

# COASTAL WATER AUTHORITY

## Minutes of Regular Meeting

April 8, 2020

The Board of Directors (the "Board") of Coastal Water Authority ("CWA") convened its Regular Meeting; open to the public via teleconference, 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

\*Jon M. Sjolander

\*Joseph G. Soliz

\*Giti Zarinkelk, P.E.

### CWA Staff

Don Ripley

John Baldwin

David Miller

Greg Olinger

Todd Vu

Mary Caballero

### City of Houston Staff

\*Yvonne Forrest, PW&E

### Legal Counsel

\*Neil Thomas, Norton Rose Fulbright US LLP

All Members of the Board were present thus constituting a quorum. (\* Attended telephonically.)

### **I. CALL TO ORDER** – Wayne Klotz

Director Klotz identified himself as the Board President of Coastal Water Authority and then called the teleconference meeting to order at 10:00 A.M.

Director Klotz stated that this telephonic meeting is being audio recorded per the Texas Open Meeting regulations and direction from the Attorney General of Texas. Members of the public may request to listen to the audio recording of this meeting after conclusion of the meeting. Director Klotz stated that he hoped everyone is staying well during this time and that the Board is conducting this meeting via teleconference to protect the safety of the staff, board members, and the public to comply with the Stay Home, Work Safe Orders issued by Harris County Judge Lina Hidalgo and, City of Houston Mayor Sylvester Turner.

### **II. PUBLIC COMMENTS**

There were no public comments.

### **III. ITEMS FOR CONSIDERATION** – Wayne Klotz

#### **A. Minutes of the March 11, 2020 Board Meeting.**

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of March 11, 2020, as written.

#### **Motion approving the Minutes of the Board Meeting of March 11, 2020.**

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

### **IV. ONGOING PROJECTS** – David Miller

#### **A. Luce Bayou Interbasin Transfer Project.**

The Directors received a copy of CWA's March 2020 Luce Bayou Interbasin Transfer Project (LBITP) Monthly Status Report in their Board Members' Agenda packets.

**a. Capers Ridge Pump Station.**

Mr. Miller stated that the contractor for the Capers Ridge Pump Station, Renda/Johnson Brothers JV (RJB), is approximately 83% complete. The project team conducted the monthly progress meetings on March 4, 2020 and March 18, 2020.

Major activities performed by RJB in March 2020 included:

- Installation of 36-inch diameter pipe and concrete encasement
- Poured the north and south pull box walls
- Installed the control building masonry block and roof
- Poured the pig launch slab

Major work activities planned for April 2020 include:

- Sediment removal
- Pour intake apron
- Begin switchgear installation
- Continue with piping installation

Mr. Miller stated that the progress photos taken at the project site were included in the LBITP Monthly Report.

**b. Canal System.**

Mr. Miller stated CWA, Triple B Services (Canal Contractor for Canal Segments 1, 2 and 3), Gunda Corp., and Parsons conducted the progress meeting on March 10, 2020 for Canal Segment 1. Triple B Services is approximately 99% complete on Segment 1.

Major activities performed by Triple B Services for Canal Segment 1 in March 2020 included:

- Completed all handrails, trash racks and walkway grating at Canal Segment 1 siphons
- Hydro-seeded the canal banks and right-of-way areas
- Final cleanup and inspection

Major work activity planned for April 2020 include:

- Complete punchlist

Mr. Miller stated that the progress photos from the Canal System site were included in the LBITP Monthly Report. There were no questions from the Board.

**c. Dual 96-Inch Diameter Pipelines.**

Mr. Miller stated the contractor for the Dual 96-inch Diameter Pipeline, Thalle Construction (Thalle), is approximately 90% complete.

Major activities performed by Thalle in March 2020 included:

- Continued flow distribution basin concrete
- Continued pig retrieval facility concrete
- Completed the pressure test of the 96-inch diameter pipelines (passed)

Mr. Miller stated that Thalle successfully completed the hydrostatic testing of the two 96-inch transmission lines on March 12, 2020. The two lines were filled with water and pressurized to 150 psi for eight hours. There was no drop in pressure or visual detection of leaks.

Major work activities planned for April 2020 include:

- Complete pig retrieval facility concrete
- Continue flow distribution basin concrete

Mr. Miller stated that the progress photos from the Canal System site were included in the LBITP Monthly Report. Director Klotz asked if there were any COVID-19 pandemic impacts on field activities. Mr. Miller stated, no. Director Klotz and Director Council recommended CWA staff follow the Harris County Stay Home, Work Safe safety guidelines. There were no further questions from the Board.

**B. Lake Houston Dam Spillway Improvement Project – Phase 1.**

Mr. Miller stated CWA staff completed negotiation of the scope, fee and schedule for the permitting and preliminary engineering with Black & Veatch in March 2020. This information was reviewed with the Professional Engineering Services Review Committee on March 31, 2020 and was recommended to bring forward for Board consideration today. Mr. Miller stated that the scope of the first work order will be for all local, state and federal permitting, alternative analysis and preparation of a preliminary engineering report. A second work order for final design will be negotiated and presented for approval after a conceptual design has been established. There were no questions from the Board and Mr. Miller requested the motion as presented.

**Motion authorizing the Executive Director to execute an agreement with Black & Veatch Corporation in an amount “Not-to-Exceed” \$2,228,897.00 for the permitting and preliminary engineering on Phase 1 – Lake Houston Dam Spillway Improvement Project.**

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

**V. MAINTENANCE & OPERATIONS – Greg Olinger**

**A. Monthly Operations Report/Project Updates.**

The Monthly Operations Report for March 2020 was included in the Board Members’ Agenda packets.

**B. Lynchburg Pump Station Motor 201 Rehabilitation.**

Mr. Olinger stated that this item is for the repair of Lynchburg Pump Station Motor P201. The scope includes rewinding the stator and the rotor coils as well as replacing the bearings and heaters. CWA received two bids on March 6, 2020. The low bid was received from Alliance Specialty Motors. This item was briefed to the O&M Oversight Committee on March 31, 2020. A copy of the bid tab was included in the Board Members’ Agenda packet. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

**Motion authorizing the Executive Director to issue a purchase order to Alliance Specialty Motors in the amount of \$191,298.00 for the rehabilitation of Lynchburg Pump Station Motor 201.**

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

**C. Trinity River System Fuel Truck Purchase.**

Mr. Olinger stated that this item is the purchase of a replacement fuel service truck for the Bayport Distribution System. CWA solicited three quotes from local vendors. The low bid from South Ford Dodge included a \$10k trade-in allowance. This item was briefed to the O&M Committee on March 31, 2020. A copy of the quote and bid tab were included in the Board Members’ Agenda packet. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

**Motion authorizing the Executive Director to issue a purchase order to South Ford Dodge in the amount of \$62,927.72 for the purchase of a new 2020 Dodge 5500 Fuel Truck.**

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

**D. Lake Houston Dam Rehab Project Update.**

Mr. Olinger stated that this item is an update on the Lake Houston Dam Rehabilitation Project. To date the Contractor (Thalle Construction) has completed 13 of the 16 concrete placements at the two weir structures downstream of the gates and spillway. The remaining three placements will be completed in the next four weeks along with cutting and removal of 10 feet off of the height of the current splitter wall. Contingent upon continued favorable weather conditions, CWA anticipates reaching final completion by the end of May 2020. Mr. Olinger noted that to date there have been no COVID-19 impacts to this project. There were no questions from the Board.

**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, 2020. Mr. Baldwin noted that at the end of the first three months of the budget year we are in good shape on all five Operating Funds; and are within all of our budget expenditures. The reimbursements from the City of Houston and from our other customers are timely and up to date. Director Klotz asked if there have been or will be any expected ongoing operational expenses due to COVID-19 pandemic. Mr. Baldwin stated nothing extraordinary at this time. A copy of the report was included in the Board Member's packets. There were no further questions from the Board.

**B. 2019 Financial Statements Audit Report.**

Mr. Baldwin stated that this item is the CWA 2019 Financial Statements Audit Report for the year ending December 31, 2019 prepared by the Authority's Auditors, Weaver and Tidwell, LLP (Weaver). Mr. Baldwin noted that the Auditors presented the report to the Finance and Audit Committee on March 31, 2020. The report reflects an "unmodified opinion". A copy of the report was included in the Board Members' packets. Mr. Baldwin stated that Ms. Laura Lambert with Weaver was present to make a brief presentation to the Board and answer any questions. At this time, Ms. Lambert gave a brief presentation to the Board. There were no questions and Mr. Baldwin recommended the Motion as presented.

**Motion approving the Coastal Water Authority Audit Report for the Year ending December 31, 2019.**

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

**C. 2019 Arbitrage Liability Report.**

Mr. Baldwin stated that this item is the 2019 Arbitrage Liability Report as of December 31 2019. A rebatable arbitrage and yield restriction analysis is required on the Authority's applicable outstanding Contract Revenue Bonds and the State Funding Agreements. The analysis for 2019 was conducted by the financial services firm of First Southwest. The analysis indicated that no rebatable arbitrage exists on any of the Authority's applicable Contract Revenue Bonds, Contract Refunding Bonds and the State Participation Funding with the Texas Water Development Board. This report was reviewed by the Finance and Audit Committee on March 31, 2019. A copy of the report was included in the Board Members' Packets. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

**Motion accepting the Arbitrage Report for the Coastal Water Authority Contract Revenue Bonds and the Texas Water Development Board Contract Fundings as of December 31, 2019.**

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

**D. Internal Management Report – Quarter ending December 31, 2019.**

Mr. Baldwin stated that this item is the Internal Management Report for the quarter ending December 31, 2019. This report details the investment activities on all of the Authorities' 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. Mr. Baldwin stated that the yields for during the last three months of last year were in the regional categories of two plus percent, this report will change in the next quarter that comes out after March 31, 2020 as the interest rates have dropped down significantly since then. All investments were held to maturity and there were no losses on our investments. This report was presented to the Finance and Audit Committee on March 31, 2019. A copy of the report was included in the Board Members' Packets. 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 December 31, 2019.**

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

**VII. DISBURSEMENTS – John Baldwin**

Mr. Baldwin stated that this item is the disbursements for the month on the various construction funds. A copy of the summary of disbursements for the month were included in the Board Members' Packets. The disbursements to be approved by the Board included: the Bayport Capital Improvement Fund – in the amount of \$7,963.87; the Special Project Equity Fund – in the amount of \$1,158,337.93; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$522,226.16; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$8,007.90; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$784,282.43; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$538,410.64. 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 – Don Ripley**

There were no old business items to discuss.

**IX. NEW BUSINESS – Don Ripley**

There were no new business items to discuss.

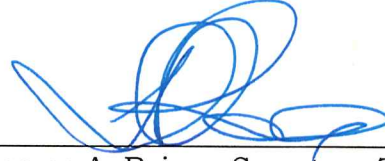
At this time Mr. Ripley stated that he wanted to recognize CWA staff member, Todd Vu for his effort with coordinating all necessary information technology software and computer acquisitions, etc. to get this meeting successfully on-line. Director Klotz asked that the meeting minutes reflect the acknowledgment.

**X. EXECUTIVE SESSION – Wayne Klotz**

There was no executive session.

**XI. ADJOURNMENT – Wayne Klotz**

The meeting was adjourned at 10:28 A.M.

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

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Thomas A. Reiser, Secretary-Treasurer