

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

July 12, 2017

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 (*Absent*)
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
John Sealy
James Lewis
Todd Vu
Mary Caballero

City of Houston Staff

Yvonne Forrest, PW&E

Legal Counsel

Neil Thomas, Norton Rose Fulbright US LLP

With the exception of Director Klotz, all members of the Board were present thus constituting a quorum.

I. CALL TO ORDER – Tony Council

- A. Welcome.**
- B. Pledge of Allegiance.**
- C. Salute to the Texas Flag.**
- D. Moment of Silence.**

Director Council 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 – Tony Council

A. Minutes of the June 14, 2017 Board Meeting.

Director Council stated that the first item of business was the approval of the Minutes of the Board Meeting of June 14, 2017, as written.

MOTION approving the Minutes of the Board Meeting of June 14, 2017.

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

III. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

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

a. Capers Ridge Pump Station.

Mr. Miller stated CWA, CDM-Smith, CH2M, Dannenbaum/Black and Veatch and Renda/Johnson Brothers (RJB) conducted the monthly project status meeting on June 21, 2017. RJB continued operation of the dewatering system and excavation of soils. Rains in late May and through the middle of June have slowed activities and pushed the H-pile installation out 2-3 weeks into July. Mr. Miller presented a photo taken north of the cofferdam showing the excavation of soils to elevation minus eleven where the H-piles and the concrete seal slab will be installed. There were no questions from the Board.

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, the Canal Design Firms, and Aviles Engineering (Canal CMT) conducted the monthly project status meeting on June 6, 2017.

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

- Canal Segment 1 – Continuation of clearing and grubbing from FM2100 to Lake Houston.
- Canal Segment 2 – Installation of right-of-way fencing and canal construction.
- Canal Segment 3 and 4 – Canal construction.
- Canal Segment 5 – Canal construction and installation of siphons.

Progress photos from each of the segments were presented to the Board. There were no questions from the Board.

c. Dual 96-Inch Pipelines.

Mr. Miller stated that CWA issued the bid invitation to the four pre-qualified firms on June 15, 2017. Those firms were Garney Construction, Oscar Renda Contracting, PSC/Vadnais Trenchless, and Thalle Construction. CWA issued Addendum No.1 on June 23, 2017 and Addendum No. 2 on July 7, 2017. Mr. Miller stated with Addendum No. 2, the bid due date was extended from July 14, 2017 to July 26, 2017 at the request of two of the contractors. The bid extension will still allow time for a Committee review before next month's Board meeting. There were no questions from the Board

d. Canal Maintenance Facility.

Mr. Miller stated that CWA received one competitive sealed proposal from Teal Construction on June 9, 2017. This proposal was reviewed by CWA and Huitt-Zollars (the Design Engineer) and was deemed responsive to the Request for Proposal. The bid was approximately \$5.4 million which was below the Huitt-Zollars' engineer estimate of \$6 million. The proposal was discussed with the Professional Engineering Services Review Committee (PESRC) on July 5, 2017 and they recommended bringing the Motion forward for Board consideration today. Director Conner asked what the facility would be constructed of and how many employees would be stationed there. Mr. Miller stated the building would be constructed with a combination of pre-engineered metal building components and masonry. Mr. Miller also indicated the facility would employ 8-10 personnel. A copy of Huitt-Zollars' recommendation was included as Attachment 1 to the LBITP Monthly Status Report. There were no further questions from the Board.

Motion authorizing the Executive Director to execute a contract with Teal Construction Inc., in an amount not to exceed \$5,450,397.00 for the construction of the Canal Maintenance Facility as part of the Luce Bayou Interbasin Transfer Project.

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

IV. MAINTENANCE & OPERATIONS – Greg Olinger

The Monthly Operation Report for June 2017 was included in the Board Member’s agenda packets.

A. Monthly Operations Report.

TRINITY RIVER	Water Production		DAILY AVG (MGD)	
	June 2017	30 DAYS (gallons)	INDUSTRIAL & TREATMENT	
Trinity River Pump Station	18.3 billion		Hwy 225 Plants (incl. CWA WTP)	122
Main Canal	17.2 billion		SEWPP	100
Cedar Point Lateral	1,160.4 million		EWPP	272
San Jacinto Transfer Station	208.2 million		Deer Park WTP	4
Lynchburg Pump Station	15.9 billion		Bayport Plants	37
Water Treatment Plant	140.6 million		BAWA	15
Bayport Pump Station	1,107.3 million		CPL	39
			SJRA West Transfer	7
			SJRA East Transfer	0
			Trinity River Total	596 MGD
 SAN JACINTO RIVER				
Lake Houston Pump Station	1.1 billion		Indus. Customers	33
			EWPP (201.3 million)	5
			San Jacinto River Total	38 MGD

Operations

Mr. Olinger stated that Lake Houston is at 42.67 ft. (msl), and that tainter and flashboard gates are open at the dam [normal pool is 42.5 ft.]. Lake Conroe is at 200.79 ft. [normal pool is 201 ft.]. Lake Livingston is at 131.15 ft. [normal pool is 131 ft.]. In reference to production for June 2017, Mr. Olinger stated that the Trinity River production was 18.3 billion gallons with a daily average of 610 MGD. This is 94.8% of the projected demand. At the San Jacinto River and Lake Houston, production was 1.1 billion gallons with a daily average of 40.0 MGD. This is 79% of the projected demand.

As an update and notice on a future Board request, Mr. Olinger stated that CWA is developing a scope of work and estimate for a study and evaluation of Northwest Lateral D and E segments flowing from Cedar Point Lateral south up toward FM1942 in Mont Belvieu, Texas. Mr. Olinger stated that over the years CWA has experienced numerous and significant encroachments in this area that make operations and maintenance of the raw water canal through Enterprise Products’ Mont Belvieu Facility very difficult. There are currently two initial options that CWA would evaluate to help improve this situation; one option includes a closed pipe and pump station and the other option is an open channel canal bypass of the facility. Mr. Olinger stated that CWA will brief the Board with detailed options on the recommended scope and path forward at next month’s Board meeting.

On the Radial Gate Bypass construction project update, Mr. Olinger stated the Contractor, BRH-Garver, is over 40% complete with the construction of the dual 10 ft. x 5 ft. boxes. The cofferdam and sheetpile walls have been placed and BRH-Garver continues to set forms and tie the rebar ahead of the poured structure. The project is on scheduled with an anticipated completion date of October 6, 2017. Mr. Olinger stated that additional updates will be provided to the Board as the project progresses. There were no questions from the Board.

B. Pipeline Condition Assessment Report.

Mr. Olinger stated that CWA is currently engaged in a program to assess the condition of our pipeline system. The next identified segments that CWA would like to complete is a 96-inch waterline that is parallel to Independence Parkway south of the Ship Channel. CWA is proposing support from our General Engineering Contractor, Lockwood, Andrews & Newnam, Inc., (LAN) on the condition assessment of pipeline contracts HP-125, HP-130, and HP-140. LAN will conduct planning meetings, a site visit, dewatering modeling, and inspection preparation. Staff members from LAN will also accompany Pure Technologies personnel on the manned entry portion of the condition inspection. After review of the final report, LAN will present results and recommendations for consideration of any future assessments. CWA will be meeting with Pure Technologies next week to finalize the scope and to identify the inspection dates for the fall time frame. Mr. Olinger stated this item was briefed to the O&M Committee on July 5, 2017. Director Walker asked if any other vendors would be able to provide this type of service in the future. Mr. Olinger noted that at this time Pure Technologies is the only vendor that provides electromagnetic technology for PCCP pipe. CWA is relying on LAN's work experience with Pure Technologies on the City of Houston's pipeline condition assessments to ensure that pricing is in line with what other municipalities and agencies are paying. CWA is also keeping a track record of what was paid last year to compare year-to-year pricing for similar sized projects. Ms. Zarinkelk asked if a representative from LAN was present. Mr. Steve Gilbreath with LAN stated that there are a lot of man-hours involved with the fee but that we would be meeting next Monday to look at items that CWA may be able to complete internally without the GEC and reduce some of the hours. Director Council asked if this was a lump sum fee. Director Zarinkelk stated no that this fee is a "not-to-exceed" amount. There were no further questions and Mr. Olinger recommended the Motion as presented.

Motion authorizing the Executive Director to issue a work order to Lockwood, Andrews & Newnam, Inc. in the amount of \$82,080.00 for engineering and inspection support for Pipeline Condition Assessment.

Motion made by Director Walker, Seconded by Director Zarinkelk. 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 June 30, 2017. All five Operating Funds are in good shape as related to revenues, expenses and reimbursements as we finish the sixth month of the budget year. Mr. Baldwin stated the forecast is running true to what was expected for this time of the year. As we get into the summer months we will see how we do with the water demand and its impact on electricity usage, chemicals, etc. There were no questions from the Board.

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 \$191,459.50; the Construction Fund – Series 2009 (Luce Bayou Project) – in the amount of \$4,568.34; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$82,124.84; the Construction Fund – Series 2015 (Luce Bayou Project) – in the amount of \$2,451,071.12; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$4,208,114.19.

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. EXECUTIVE SESSION

There was no Executive Session.

X. ADJORNMENT – Tony Council

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

[Signature Page Follows]



Alan D. Conner, Secretary - Treasurer