

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

August 12, 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*	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	

CWA Staff

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

City of Houston Staff

Yvonne Forrest, PW&E*

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP*
Leslie A. Bacon, Norton Rose Fulbright US LLP*
Peyton Craig, 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 President of the Coastal Water Authority Board 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 Governor Abbott's emergency disaster declaration and subsequent guidance from the Office of Attorney General suspending certain provisions of the Open Meetings Act.

II. PUBLIC COMMENTS

There were no public comments.

III. ITEMS FOR CONSIDERATION – Wayne Klotz

A. Minutes of the July 8, 2020 Board Meeting.

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of July 8, 2020, as written.

Motion approving the Minutes of the Board Meeting of July 8, 2020.

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

IV. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

The Directors received a copy of CWA's July 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 92% complete. The project team conducted the monthly progress meetings on July 1, 2020 and July 22, 2020.

Major activities performed by RJB in July 2020 included:

- Installed electrical conductors from the electrical building switchgear to the pump locations
- Tested electrical conductors
- Installed stop gates
- Installed 18-inch flushing lines and baffle plates

Mr. Miller stated that in July 2020 an RJB employee notified their management that he had felt ill and subsequently tested positive for COVID-19. RJB shut down site operations for approximately one week while all staff were tested. Five additional personnel tested positive and were quarantined away from the site. Following this incident, RJB implemented site-wide disinfection protocols and increased hand washing frequency. This was in addition to social distancing and face coverings. RJB returned to full staff in early August 2020. Director Klotz asked if CWA staff is following its own COVID-19 safety measures. Mr. Miller stated that CWA staff along with employees and subcontractors of Jacobs Engineering (Construction Manager) are following CWA's COVID safety protocols. Director Klotz asked if there were any major concerns that could negatively impact the schedule. Mr. Miller stated other than another COVID-19 outbreak he did not see any major issues which could delay the schedule.

Major work activities planned for August 2020 include:

- Installation of the four vertical turbine pumps
- Concrete pours for the discharge piping and header
- 18-inch flushing lines, baffle plates, and intake fillets
- Sam Houston Electric will energize the substation on September 1, 2020

Mr. Miller presented progress photos taken at the project site.

b. Dual 96-Inch Diameter Pipelines.

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

Major activity performed by Thalle in July 2020 included:

- Assembled and installed approximately 90% of the pig retrieval facility building
- Completed floor grating and staircases within the pig retrieval facility

Major work activities planned for August 2020 include:

- Pressure test the pig retrieval facility piping
- Complete the pig retrieval facility pre-engineered metal building

Director Klotz asked if the pipeline pig will be manufactured at this time. Mr. Miller stated it is currently not planned to fabricate the pipeline pig but indicated it may be a good idea. Mr. Miller stated that he will discuss with operations staff and local pig fabrication vendors to determine what options

exist. Director Walker stated based on his past experience with these types of buildings nesting birds may be an issue. Mr. Miller stated that the building will be completely enclosed but he was uncertain if openings exist which could be accessed by birds. Mr. Miller stated he will look into the building openings used for ventilation and determine if some type of bird screens would be needed. There were no further questions from the Board and Mr. Miller presented progress photos taken at the site.

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

Mr. Miller stated that the project team conducted monthly coordination meetings on July 9, 2020 (Meeting No. 7) and July 29, 2020 (Meeting No. 8). CWA's consultant, Black & Veatch (B&V) conducted two workshops on July 15, 2020 with CWA, City of Houston, and Harris County Flood Control District. The first was an evaluation criteria workshop which established the framework for comparing and ultimately selecting the location of the new spillway improvements. The second workshop was a risk management workshop in which the team identified and scored the project risks. A second risk workshop will take place on August 18, 2020 to develop mitigation approaches/plans for the highest risks. On July 29, 2020 CWA conducted a meeting with the United States Army Corps of Engineers – Galveston District to provide a summary on the findings from environmental surveys conducted in May and June 2020. Director Klotz asked if there is close coordination between the Spillway Improvement Project and the Water Quality Project. Mr. Miller stated there has been close coordination between both contracts and as soon as the possible spillway improvements locations are identified, water quality model runs will be performed. There were no further questions from the Board.

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

The Monthly Operations Report for July 2020 was included in the Board Members' Agenda packets.

B. Sunnyside Lateral.

Mr. Olinger stated that this item is to provide notification to the Board that CWA has received a complete application for abandonment from Riverside Development Services, LLC for five tracts of canal easement. These easements are part of the SE Lateral Y and are located north and east of the city of Mont Belvieu in Chambers County. For orientation Mr. Olinger presented the Board with an aerial map of the site area. Mr. Olinger stated that going forward, CWA will complete the review of the application and then make a recommendation to the Board in September 2020. Director Walker asked if Riverside is only asking for Tract 5. Mr. Olinger stated that the developer is looking to develop Tract 5 but as a matter of CWA's protocol, CWA is requiring the abandonment of the downstream section as well. Director Klotz asked how long it has been since CWA used this said property. Mr. Olinger stated that it has been over twenty years. Director Sjolander asked if all affected parties had signed off on this abandonment. Mr. Olinger stated that was correct. Director Klotz asked that CWA verify any possible future use before CWA considers abandonment. Mr. Olinger stated that CWA will perform all necessary assessments and evaluation criteria to prepare the Board fully at the next month's Board meeting. Director Klotz asked if CWA will have its own independent appraisal. Mr. Olinger stated that is correct, the appraisal will be performed for all five tracts. Director Sjolander asked if CWA has received an offer from the developer. Mr. Olinger stated that in terms of a proposed offer, CWA received a letter from Riverside. There were no further questions from the Board.

C. Impeller Replacement - Pumps 9 and 11 at the Trinity River Pump Station.

Mr. Olinger stated that this item is a proposal to purchase two replacement impellers for Pumps 9 and 11 at the Trinity River Pump Station. Regarding Pump 9, CWA is replacing the original bronze impeller with stainless steel and, for Pump 11, CWA is replacing the stainless steel impeller that was damaged during

a pump failure last year. Both pumps require rebuilding and CWA will propose to award these as a package once the impellers are received. Director Council asked what caused the failure. Mr. Olinger stated, it was a vibration failure on Pump 11. Mr. Olinger stated that CWA will be purchasing the impellers from Xylem and fabrication takes about twenty-six weeks. Mr. Olinger noted that this item was briefed to the O&M Oversight Committee on August 4, 2020. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Xylem in the amount of \$158,500.00 for replacement impellers on Pumps 9 and 11 at CWA's Trinity River Pump Station.

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

D. Lake Houston Dam Rehabilitation Project Update.

Mr. Olinger stated that this item is an update on the Lake Houston Dam Rehabilitation Project. Mr. Olinger stated that he was happy to report that after ten years of investigations, studies, design work and now construction, the dam rehabilitation project is now 100% complete. The project had not been without its challenges as it endured impacts from Tropical Storm Imelda and several other smaller flood events, as well as dealing with the current global pandemic. Despite all of this, the team was able to complete the project successfully within budget and on schedule. A certificate of completion was recently submitted to the Texas Commission on Environmental Quality (TCEQ) representing the dam is in compliance with all of the TCEQ's regulatory factors of safety. Mr. Olinger noted that much credit goes to our CA&I Firm, AECOM; Contractor, Thalle Construction; Design and Engineering Construction support from Stantec and the in-house Construction Management Team, including James Lewis, John Sealy and Pat Giordano. On behalf of the Board, Director Klotz thanked the entire noted team including Mr. Olinger for a job well done. Director Walker asked if the TCEQ was made aware that all of their previous inspection is 100% complete. Mr. Olinger stated, yes, and that it was reported to the TCEQ's Dam Safety Section that CWA is completely caught up on their previous inspection and that CWA looks forward to future inspections from the TCEQ. Director Klotz stated that he wanted to let the City of Houston know that its dam is one of the few dams that are truly in compliance with all safety standards. Ms. Yvonne Forrest, City of Houston/Houston Public Works/Houston Water, stated that the City attributes this to its great partnership with Coastal Water Authority.

E. Substation Testing and Repairs.

Mr. Olinger stated that this item is an update on the annual substation testing and repairs for CWA's four electrical substations which include Lynchburg Pump Station, Trinity River Pump Station, Lake Houston Pump Station and, Bayport Pump Station. The Contractor, Titan Quality Services, was given notice to proceed on April 20, 2020, and was successful in coordinating with CenterPoint Energy for temporary shut-downs and then completing all of the work twenty-eight days ahead of schedule. Mr. Olinger noted that CWA has had great success with Titan and that this is the third consecutive year that Titan has completed these services and each of these years, they have come in at or under the budget. This year Titan completed the work ahead of schedule. Director Klotz stated this was a great report all around. There were no questions from the Board.

F. Lynchburg Motor-201 Repair.

Mr. Olinger stated that this next item is an update to the Lynchburg Pump Station Motor-201 rehabilitation. This motor was removed from the facility by the Contractor, Alliance Specialty Motor Services on May 20, 2020 and was successfully rebuilt and reinstalled on July 17, 2020 which was a couple of days ahead of schedule. Mr. Olinger stated that just this week, the motor satisfied the twenty-one day run-in period and was then fully accepted back. Mr. Olinger noted that this is the third successful rebuild from Alliance in the last five years and was completed within the budgeted amount. Director Klotz asked how long CWA expect these pump motors to run once they have been rebuilt. Mr. Olinger

stated that the motors average 15-20 years between rehabilitations. There were no further 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 July 31, 2020. Mr. Baldwin noted that ending the seventh month of the budget year, all five of the Operating Funds are in good shape as far as revenues and expenditures within the established budgeted parameters. All of CWA's customers and clients are up to date on their billings and payment of bills. The revenue stream from the City of Houston are timely which is much appreciated. Mr. Baldwin noted that budget season will be starting up next month and a schedule for the 2021 Budget will be forthcoming to the Finance and Audit Committee sometime next month. Mr. Baldwin also noted that he received a phone call this morning from the City of Houston's Financial Advisor regarding a potential refunding of CWA's 2010 bonds for the Trinity River System. Any information received will be forwarded to the Finance and Audit Committee. A copy of the financial 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 \$34,457.44; the Special Project Equity Fund – in the amount of \$1,673,935.78; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$40,104.50; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$108,365.84; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$1,101,092.99; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$434,838.74. 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 Walker. 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.

X. EXECUTIVE SESSION – Wayne Klotz

A. Trinity River Pump-11.

Director Klotz noted the time at 10:38 A.M. and stated that the Board would at this time convene in Executive Session. The Executive Session is held to provisions of Section 551.071-551.084 of the Texas Government Code. No action would be taken in Executive Session.

XI. RECONVENE – OPEN SESSION

Open session was reconvened at 10:57 A.M. Director Klotz stated that no action was taken in Executive Session.

After discussion, in connection with Executive Session, Item A., Trinity River Pump-11, Mr. Ripley made the following motions.

Motion authorizing the Executive Director to negotiate, approve and execute a settlement agreement relating to a dispute between Coastal Water Authority and the Weisenger Company, pursuant to parameters determined during executive session.

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

Motion authorizing the Executive Director to elect to participate in mediation with the Weisenger Company regarding a dispute arising from repairs to Pump No. 11 at the Trinity River Pump Station, and to execute any such resulting settlement agreement, pursuant to parameters determined during executive session.

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

XII. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 11:00 A.M.

[Signature page follows]



Thomas A. Reiser, Secretary-Treasurer