

**COASTAL WATER AUTHORITY**

**Minutes of Regular Meeting**

**January 10, 2018**

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  
Tony L. Council, P.E., First Vice-President  
Douglas E. Walker, Second Vice-President  
Alan D. Conner, Secretary-Treasurer

Thomas A. Reiser  
Joseph G. Soliz  
Giti Zarinkelk, P.E.

**CWA Staff**

Don Ripley  
John J. Baldwin  
David Miller  
Greg Olinger  
James Lewis  
Johnathan Marks  
John Sealy  
Todd Vu  
Mary Caballero

**City of Houston Staff**

Veronica Osequeda, 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 December 13, 2017 Board Meeting.**

Director Klotz stated that the first item of business was the approval of the Minutes of the Board Meeting of December 13, 2017, as written.

**MOTION approving the Minutes of the Board Meeting of December 13, 2017.**

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

**III. ONGOING PROJECTS – David Miller**

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

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

**a. Capers Ridge Pump Station.**

CWA, CDM-Smith, CH2M, Dannenbaum/Black and Veatch, HVJ, and Renda/Johnson Brothers conducted the monthly progress meeting on December 21, 2017. As discussed in the Board Meeting last month Renda/Johnson Bros. completed the mat foundation pour on December 9, 2017. The cooling system was installed and operated for seven days until the core temperature was within 35 degrees of the ambient temperature. RJB has since removed the forms and began installation of rebar and forms for the pump station bay walls and they are expected to pour these walls next week. RJB also continued with 96-inch pipe installation and Sam Houston Electric Coop. (SHEC) continued work on the substation construction. Mr. Miller presented progress photos from the site. Director Klotz asked if SHEC was on their schedule. Mr. Miller stated they are between 2-3 weeks behind schedule due to the weather from November 2017 to December 2017 and are anticipating completing their work between February/March 2018.

**b. Canal System.**

Mr. Miller stated CWA, Principal Services (Canal Contractor for Segments 4 and 5), Triple B Services (Canal Contractor for Segments 1, 2 and 3), Parsons, Aviles Engineering (Canal CMT), and the Canal Design Firms conducted the monthly project status meeting on December 5, 2017.

Mr. Miller stated activities by canal segment conducted in December 2017, were as follows:

- Canal Segment 1 – Outfall construction.
- Canal Segments 2 and 3 – Canal construction and preparation for drainage siphon installation at CR6243.
- Canal Segment 4 – Canal construction and drainage and pipeline crossing siphons.
- Canal Segment 5 – Canal construction, installation of drainage siphon headwalls at CR2325 and bridge construction.

Mr. Miller stated SHEC continued with power pole foundation construction and will begin pulling some of their cable later this month. Progress photos at the canal segment sites were presented to the Directors.

**c. Canal Maintenance Facility.**

Mr. Miller stated CWA, Teal Construction (Teal), Huitt-Zollars, Parsons and Aviles conducted the monthly progress meeting on December 5, 2017. Teal poured the building slab foundation on December 9, 2017, continued with underground utilities and excavation of the detention basin. Teal is currently preparing for the tilt up wall construction. Mr. Miller presented progress photos at the facility along with an aerial photo of the footprint of the building foundation.

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

The Monthly Operations Report for December 2017 was included in the Board Member's Agenda packets.

**a. General Engineering Consultant.**

Mr. Olinger stated CWA has completed negotiations on a new contract with Lockwood, Andrews & Newnam, Inc. (LAN) for General Engineering Consultant Services. Mr. Olinger stated this item was presented to the Professional Engineering Services Review Committee (PESRC) on January 3, 2018. A copy of the contract was included in the Board members packet. Mr. Olinger recommended the Motion as presented.

**Motion authorizing the Executive Director to sign an agreement with Lockwood, Andrews & Newnam, Inc. for the Coastal Water Authority's General Engineering Consultant.**

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

Mr. Olinger stated that during the annual operating fund budgeting process, CWA includes funding for general engineering services (GEC) in each of the operating funds. These services include necessary studies, investigations, surveys, geotechnical and material testing services, encroachment application reviews, land/easement acquisitions, preliminary engineering, designs, and construction phase services. The requested action is to request a work order-based authorization to the GEC for as-needed general engineering support on the Trinity River System. Mr. Olinger noted that this item was briefed to the PESRC on January 3, 2018. Director Klotz asked if this does still require individual authorizations for specific work orders. Mr. Olinger stated, yes; and requires scope, fee estimate, and schedule.

**Motion authorizing the Executive Director to issue a work order to Lockwood, Andrews & Newnam, Inc. in the amount of \$150,000 for general engineering consultant services related to the maintenance and operation of the Coastal Water Authority's Trinity River System.**

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

**b. Lake Houston Volumetric and Sedimentation Study.**

Mr. Olinger stated this item is a Volumetric and Sedimentation Study for Lake Houston. In 2011, CWA, along with the United States Army Corps of Engineers, contracted with the Texas Water Development Board (TWDB) to complete a volumetric and sedimentation study on Lake Houston. One of the recommendations from the report was to consider an update after ten years or following a major storm event. CWA has been in contact with the TWDB and has obtained a scope, schedule, and cost. The cost for the study is \$58,467 and the survey and report would be completed in a sixteen month time frame. Mr. Olinger noted that this item was briefed to the O & M Oversight Committee on January 3, 2018. A copy of a draft Interlocal Cooperation Agreement between the TWDB and CWA regarding the study was included in the Board members packet. Director Klotz stated that according to news reports, Harris County voted yesterday to enter some sort of agreement with Montgomery County to evaluate the possibilities of dredging Lake Houston and asked if there is any possibility of participation and/or coordination with Harris County on this effort. Mr. Olinger stated that CWA was aware of those reports as well and will contact Harris County. Director Klotz asked what CWA will do with the data that comes from this study. Mr. Olinger stated there are numerous parties that would be interested in this study and CWA can provide the updated information to them. However, at this time, this is merely an update of the 2011 survey. Mr. Ripley stated this also addresses the TWDB recommendation to update the survey as soon as possible if major storm events occur. So far, there have been three to four major events occur since the last survey. There were no further questions from the Board.

**Motion authorizing the Executive Director to issue a work order to the Texas Water Development Board in the amount of \$58,467 for a Volumetric and Sedimentation Study of Lake Houston.**

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

**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 December 31, 2017. Mr. Baldwin stated that as shown on the Consolidated Operating Funds Recap reflecting the Year-to-Date Expenditures

compared to the Consolidated Budget for the five Operating Funds, CWA came in \$857,000 under budget and the cumulative budget came in a little over 3.0% total. There were no questions from the Board.

**B. Auditing Engagement – Pension Plan and Financial Statement – 2017.**

Mr. Baldwin presented to the Board Audit Engagement Agreements submitted by CWA's new auditing team, Weaver and Tidwell, LLP (Weaver), to conduct the annual auditing services on the Authority's Financial Statements that ended December 31, 2017, and the CWA Pension Plan for the benefit year that ended September 30, 2017. Mr. Baldwin stated that this firm's selection was the result of the Request for Qualifications (RFQ) process that CWA undergoes every five years. The fees proposed by Weaver are the same as they stated in their RFQ submittal which is less than what CWA has paid in previous years. Mr. Baldwin stated that two representatives from Weaver were present at today's meeting. This item was discussed with the Finance and Audit Committee earlier. There were no questions from the Board and Mr. Baldwin recommended the Motion as presented.

**Motion approving the Audit Engagement Agreements with Weaver and Tidwell, LLP for the CWA Pension Plan and Annual Financial Statement for 2017.**

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

**VI. DISBURSEMENTS – John J. Baldwin**

Mr. Baldwin stated that the disbursements to be approved by the Board included: the Special Project Equity Fund – in the amount of \$78,147.06; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$57,560.53; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$3,687,164.56; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$2,748,217.43.

**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 – Don Ripley**

There were no Old Business items to discuss.

**VIII. NEW BUSINESS – Don Ripley**

There were no New Business items to discuss.

**IX. ADJORNMENT – Wayne Klotz**

The Meeting was adjourned at 10:20 A.M.

[Signature page follows]



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Alan D. Conner, Secretary - Treasurer