

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

April 12, 2017

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	Thomas A. Reiser
Tony L. Council, P.E., First Vice-President	Joseph G. Soliz
Douglas E. Walker, Second Vice-President	Giti Zarinkelk, P.E.
Alan D. Conner, Secretary-Treasurer	

CWA Staff

Donald R. Ripley
John J. Baldwin
Greg Olinger
John Sealy
James Lewis
Todd Vu
Mary Caballero

City of Houston Staff

Mark Loethen, PW&E

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP

All members of the Board were present thus constituting a quorum.

I. CALL TO ORDER – Wayne Klotz

- A. Welcome.**
- B. Pledge of Allegiance.**
- C. Salute to the Texas Flag.**
- D. Moment of Silence.**

Director Klotz called the meeting to order 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.)

II. ITEMS FOR CONSIDERATION – Wayne Klotz

A. Minutes of the March 8, 2017 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of March 8, 2017, as written.

MOTION approving the Minutes of the Board Meeting of March 8, 2017.

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

III. ONGOING PROJECTS – Don Ripley

A. Luce Bayou Interbasin Transfer Project.

The Directors received a copy of CWA's March 2017 Luce Bayou Interbasin Transfer Project (LBITP) Monthly Status Report with their Board information.

a. Capers Ridge Pump Station.

Mr. Ripley stated CWA, CH2M, Dannenbaum/Black & Veatch, and Renda-Johnson Brothers JV conducted the monthly pump station construction progress meeting on March 15, 2017. The cofferdam construction is complete and the combi-wall is now being constructed. The combi-wall is the river bank

protection that extends from the north to the south of the pump station and it is a combination of 36-inch pipe piles and interconnecting AZ-26 sheet piles. It extends about 450-feet and the depth of the wall is approximately 75-feet. The dewatering system is installed and operating. Mr. Ripley noted that excavation behind the cofferdam is below the river level and according to the most recent information, inspection indicates groundwater and river water intrusion are well controlled. Progress photos were presented to the Board.

b. Canal System.

Mr. Ripley stated all sections of the Canal are now under construction. Canal Segments 1, 4 and 5 are working on clearing, grubbing and topsoil stripping. Canal Segments 2 and 3 are a little further along with Canal construction underway, and the sections that are needed by Sam Houston Electric Cooperative for installation of their power to the site have been cleared. Director Council asked if there were any compaction problems in the areas that have clay. Mr. Ripley stated not yet. Director Klotz asked if the issue with Harris County been resolved. Mr. Ripley stated that the Harris County issue appears to have been resolved; there will be a meeting on Monday, April 17, 2017 with Harris County to confirm the location of culverts CWA will install.

Photos of Segment 3 berm/embankment construction, density testing by Aviles and Canal excavation and liner construction were presented to the Board.

c. Dual 96-Inch Force Main Contractor Pre-Qualification Proposals.

Mr. Ripley stated that BGE submitted their 100% design which has been reviewed by CWA and CH2M.

The pipeline archeological scraping has been completed without discovery of human remains or other significant artifacts.

Mr. Ripley stated that CWA is ready to proceed with contractor pre-qualification for the pipelines using the same type of process that was used for the Capers Ridge Pump Station. This item was reviewed with the Professional Engineering Services Review Committee (PERSC) on April 5, 2017 and was approved for inclusion in today's agenda. Director Klotz asked what the pre-qualification time was. Mr. Ripley stated pre-qualifications are due from the contractors to CWA on May 17, 2017. Award of construction will be based on the low bid submitted by a pre-qualified contractor. There were no further questions from the Board and Mr. Ripley recommended the Motion as presented.

Motion authorizing the Executive Director to publish a Request for Pre-Qualification submittals from contractors for the Luce Bayou Dual 96-Inch Force Main Construction.

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

d. Luce Bayou Maintenance Facility Competitive Sealed Proposals.

Mr. Ripley stated that the design of the maintenance facility has been completed by Huitt-Zollars. The facility will be similar to our existing maintenance station. Additional information on the maintenance facility, including an artist rendering, the floor plan layout and a summation prepared by Huitt-Zollars of the equipment that will be included in the construction of this station, was included in the Director's folders. Mr. Ripley stated that Mr. Greg Wine with Huitt-Zollars was present at today's meeting should the Board have any detailed questions on the facility. Mr. Ripley stated that CWA is ready to proceed with contractor selection using the same type of competitive sealed proposal process that was used for the selection of the Maintenance Station Radial Gate Bypass project. The proposals will be reviewed and evaluated by CWA and Huitt-Zollars. Submittals are due on June 9, 2017 and will be opened in public. This item was reviewed with the PERSC on April 5, 2017 and was approved for inclusion in today's agenda. Director Klotz

asked if this includes the sedimentation basin. Mr. Ripley stated that a detention pond is included in this project but it is not a large sedimentation basin like that associated with the Canal.

Motion authorizing the Executive Director to publish a Request for Competitive Sealed Proposals for Construction of the Luce Bayou Maintenance Facility.

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

e. Alabama Coushatta.

Mr. Ripley stated the Alabama Coushatta Tribe of Texas is the designated tribal monitor for this project. The permit required that they were present during the pipeline scraping section which just finished. The tribal monitor is required to be on site along with the archeological monitor until the pipeline excavation and the pump station structure excavation are completed. Once these excavations have reached design depth, the monitoring services will no longer be required. The additional work authorization for the Alabama Coushatta Tribe was reviewed by the PESRC on April 5, 2017 and approved for consideration by the Board today. Director Klotz asked if CWA should have amended the existing contract. Mr. Ripley stated this is a new contract. Director Conner asked if the monitoring was required at the pump station site. Mr. Ripley stated that monitoring is required at the pump station until the excavation is complete. Mr. Ripley noted that for the Board's information, CWA will be, in a month or two, requesting an amendment to Moore Archeological's contract which requires them to be present when the tribal monitor is present. Moore Archeological has underrun their last couple of work orders so additional authorization is not required at this time.

MOTION authorizing the Executive Director to execute an agreement with the Alabama Coushatta Tribe of Texas for tribal monitoring of pipeline right-of-way clearing, pipeline construction and excavation for structures at the pump station site in amount not-to-exceed \$173,000.00.

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

IV. MAINTENANCE & OPERATIONS – Greg Olinger

The Monthly Operation Report for March 2017 was included in the Board Member's agenda packets.

A. Monthly Operations Report.

	Water Production	
	March 2017 31 DAYS (gallons)	DAILY AVG (MGD) INDUSTRIAL & TREATMENT
TRINITY RIVER		
Trinity River Pump Station	16.8 billion	Hwy 225 Plants (Incl. CWA WTP) 131
Main Canal	15.7 billion	SEWPP 78
Cedar Point Lateral	1,104.9 million	EWPP 250
San Jacinto Transfer Station	307.3 million	Deer Park WTP 4
Lynchburg Pump Station	15.5 billion	Bayport Plants 27
Water Treatment Plant	111.8 million	BAWA 14
Bayport Pump Station	830.1 million	CPL 36
		SJRA West Transfer 10
		SJRA East Transfer 0
		Trinity River Total 549 MGD
SAN JACINTO RIVER		
Lake Houston Pump Station	1.2 billion	Indus. Customers 30

EWPP (238.1 million)	<u>8</u>
San Jacinto River Total	38 MGD

Operations

Mr. Olinger stated that Lake Houston is at 42.49 ft. (msl), and that tainter and flashboard gates are closed at the dam [normal pool is 42.5 ft.]. This is up 0.09 ft. from the previous month. Lake Conroe is at 201.02 ft. and releasing 529 cfs. [normal pool is 201 ft.]. This is down 0.06 ft. Lake Livingston is at 132.06 ft. [normal pool is 131 ft.], and currently releasing 17,000 cfs. This is up 0.92 ft. In reference to production for March 2017, Mr. Olinger stated that the Trinity River production was 16.8 billion gallons with a daily average of 542 MGD. This is 91.8% of the projected demand of 18.3 billion gallons. At the San Jacinto River on Lake Houston, production was 1.2 billion gallons with a daily average of 38.7 MGD. This is 85.7% of the projected demand of 1.4 billion gallons.

As an update on the Radial Gate Bypass construction project, Mr. Olinger stated the contractor has completed excavation of 80% of the structure, they have installed a seal slab on the bottom of the excavation and they have formed and placed 40-feet of the base slab of the dual cast in place box culverts. The contractor will be completing an additional 60-foot pour later this afternoon. The contractor is on schedule and the estimated date for completion is October 2017. Mr. Olinger stated that additional updates will be provided to the Board as the project progresses. There were no questions from the Board.

B. NW Lateral D Easement Acquisition.

Mr. Olinger stated as part of the NW Lateral D Easement Acquisition project, CWA has reached an agreement with Targa Resources to purchase additional easement strips on each side of the existing 30-foot canal easement. The basis for the easement valuation was an appraisal from CWA's Appraiser, AW&S. The value of this 3.4 acre additional easement is \$186,001.00. A copy of the appraisal and the draft easement were included in the Board members packet. Director Klotz stated this is a good thing and asked CWA to keep the process going. Mr. Ripley stated there is one left. There were no questions and Mr. Olinger recommended the Motion as presented.

Motion authorizing the Executive Director to purchase a 3.4 acre easement from Targa Resources as part of the NW Lateral D easement acquisition program in an amount of \$186,001.00.

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

C. 12-Inch Bayport Water Line Replacement/Removal and HP-120 and HP-130 Direct Connections.

Mr. Olinger stated that CWA is planning to complete an abandonment of a 12-inch transite asbestos-cement water line located in Bayport. This is at the request of Harris County related to their roadway expansion and drainage improvements project. CWA will be able to reroute flows at this location using existing newer and larger pipelines. In addition, CWA will be proposing to complete some service line interconnections at HP-130 and HP-140 in preparation for planned condition assessment evaluations on these two pipelines. HP-130 and HP-140 run parallel to Independence Parkway, south of the San Jacinto Battleground area. CWA will perform condition assessment of these lines later this year. Ahead of that, CWA will perform interconnections to take the 96-inch pipeline out of service and still supply the customers on that line. Mr. Olinger stated that within the last week CWA has received a request for a new raw water service connection on the HP-140 that may have an impact on the design, therefore this item would be deferred until the service request can be further evaluated and a connection point confirmed.

V. BUSINESS REVIEW – John J. Baldwin

A. Monthly Financial Statements for the Previous Month.

Mr. Baldwin presented to the Board the Financial Statements for the month ending March 31, 2017. All five Operating Funds are in good shape in revenues, expenses and reimbursements. Mr. Baldwin stated it is a little early to forecast what Year-end will look like. As we get into the summer months we will see how we do with the water usage, electricity intake, chemicals, etc. There were no questions from the Board.

B. Annual Audit – 2016 Financial Statements.

Mr. Baldwin stated that the Authority's Auditors, McConnell & Jones, LLP concluded their audit of the 2016 Financial Statements of the Coastal Water Authority. Mr. Baldwin stated that McConnell & Jones gave a detailed presentation of the report to the Finance and Audit Committee last week. (A copy of the report was given to the Board.) At this time Mr. Marlon Williams of McConnell & Jones gave the Board a brief summary of the report. Mr. Williams stated that the report is being submitted with a "clean opinion" of the financial position of the Authority for the year ending December 31, 2016. There were no questions from the Board and Mr. Baldwin recommended the Motion as presented.

Motion approving the Coastal Water Authority's Annual Audit Report on the Financial Statements dated December 31, 2016 as prepared and presented by the Authority's Audit Firm, McConnell & Jones, LLP.

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

VI. DISBURSEMENTS – John J. Baldwin

Mr. Baldwin stated that the disbursements to be approved by the Board included: the Bayport Capital Improvement Fund – in the amount of \$8,914.33; the Special Project Equity Fund – in the amount of \$12,053.85; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$414,660.99; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$2,758,566.90; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$2,000,842.11.

MOTION approving the Disbursement of Funds as presented by the Chief Financial Officer.

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

VII. OLD BUSINESS – Donald R. Ripley

Mr. Ripley stated that there were no Old Business items to discuss.

VIII. NEW BUSINESS – Donald R. Ripley

Mr. Ripley stated that there were no New Business items to discuss.

IX. EXECUTIVE SESSION

There was no Executive Session.

X. ADJORNMENT – Wayne Klotz

The Meeting was adjourned at 10:25 A.M.



Alan D. Conner, Secretary - Treasurer