

**COASTAL WATER AUTHORITY**

**Minutes of Regular Meeting**

**August 10, 2022**

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

**CWA Staff**

Don Ripley  
John Baldwin  
David Miller  
Greg Olinger  
James Lewis  
Mary Caballero  
Todd Vu

**City of Houston Staff**

Yvonne Forrest, Houston Public Works

**General Legal Counsel**

Mary Buzak, Bracewell LLP

With the exception of Director Reiser all Members of the Board were present thus constituting a quorum.

**I. CALL TO ORDER** – Wayne Klotz

**A. Welcome.**

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.)

**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 July 13, 2022, as written.

**A. Minutes of the July 13, 2022 Board Meeting.**

**Motion approving the Minutes of the Board Meeting of July 13, 2022.**

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

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

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

Mr. Miller stated CWA and the contractor for the Capers Ridge Pump Station (CRPS), Renda-Johnson Brothers JV (RJB), completed negotiation of a final change order associated with the CRPS Construction Project. The change order covers all outstanding claims. Mr. Miller noted the change order amount is approximately \$2.4 million and was reviewed and approved by the Texas Water Development Board (TWDB) and also reviewed by the Professional Engineering Services Review Committee (PESRC) on August 2, 2022. A copy of the change order with supporting backup materials was included in the Board Members' packets. Director Klotz asked for RJB's final construction contract amount. Mr. Miller stated that the final contract amount will be approximately \$52 million. Director Klotz asked if there is enough money to cover this request. Mr. Miller confirmed that the project will finish under budget. Director Klotz asked Mr. Baldwin what will happen to any remaining money from the TWDB. Mr. Baldwin stated that once the contract is completed, the TWDB will be notified. There will likely be two options, the money can be wired back to TWDB, which may not be the preferred option, or CWA will buy down some of the principal and recalculate the debt service. Mr. Baldwin noted that a recommendation will be brought to the Board regarding the disposition of excess proceeds. Director Klotz asked for the approximate total cost of the Luce Bayou Interbasin Transfer Project (LBITP), from the river all the way to the lake. Mr. Miller stated that the overall project budget is \$381 million and CWA should finish approximately 10% under budget. Director Klotz asked if there are any items that RJB needs to complete. Mr. Miller stated that RJB has finished all of the work and that the project warranty will run through August 2023. Director Klotz, on behalf of the Board, thanked Mr. Miller and all involved for a job well done. Mr. Ripley commended Mr. Miller for bringing this expansive project under budget. There were no further questions from the Board.

**Motion authorizing the Executive Director to issue a change order in the amount of \$2,461,966.94 to Renda-Johnson Brothers Joint Venture as part of the Capers Ridge Pump Station and Luce Bayou Interbasin Transfer Project.**

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

Mr. Miller stated CWA and S&B Infrastructure, Inc. (S&BI) completed negotiation of scope and fee for pipeline lowering coordination and oversight associated with four pipelines as part of the CRPS Access Road construction. Pipelines are owned by Westlake Chemical, Oneok and Enterprise. Work is scheduled to begin next week and S&BI will provide oversight of work and coordinate the construction schedules of the three companies. Mr. Miller noted that Westlake Chemical will start lowering its line first, followed by Enterprise with its two lines and then Oneok will finish up its line. This item was reviewed with the PESRC on August 2, 2022. A copy of the S&BI proposal was included in the Board Members' packets. Director Klotz asked when the work will be finished if everything goes as planned. Mr. Miller stated that all of the work should be completed by November 2022. There were no further questions from the Board.

**Motion authorizing the Executive Director to issue a purchase order in the amount of \$225,000.00 to S&B Infrastructure Inc., for Capers Ridge Access Road pipeline lowering and coordination services as part of the Luce Bayou Interbasin Transfer Project.**

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

##### **B. Lynchburg Pump Station – B-System Expansion (P201/P206).**

Mr. Miller stated CWA and CWA's General Engineering Consultant, BGE, Inc. (BGE), conducted the Monthly Progress Meeting on August 3, 2022. BGE is currently completing the final design for this project. During the month of July 2022, BGE continued close coordination with three pump manufacturers.

Director Klotz asked what kind of pumps these are. Mr. Miller stated that the pumps are 50,000 GPM centrifugal pumps with 4,000 HP Motors. BGE continued with an alternatives evaluation of variable frequency drive types, sizes and locations and began contractor outreach to discuss the project and construction sequencing. Director Klotz asked if the plan is still to bid the pumps separately. Mr. Miller confirmed that this is the plan. The Pump Procurement Package is scheduled to advertise in January 2023.

**C. Lake Houston Dam Spillway Improvement Project.**

Mr. Miller stated Black & Veatch (B&V), the engineer of record for the project, submitted a draft Technical Memorandum to CWA and the City of Houston (COH) on July 22, 2022, evaluating gate locations east of the gate structure at the request of the COH. The Technical Memorandum includes sketches, discussions of risk, and estimated costs and construction schedules. CWA, the COH and B&V conducted a call on August 9, 2022, to discuss the Technical Memorandum. Following that discussion, the COH requested that B&V provide Adkins, the COH's benefit cost assessment consultant, with information necessary to calculate an updated benefit cost ratio.

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

**A. Monthly Operations Report.**

The Monthly Operations Report for July 2022 was included in the Board Members' packets.

**B. Cartegraph – Asset Management Update.**

Mr. Olinger provided a project update on CWA's asset management system software, Cartegraph. Mr. Olinger stated that one of CWA's most important responsibilities is maintaining CWA equipment. CWA now has a program and tool in place that allows for comprehensive, efficient, and real time management of asset maintenance and condition assessment. Cartegraph is facilitating CWA's digital tracking of asset conditions, repair costs, and work history. One of the greatest benefits of this management system is the ability to utilize the system to inform CWA's decision making around budgeting and programming funds for scheduled maintenance, repairs, and/or replacements, which will be very helpful as CWA is about to move into budget season. To date, CWA's integration team has uploaded over 2,500 assets, which includes all pump stations, horizontal and rolling stock assets, has created and closed out over 500 preventive maintenance tasks, and has migrated in all of CWA's historic maintenance records. Mr. Olinger noted that some work is still in progress as CWA continues to update asset condition assessments, conduct end user training in the field, and automate workflows ensuring there is multi-level quality control and quality assurance in order to ensure all of the data is useful and contributing to the system. At this time Mr. Olinger presented the Board with a few user interface screen shots to show as examples. Mr. Olinger answered a few general questions from the Board regarding the asset management system. Director Klotz asked, in terms of total deployment, how much of the system is currently complete. Mr. Olinger stated that the system is over 50% complete and noted that many of the various authorities that CWA interviewed before rollout have hired a full time 3-5 member staff focused exclusively on integrating an asset management system. CWA chose to go with a more phased approach, starting with the heavy equipment and the fleet vehicles which have now been uploaded and are actively being worked. Currently, CWA staff is focusing on electrical instrumentation, which is well underway. The canal system and the pipeline system condition evaluations are remaining. Director Klotz asked when Mr. Olinger expected to be at 100% completion. Mr. Olinger stated the estimated completion date is September 2023. Director Klotz stated to Mr. Olinger that the Board would be happy to discuss any assistance needed with data entry if needed. There were no further questions and Mr. Olinger then thanked CWA staff members Will Shappee for taking the lead in integrating and Jonathon Jung for assisting in this huge endeavor. Mr. Olinger informed the Board that following today's meeting, Mr.

Shappee will have the Cartegraph system up and running in the downtown annex conference room for any Board Member who would like a demonstration.

**VI. BUSINESS REVIEW** – John Baldwin

**A. Monthly Financial Statements for the Previous Month.**

This item is the Financial Statements for the month ending July 31, 2022. Mr. Baldwin stated that as of the end of the seventh month of the budget year, all five of the Operating Funds are doing well, and the revenue stream is steady from the COH and the users at the Water Treatment Plant and at the Bayport Treatment Plant. Mr. Baldwin noted over the last three months there has been a continued increase in water pumpage at the Trinity River that is above what was anticipated and is resulting with increases in usage of electricity and pre-treatment chemicals at the Lynchburg Pump Station. A copy of the report was included in the Board Members' packets. 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. 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 \$16,997.70; the Special Project Equity Fund – in the amount of \$249,965.38; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$23,261.25; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$685,675.04. 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 Sjolander, Seconded by Director Council. The Motion carried unanimously.

**VIII. PERSONNEL MATTERS** – Wayne Klotz

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

Director Klotz noted that the Executive Officer Compensation and Review Committee initiated the process of hiring a new Executive Director upon the announcement of Mr. Don Ripley's retirement, and at the July Board meeting, the Board selected Mr. Greg Olinger, P.E, as the sole finalist for the position. Director Klotz noted that the function of the CWA Board is to set policy, not to operate the agency. Operating CWA is the responsibility of the Executive Director. Director Klotz stated that Mr. Olinger has agreed to accept a formal offer for the position. There were no questions from the Board and Director Klotz recommended the motion as presented.

**Motion adopting a Resolution approving the selection of Greg Olinger, P.E., as Executive Director of the Coastal Water Authority; and approving an employment offer letter related thereto.**

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

Director Klotz noted that Mr. Olinger will be CWA's Executive Director effective September 1, 2022. On behalf of the Board, Director Klotz then congratulated Mr. Olinger and stated that the Board looks forward to working with Mr. Olinger. Director Klotz invited Mr. Olinger to make any remarks to the Board. Mr. Olinger thanked the Board for their confidence not only in him but in the CWA team. Mr. Olinger expressed his gratitude to Mr. Ripley for his leadership. Mr. Olinger noted that he looked forward to working with the Board and implementing its vision and guidance and maintaining good communication which is needed by the Board to do its job. Mr. Olinger stated that he looks

forward to continued partnership with Ms. Yvonne Forrest and her team at the COH as well as the industrial customers to carry forth the important mission of delivering surface water.

**B. Recognition of Donald R. Ripley's tenure as Executive Director of the Coastal Water Authority.**

On behalf of the Board, Director Klotz thanked Mr. Ripley for his tenure as CWA's Executive Director, for the top quality CWA staff team he assembled, and for giving the staff the leeway to perform their job duties, for providing leadership within the community and for handling the coordination with the public and private sectors that deal with CWA on a regular basis. Director Klotz noted that there are approximately six million people in this region that depend on water provided by CWA, and in all of Mr. Ripley's tenure with CWA, which included hurricanes, floods, power outages, freezes, failures in canals and almost the loss of the Lake Livingston dam, water was pumped every single day. Director Klotz also noted that Mr. Ripley successfully shepherded the LBITP, which had been on the books for seventy years. Notably, the LBITP has been rated the No. 1 project in the state of Texas by the TWDB. This project also had its challenges of floods, a hurricane, various storms and the COVID-19 pandemic, yet it remained a top-quality project coming in under budget. Director Klotz stated that it is hoped that Mr. Ripley leaves CWA with his head high and knowing that the Board considered his tenure as exceptional and that he was much appreciated.

At this time, Mr. Ripley thanked the Board for its support and for the opportunity to work with CWA as Executive Director for eleven years. Mr. Ripley also thanked Mr. Baldwin, Mr. Lewis, Mr. Miller and Mr. Olinger for their support. He stated he was proud that CWA was able to complete some very important projects during his tenure including the LBITP and substantial improvements in the reliability and safety of the CWA system.

**IX. OLD BUSINESS**

No items to discuss.

**X. NEW BUSINESS – Wayne Klotz**

No items to discuss.

**XI. EXECUTIVE SESSION – Wayne Klotz**

There was no executive session.

**XII. ADJOURNMENT – Wayne Klotz**

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

[Signature page follows]



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Joseph G. Soliz, Assistant Secretary-Treasurer