

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

April 10, 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

Don Ripley
John Baldwin
David Miller
James Lewis
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 March 13, 2024.

A. Minutes of the March 13, 2024 Board Meeting.

Motion approving the Minutes of the Board Meeting of March 13, 2024.

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

IV. OPERATIONS AND MAINTENANCE – David Miller

A. Operations Summary Report.

Regarding CWA's regional drinking water reservoirs, Mr. Miller stated that currently Lake Houston, Lake Conroe and Lake Livingston are slightly above normal pool. Lake Conroe and Lake Houston have releases ranging from 1,000 to 3,000 cfs while the Lake Livingston Dam is releasing 13,500 cfs. Regarding CWA's surface water production, during the month of March 2024, the Trinity River Pump Station (TRPS) pumped 19.3 billion gallons which is an average of 623 million gallons per day (MGD). The Lake Houston Pump Station (LHPS) pumped 1.3 billion gallons which is an average of 43 MGD. The Capers Ridge Pump Station (CRPS) pumped 110 billion gallons which is an average of 122 MGD. Regarding the summary of raw surface water production for March 2024, Mr. Miller noted that the total municipal production was 12 billion gallons (62% distribution) and industrial production was 7 billion gallons (38% distribution).

B. Lynchburg Pump Station.

Mr. Miller stated that Lynchburg Pump Station (LPS) is divided into three pump systems: A, B and C. The A-System provides raw water to the City of Houston (COH)'s Southeast Water Purification Plant and the Bayport Pump Station (BPS); the B-System provides raw water to industry and the COH; the C-System provides raw water to the COH's East Water Purification Plant. The A-System pumps are vertical turbine pumps approximately 52 feet in length and rated at 50,000 gpm. Based on a reduction in the flow rate over the past year in Pump P-107, along with the approximately 100,000 run hours, a rehabilitation on the pump is required. The rehabilitation will include replacing all pump bearings and the pump shaft, repairs to the impeller and suction bowl, and replacing all o-rings, seals and wear rings.

CWA received four bids for P-107 rehabilitation on March 4, 2024. The low responsive bid was provided by Alfred Conhagen located in La Marque, Texas. The bids were reviewed with the O&M Oversight Committee (O&M Committee) on April 2, 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 accept a bid from Alfred Conhagen of Texas in the amount of \$324,995.00 for repair of Lynchburg Pump Station A-System Pump P-107.

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

Mr. Miller stated that the LPS A-System Pump P-107 Motor is an Ideal Electric 3,625 HP synchronous motor installed in 1990. Vibrations of the motor bearings have been increasing over the past year along with increases in the temperatures of the motor windings. With the service hours and increases in the temperatures and vibrations, a rehabilitation of the motor is required. The motor rehabilitation will be performed at the same time as the Pump P-107 rehabilitation and will include replacing all motor bearings, heaters, vibration switches and temperature switches, and rewinding the motor coils if necessary. Mr. Miller noted that if the rewinding of the motor coils is deemed unnecessary after testing, the total cost should be approximately \$150,000 or less.

CWA received bids for the motor rehabilitation on March 4, 2024. The low responsive bid was provided by Louis Allis located in Alabama. The bid was reviewed with the O&M Committee on April 2, 2024, and the O&M Committee recommended bringing this item forward for Board consideration.

In response to a question from Director Walker, Mr. Miller stated that CWA has observed windings last 50,000 to 100,000 hours. This particular motor was previously rebuilt with the last rewinding occurring at 50,000 hours. At this time, Mr. Ripley noted to the Board that CWA will be reviewing its pump and

motor contract terms and conditions over the next few months with CWA's general legal counsel, Bracewell LLP, to determine if some terms can be relaxed to attract more competitive bidding. CWA has noticed several reputable contractors are declining to bid based on CWA's current terms and conditions. There were no further questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid from Louis Allis in the amount of \$317,415.77 for repair of Lynchburg Pump Station A-System Pump P-107 Motor.

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

Mr. Miller stated that the last item related to LPS is for the purchase of a new overhead crane hoist for the B and C-System pumps. The 16 ton hoist is used to lift/remove/replace the large centrifugal B and C-System pumps and drive shafts. The existing manual chain hoist is approximately thirty years old and needs to be replaced with a more modern system with electric controls.

The new hoist will be a David Round 16 Ton Electric Hoist which will be installed by Ace Industries, Inc (Ace). The Ace proposal was reviewed with the O&M Committee on April 2, 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 Ace Industries, Inc. in the amount of \$91,436.24 for replacement of the overhead crane hoist at Lynchburg Pump Station.

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

C. Annual Substation/Switchgear Testing.

Mr. Miller stated that CWA performs annual inspection, testing and cleaning of its electrical substation components and medium voltage switchgear including breakers, fuses, switches, conductors, and protective relays. The testing is performed at the LPS, TRPS, LHPS, BPS, and CRPS.

CWA received one bid for this testing on March 29, 2024. Mr. Miller noted CWA has previously had four companies perform these services; however CWA received only one bid due to the period of performance of 60 calendar days. For this bid the other three companies could not provide the services due to lack of available crews to meet CWA's performance period. The low responsive bid was provided by Absolute Testing Services and it was below CWA's budgeted amount. The bid was reviewed with the O&M Committee on April 2, 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 accept a bid from Absolute Testing Services in the amount of \$132,000.00 for Electrical Substation/Switchgear Testing at five CWA facilities.

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

V. ONGOING PROJECTS – David Miller

A. Supervisory Control and Data Acquisition (SCADA) Master Plan.

Mr. Miller stated that at the December 2023 Board Meeting, the Board selected Tetra Tech to prepare CWA's SCADA Master Plan. The scope of the contract will be to assess CWA's existing SCADA systems, evaluate and recommend the latest hardware and software technologies, and prepare an overall Master Plan which will provide a prioritized list of SCADA projects, costs, and schedules for

each of CWA's facilities. CWA will implement the SCADA Master Plan and the SCADA upgrades over the next five to eight years.

CWA and Tetra Tech completed negotiation of scope and fee in March 2024. The scope, fee and schedule were reviewed with the Professional Engineering Services Review Committee (PESRC) on April 2, 2024, and the PESRC recommended bringing this item forward for Board consideration.

In response to a question from Director Council, Mr. Miller stated that he, along with CWA staff members Mr. Saad Al Taie, Mr. John Sealy and Mr. Todd Vu, will be CWA's point of contact with Tetra Tech. Mr. Al Taie, CWA's electrical instrumentation control manager, will be the primary point of contact.

Director Council noted that one of the primary goals of this project is to ensure that everything is compatible across all of CWA's facilities. Mr. Miller concurred and stated that once the project is complete, all SCADA components will be consistent from pump station to pump station. There were no further questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to execute a contract with Tetra Tech in the amount of \$278,140.00 for the preparation of the Coastal Water Authority SCADA Master Plan.

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

B. Facilities Improvement Master Plan.

Mr. Miller stated that part of CWA's overall Capital Improvement Plan to be implemented over the next five years is the upgrade, renovation or replacement of CWA's older buildings at each of CWA's facilities. Mr. Miller noted that these buildings range from 30-60 years of age and have never had upgrades, renovations/replacements. To begin the process, a Facilities Master Plan (Master Plan) is needed. The Master Plan's scope of work will include condition assessments by engineers and architects, needs assessments and space planning with CWA's facilities staff; and a building program which includes standards in lighting HVAC, furnishings, windows, and IT/Communications. The Master Plan will include recommended facility-by-facility improvements including costs and anticipated construction schedules.

CWA received Statements of Qualifications on March 20, 2024. Following the review of this item with the PESRC on April 2, 2024, the PESRC recommended award to Huitt-Zollars, Inc. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to negotiate a contract with Huitt-Zollars, Inc. for Professional Engineering Services associated with development of a Facilities Improvement Master Plan.

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

VI. 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 March 31, 2024. All five of the Operating Funds are reflecting expenditures and revenues as anticipated for the first three months of the budget year. There were no questions from the Board.

B. 2023 Financial Statements Audit Report.

Mr. Baldwin stated that this item is the CWA 2023 Financial Statements Audit Report (Report) for the year ending December 31, 2023, prepared by CWA's auditor, Weaver and Tidwell, L.L.P (Weaver). Mr. Baldwin noted that the Auditors presented the report earlier to the Finance and Audit Committee (FAC).

Mr. John DeBurro with Weaver gave a brief presentation to the Board and stated that the Report reflects an “unmodified (clean) opinion” as to the condition of CWA’s financial statements. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

Motion approving the Coastal Water Authority Audit Report for the Year ending December 31, 2023.

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

E. 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 the projects awarded in March 2024 that came in between \$25,000 to \$75,000. This item was briefed to the FAC on April 2, 2024. There were no questions from the Board.

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 Special Project Equity Fund – in the amount of \$44,490.01; Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$101,810.91; and the Project Fund – in the amount of \$10,852.80. 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 Zarinkelk. The Motion carried unanimously.

VIII. OLD BUSINESS – Don Ripley

No items to discuss.

IX. NEW BUSINESS – Don Ripley

Mr. Ripley noted that he received a draft of by-laws for CWA developed by CWA’s general legal counsel. After review by CWA staff the draft by-laws will be distributed to the Board for additions/review and comments.

X. EXECUTIVE SESSION – Tony Council

There was no executive session.

XI. ADJOURNMENT – Tony Council

The meeting was adjourned at 10:26 A.M.

[Signature page follows]



Joseph G. Soliz, Secretary-Treasurer