

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

December 14, 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	

CWA Staff

Greg Olinger
John Baldwin
David Miller
Mary Caballero
Todd Vu

City of Houston Staff

Yvonne Forrest

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 – 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.) Director Klotz noted that Director Reiser, who was reappointed to the Board earlier this year, executed his oath of office and completed his reappointment paperwork prior to the meeting.

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 November 9, 2022.

A. Minutes of the November 9, 2022 Board Meeting.

Motion approving the Minutes of the Board Meeting of November 9, 2022.

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

IV. EXECUTIVE DIRECTOR'S REPORT – Greg Olinger

A. Request for Canal Abandonment – SE Lateral J.

Director Klotz deferred this item pending submittal of the corrected letter from the requester which should include only the pertinent information related to this abandonment request.

B. General Engineering Consultant Work Authorization.

Mr. Olinger stated this item is related to the issuance of a general Trinity River System work order to CWA's general engineering consultant, BGE, Inc (BGE). This is the first of two planned general work orders for the next calendar year that covers general day-to-day support. This work order covers ongoing support of utility crossing application reviews and CIP project reviews and cost estimations. In response to a question from Director Klotz, Mr. Olinger confirmed that the allocated funds are used up every year and noted that at the end of the year, the total budgeted amount of \$300,000 is utilized. Mr. Olinger explained that CWA manages the budgeted amount closely and that there is actually more work that could be performed by the general engineering consultant. In response to a request from Director Klotz, Mr. Olinger agreed to present increases to the budget amount to the Board for CWA's proposed Fiscal Year 2024 Operating Budget. Mr. Olinger noted that individual work orders with negotiated scope, fee and schedule will be completed for each tasking before a work order is issued. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a work order to BGE, Inc. in the amount of \$150,000.00 for general engineering consultant services related to the maintenance and operation of the Coastal Water Authority's Trinity River System to be performed in 2023, such work order being contingent on City of Houston's approval of Coastal Water Authority's 2023 operation budget including such expenditure.

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

C. Information Technology Services Contract Extension.

Mr. Olinger stated this item is for the annual information technology service contract. The scope includes IT preventive maintenance and monitoring, secondary backup storage at an off-site colocation, cybersecurity audits, and help desk backup to CWA's IT Manager, Mr. Todd Vu. PennComp, LLC (PennComp) has provided dependable and reliable service this year and CWA is recommending a fifth year option on its five year contract. Director Klotz asked if PennComp or Mr. Vu is the primary on cybersecurity. Mr. Olinger responded that CWA works closely with the City of Houston (City)'s IT contractor, Tetra Technologies (Tetra Tech), which is evaluating cybersecurity at the overall water system, including drinking water, treatment plants and CWA's infrastructure. Director Klotz asked Mr. Olinger if CWA is getting adequate attention since the City pays Tetra Tech. Mr. Olinger responded that CWA is receiving good attention on this matter and that Tetra Tech has recently completed an overall assessment of CWA's high priority facilities along with recommendations. CWA is currently working with Tetra Tech on the recommended improvements. In response to a question from Director Klotz, Mr. Olinger stated that CWA monitors reports existing or current cyberattacks. There were no further questions from the Board and Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a 12-month contract extension in the amount of \$49,500.00 to PennComp, LLC for IT Support Services.

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

D. 2023 Strategic Plan Update.

Mr. Olinger stated this item is an update and as briefed last month, CWA has developed a draft Strategic Plan for 2023 (the Plan) that covers the next five years. Mr. Olinger noted that feedback and comments from the Board and CWA staff have been incorporated into the final draft Plan. Mr. Olinger commented that with the received input the Plan is much improved from the first working draft started in October 2022 and that he will email each Board Member a copy of the Plan. Mr. Olinger requested any remaining comments, feedback, and any other input to the Plan before the end of this year as CWA will request Board adoption of a final recommended version of the Plan at the January 11, 2023 Board Meeting. In response to a question from Director Klotz, Mr. Olinger reported that CWA superintendents and foremen have provided excellent feedback on the Plan. Director Walker and Director Zarinkelk complimented Mr. Olinger on this endeavor.

E. Comprehensive and Facility – Specific Safety Plans Update.

Mr. Olinger stated this item is an update and as briefed over the last few months, CWA has completed major revisions to its standing safety plan, including the comprehensive safety plan and facility-specific safety plans. The comprehensive safety plan emphasizes that safety is CWA's top priority and covers common elements across all of CWA's facilities, such as electrical safety, driver safety, fall protection, hearing protection, and incident reporting and investigation procedures. The facility-specific safety plans cover work activities that are unique to each facility and include requirements and guidance for conducting activity hazard analysis and job safety analysis for all work activities and upgraded personal protective equipment (PPE) requirements. In response to Director Klotz's request for an example of an activity hazard analysis, Mr. Olinger noted that there are hazards associated with the mowing of canal banks and dealing with the slopes on the banks, and a hazard analysis would identify the mitigation factors to lower the risk of performing this hazardous activity. Director Klotz asked who would ensure that those hazard requirements are followed, and Mr. Olinger stated that the respective superintendent will oversee the hazard analysis and the foreman will have a supervisory function as well. In response to a question from Director Klotz, Mr. Olinger reported that records will be maintained by CWA's health and safety officer, Mr. Chad Conway. Mr. Conway also has a supervisory responsibility to ensure the hazard analyses are completed and that there is adequate supervision of those mitigation factors. In response to questions from Director Klotz, Mr. Olinger stated that Mr. Conway is responsible for overseeing the hazard analysis on all required activities and noted that Mr. Conway is knowledgeable enough of every single facility to perform the oversight on his own. In addition, since Mr. Conway is fairly new to CWA, this task is also being overseen by the more experienced superintendents, including the general superintendent, Mr. James Lewis, who has been with CWA for sixteen years, as well as Mr. David Miller. Mr. Olinger stated that even though CWA is not regulated by OSHA, CWA will utilize the OSHA standards.

Mr. Olinger noted that over the last two weeks, CWA has completed retraining sessions with the field staff utilizing the upgraded plans, which include modifications to CWA's PPE protocols and the enforcement of new and enhanced PPE requirements at CWA facilities. Each employee was provided a copy of the plans and each employee acknowledged receipt and their understanding of the plans. Mr. Olinger thanked Mr. Conway, Mr. Lewis and Mr. Miller for spearheading this effort in improving CWA's safety plans and systems. Director Klotz asked if the safety plans include the CWA office staff,

and Mr. Olinger confirmed that the field staff is 100% complete and that the office staff will be next. Director Klotz requested the safety plan protocol include the Board Members and anyone that visits any of CWA's facilities/offices. In response to a question from Director Klotz, Mr. Barron Wallace, CWA's general counsel, noted that employee acknowledgment of the safety plan, retraining and periodic rollouts and the continuation of acknowledgments are all important steps for CWA to ensure that all employees maintain their awareness of the safety plans. Mr. Olinger added that employee acknowledgments, refresher training, and utilization of the Houston Area Safety Council and other contractors for specific training will be ongoing aspects of the safety plan on an annual basis. In response to a question from Director Klotz, Mr. Olinger reported that Mr. Conway will be responsible for ensuring that every employee has received the respective training and acknowledged receipt and understanding of the safety plan.

Director Walker commented that no one intentionally intends to get injured; the dilemma is having employees stop and think ahead of time on how to avoid getting injured. Director Walker noted that as CWA talks more about safety and following up on safety, the mindset will start building to avoid injuries. Mr. Olinger concurred with Director Walker and stated that a part of these safety plans includes conducting daily safety briefs before any work activity begins in the field. Director Klotz asked if CWA has adopted the Department of Homeland Security's motto, "If you see something, say something" so that there will not be any fear of consequences to speak up. Mr. Olinger stated that this concept is embedded in the safety plans. Every CWA employee is a safety officer and if any employee witnesses something unsafe, the employee has the authority to stop an unsafe event from occurring. CWA is also implementing near-miss reporting and incident reporting so that an investigation will take place to identify any trends and take action if necessary to eliminate a possible vulnerability. Director Klotz asked Mr. Olinger to provide the Board with quarterly safety reports. There were no further questions from the Board.

V. ONGOING PROJECTS REPORT – David Miller

A. Lynchburg Pump Station – B-System Expansion.

Mr. Miller stated the major activity conducted last month was the 60% Design Review Workshop on November 16, 2022. The workshop was conducted with CWA, BGE, CWA's design engineer on this project, CWA and CWA's technical advisor, Black & Veatch. The major areas of focus were the Pump Procurement Package, mechanical (valves and flow meters), chlorine and ammonia systems, the variable frequency drives (VFDs) and the new building to house the VFDs. BGE is expecting to complete the Pump Procurement Package in January 2023, and the 90% Construction Package will be submitted in February 2023. In response to a question from Director Klotz, Mr. Miller explained that the Pump Procurement Package will include pumps, motors and the VFDs. Mr. Miller noted that some VFDs were installed approximately 15-20 years ago and the new VFDs will look similar, though they will be quite a bit smaller in size. Mr. Miller stated that the 90% Design should be completed in February and CWA is still working on the 100% deliverable date of possibly April/May 2023. Director Klotz asked for a reminder on the estimated delivery time on the pump. Mr. Miller responded that the pump manufacturer is estimating 55 – 60 weeks. Mr. Miller noted that over last couple of months, CWA has been meeting with several motor manufacturers and VFD manufacturers. Mr. Miller stated that CWA will be coordinating a visit to Toshiba's motor and VFD manufacturing facility in Houston next month and extended the invitation to the Board if interested in attending. In response to a question from Director Klotz, Mr. Miller estimated that the pumps will be ready to be turned on sometime during the fourth quarter of 2024 or early 2025. There were no further questions from the Board and Director Klotz stated all of the information presented was helpful.

VI. BUSINESS REVIEW – John Baldwin

A. Monthly Financial Statements for the Previous Month.

This item is the Financial Statements for the month ending November 30, 2022. Mr. Baldwin stated that through the eleventh month of the budget year all five of the Operating Budgets are doing well in the revenues and expenditures, and all five of the Funds will come in under budget at year-end. Mr. Baldwin noted that the Trinity River budget, which incurred significant increases in the costs of chemicals, will come in under budget. Director Klotz thanked Mr. Baldwin on behalf of the Board for his efforts in successfully coming in under budget once again.

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 Bayport Capital Improvement Fund – in the amount of \$711,157.95; the Special Project Equity Fund – in the amount of \$433,970.92; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$13,018.84; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$754,013.15. 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 Council. The Motion carried unanimously.

VIII. OLD BUSINESS – Greg Olinger

No items to discuss.

IX. NEW BUSINESS – Greg Olinger

No items to discuss.

At this time Director Klotz asked any Board Members if they wanted to make any final comments since this will be the last Board Meeting for 2022. Director Sjolander thanked CWA staff for all of their efforts during this year and wished everyone a Merry Christmas and Happy New Year. Director Walker also wished all a safe and happy Christmas and New Year.

X. EXECUTIVE SESSION – Wayne Klotz

There was no executive session.

XI. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 10:29 A.M.

[Signature page follows]

A handwritten signature in blue ink, appearing to be 'T. A. Reiser', written over a horizontal line.

Thomas A. Reiser, Secretary-Treasurer