment, and develop a building program. The Master Plan will provide a facility-by-facility list of improvements, estimated costs and schedules. CWA has developed a Request for Qualifications (RFQ) for Engineering Services for this Master Plan development. The proposed schedule is as follows: advertise the RFQ beginning on February 14, 2024; conduct a pre-proposal conference on February 21, 2024; and have Statements of Qualifications due on March 20,

2024. It is expected that review, scoring and interviews, if necessary, will be completed in March 2024 with recommendation for award brought to the April 10, 2024 Board Meeting. The RFQ was reviewed with the PESRC on February 6, 2024, and the PESRC recommended bringing this item forward for Board consideration. There were no questions and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to advertise a Request for Qualifications for Engineering Services to prepare a CWA Facilities Improvement Master Plan.

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

C. B-2 System Pipeline Project.

Mr. Miller stated that one of CWA's key projects to build in redundancy to operations is the B-2 System Pipeline Project. The Lynchburg Pump Station is divided into three pump and piping systems: the A-System which is the primary raw water supply to the City of Houston (COH)'s Southeast Water Purification Plant; the C-System which is the primary raw water supply to East Water Purification Plant (EWPP); and the B-System which is the raw water supply to industry and secondary supply to EWPP. All of these pipelines are Precast Concrete Cylinder Pipe (PCCP) and range in size from 48-inch to 108-inch diameter. PCCP has some inherent problems that need to be closely inspected/repared or replaced. Unfortunately, CWA does not have the ability to take the B-System pipeline down for inspections and repairs. CWA and the COH recognized this issue many years ago and began planning for a new redundant B-2 pipeline. The project was identified as a critical need for CWA and the COH and therefore placed into the Texas Water Development Board (TWDB)'s 2017 State Water Plan as a project that would require future funding.

CWA began the B-2 System Pipeline Project in late 2023 by awarding a contract for a preliminary engineering report. In January 2024, CWA, the COH, and the TWDB met and discussed the process for applying for funding. The TWDB has a two-step process. The first step is to identify the project, estimated costs and schedules (this was completed on February 1, 2024). The TWDB is currently reviewing submitted projects and will develop a prioritized list. Projects that receive priority will be invited to submit complete applications for funding. CWA is requesting authorization from the Board to prepare and submit the funding application.

In response to a question from Director Walker, Mr. Miller stated that the initial meeting with the TWDB was positive, and since the project is in the State Water Plan, he is hopeful CWA will receive notice to submit the application. Mr. Miller stated this item was reviewed with the PESRC on February 6, 2024, and the PESRC recommended bringing this item forward for Board consideration. There were no further questions from the Board and Mr. Miller requested the motion as presented.

Motion authorizing the Executive Director to submit an application to the Texas Water Development Board for State Water Implementation Funds of Texas in support of the B-2 System Pipeline Project.

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

D. C-System Pipeline Protective Concrete Cover.

Mr. Miller stated that this item is related to the 108-inch C-line which is the primary raw water supply line to the COH's EWPP. As briefed to the Board in September 2022, the C-line crosses below a Port of Houston Authority (PHA) owned property that is used for storage of petro-coke material. At times, the height of the petro-coke has exceeded 40 feet. CWA has had two separate engineering studies performed over the last two years that indicate petro-coke storage at these heights has the potential to damage the pipeline. CWA met with PHA and its tenant in early 2023 and requested the areas above the pipeline be cleared of petro-coke while CWA looked for a protection solution.

The PHA and tenant have had the area cleared for approximately nine months. PHA is requesting a solution be implemented so its tenant can resume storage in the area above and around the pipeline. CWA and its general engineering consultant, BGE Inc. (BGE), visited the site late in 2023 and BGE developed a scope and fee for design of a protective concrete cap. The concrete cap will be supported by piers and will distribute loads away from the pipeline. The approximate dimensions will be 700 feet in length by 50-70 feet in width and the concrete cap will have a thickness of 15-18 inches. The scope and fee for this effort were reviewed with the PESRC on February 6, 2024, and the PESRC recommended bringing this item forward for Board consideration. Director Council noted that CWA does not have a right-of-way or easement for this segment of the C-line and asked CWA's general counsel, Bracewell LLP, to look at possible solutions. Mr. Barron Wallace stated they will review the options.

Motion authorizing the Executive Director to issue a work order to BGE Inc. in the amount of \$159,000.00 for the design of a protective concrete cover for the C-System Pipeline.

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

E. Cedar Point Lateral.

Mr. Miller stated CWA and the COH have received a large number of requests from existing raw water customers and potential new customers in the Baytown and Mont Belvieu areas for water service, including industrial facilities and a municipal customer. To properly consider these requests, CWA and the COH need a hydraulic model developed for the Cedar Point Lateral to determine the existing and future condition and capacity and to confirm the right-of-way and easement interests. CWA and BGE developed the scope of work for this model which includes surveying, reviewing past reports, studies and as-built drawings, and development of the computer model to determine the capacity. This scope and fee were reviewed with the PESRC on February 6, 2024, and the PESRC recommended bringing this item forward for Board consideration. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to issue a work order to BGE Inc. in the amount of \$169,300.00 for the preparation of a hydraulic model for the Cedar Point Lateral.

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

F. Lynchburg Pump Station B-System Improvements Project – Update.

Mr. Miller stated the Lynchburg B-System Improvement Project will add two new pumps (P-201 and P-206) to the existing B-System at Lynchburg. Purchase orders were placed in 2023 for the pumps, motors and variable frequency drives. Installation and startup are expected to be completed in 2025.

G. Capers Ridge Pump Station Expansion Design – Update.

Mr. Miller stated the Capers Ridge Pump Station design is on-going and will be completed in 2024. The project will add four pumps, motors, electrical equipment, piping and valves to the existing pump station. This expansion will increase the capacity to 500 MGD. CWA and the design engineer, Carollo, are evaluating contractor procurement alternatives and expect to have a decision within the next two months.

H. Supervisory Control and Data Acquisition (SCADA) Master Plan – Update.

Mr. Miller reminded the Board that TetraTech was selected as the SCADA Master Plan engineer at the December Board Meeting. CWA and TetraTech are preparing the scope and fee for Board consideration in April 2024. The SCADA Master Plan will assess CWA's existing SCADA systems and cybersecurity, evaluate hardware and software, and provide a prioritize list of projects to be implemented.

I. Lake Houston Dam – Update.

Mr. Miller stated the Lake Houston Dam Spillway Improvement Project (Additional Gates) is waiting on an amendment from FEMA/TDEM to authorize the final design. The project will add 11 new radial/tainter gates and increase discharge capacity by 79,000 cfs. Upon receipt of the FEMA/TDEM amendment, CWA and COH will amend an existing Interlocal Agreement (ILA) and CWA will modify the design contract with Black & Veatch.

In late 2023, COH and its grants consultant identified another FEMA Grant Program, entitled Legislative Pre-Disaster Mitigation, which offers funding for implementing sustainable cost-effective projects designed to reduce risk to individuals and property from natural hazards while also reducing reliance on federal funding from future disasters. COH and CWA applied for a \$10 Million grant in 4th quarter 2023 and were notified of the award in January 2024. The grant funding will be used for grouting areas of the dam structure with presence of voids and spalled concrete. CWA and COH are drafting a new ILA for the project and expect to have ready for Board approval in March 2024. Mr. Miller expressed thanks to Mr. John Sealy of CWA and Mr. Chris Mueller of Black & Veatch for their work in supporting the grant application process.

VI. BUSINESS REVIEW – John Baldwin

A. Monthly Financial Statements for the Previous Month.

Mr. Baldwin presented the Board with the Final Draft Year-End Financial Statements for the fiscal year ending December 31, 2023, and noted that the Year-End Financials will be provided to CWA's auditors. Mr. Baldwin then presented the Board with the Financial Statements for the month ending January 31, 2024, and stated that at the end of the first month of the new budget year, the expenses and revenue are as anticipated and are in good shape. There were no questions from the Board on the Financial Statements.

B. 2023 Pension Plan Audit Report.

Mr. Baldwin stated that this item is the Audit Report (Report) on CWA's Pension Plan for 2023. CWA's Pension Plan's benefit year ends on September 30 of each year. CWA engaged Weaver and Tidwell, L.L.P. (Weaver) for this endeavor. Mr. Baldwin stated that the Report reflects a "clean opinion". A draft of the Report was previously presented to the Finance and Audit Committee by Mr. Rance Buss, the engagement partner with Weaver. Mr. Buss gave a brief presentation to the Board. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion approving the Coastal Water Authority Pension Plan Audit Report for the Benefit Year ending September 30, 2023.

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

C. Resolution Designating a Records Management Officer.

Mr. Baldwin stated that this item is a Resolution designating Mr. Seth Deutsch as CWA's new Records Management Officer. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion to adopt a Resolution appointing Seth Deutsch as Coastal Water Authority's Records Management Officer effective February 14, 2024.

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

D. Notification of Procured Items.

In accordance with CWA's Amended and Restated Resolution (2023) Delegating Authority to Executive Officers, Mr. Baldwin presented to the Board a list of the

projects awarded in January 2024 that came in between \$25,000 to \$75,000. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

VII. 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 \$8,598.90; Special Project Equity Fund – in the amount of \$104,550.72; Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$95,288.27; and the Project Fund – in the amount of \$79,164.18. 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.

VIII. OLD BUSINESS – John Baldwin

No items to discuss.

IX. NEW BUSINESS – John Baldwin

No items to discuss.

X. EXECUTIVE SESSION – Tony Council

A. CWA Executive Director Search.

B. Administration and Governance.

Director Council noted the time at 10:38 A.M. and stated that the Board would at this time convene in Executive Session pursuant to the provisions of Sections 551.071, 551.072, 551.074, and 551.076 of the Texas Government Code. No action would be taken in Executive Session.

XI. RECONVENE – OPEN SESSION

Open session was reconvened at 10:55 A.M. Director Council stated that no action was taken in Executive Session.

After discussion, in connection with Item X.A., CWA Executive Director Search, Mr. Reiser recommended the motion as presented.

Motion to hire Mr. Donald R. Ripley as CWA's Executive Director, terminate the search for an Executive Director, and authorize CWA's Chief Financial Officer to negotiate salary and employment terms with Mr. Ripley.


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

No action was taken on Item X.B., Administration and Governance.

XII. ADJOURNMENT – Tony Council

The meeting was adjourned at 10:56 A.M.

[Signature page follows]



Joseph G. Soliz, Secretary-Treasurer