

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

March 9, 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
Tony L. Council, P.E., First Vice-President
Douglas E. Walker, Second Vice-President
Thomas A. Reiser, Secretary-Treasurer

Jon M. Sjolander
Joseph G. Soliz
Giti Zarinkelk, P.E.

CWA Staff

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

City of Houston Staff

Absent

Legal Counsel

Dimitri Millas, Norton Rose Fulbright US LLP
Leslie Bacon, Norton Rose Fulbright US LLP

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 February 9, 2022, as written.

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

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

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

IV. ONGOING PROJECTS – David Miller

A. Luce Bayou Interbasin Transfer Project.

Mr. Miller stated that as part of the final Access Road Project at Capers Ridge Pump Station, there are four oil and gas pipelines to be lowered to accommodate final road grade, storm sewer and roadside ditches. One of these pipelines is owned by Westlake Chemical and operated by Buckeye Pipeline. CWA and Westlake Chemical have reached an agreement on the engineering and design cost reimbursement for its 10-inch ethylene pipeline. The agreement was reviewed with the Professional Engineering Services Committee (PESRC) on March 1, 2022. A copy of the agreement was included in the Board Members' packets. Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to execute an Engineering and Design Reimbursement Agreement in the amount of \$107,756.00 with Westlake Chemical associated with lowering a 10-inch diameter ethylene pipeline below the proposed Capers Ridge Access Road as part of the Luce Bayou Interbasin Transfer Project.

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

V. MAINTENANCE & OPERATIONS – Greg Olinger

A. Monthly Operations Report/Project Updates.

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

B. Lynchburg Pump Station Metering Project.

Mr. Olinger stated this item is related to the Lynchburg Pump Station A-System Meter Project. As previously briefed to the Board, this project involves the addition of five 48-inch electromagnetic flow meters to the A-System that will allow for continuous monitoring of individual pump flow rates, performance, and efficiency. A mandatory on-site pre-bid meeting was held on February 1, 2022. Five bids were received on February 18, 2022. Mr. Olinger noted that a copy of the bid tab was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 1, 2022. Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid from Sustanite Support Services, LLC in the amount of \$547,000.00 for the purchase and installation of five 48-inch electromagnetic flowmeters to CWA's A-System at the Lynchburg Pump Station.

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

C. Lynchburg Pump Station – Motor P-106 Rehabilitation.

Mr. Olinger stated this item is related to the Lynchburg P-106 Motor Rehabilitation Project. The scope includes motor removal, inspection, repair and reinstallation at Lynchburg during a 60-day contract period. Three bids were received on February 18, 2022 and a copy of the bid tabulation and a motor rehab history was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 1, 2022. Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Shermco Industries in the amount of \$160,982.00 for the rehabilitation of the Lynchburg Pump Station A-System Motor P-106.

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

D. Annual Electrical Substation/Switchgear Testing.

Mr. Olinger stated this item is related to the annual electrical substation/switchgear testing program. The scope includes inspection and testing of electrical equipment located at CWA's five pump station facilities including the newly accepted Capers Ridge Pump Station. Five bids were received on February 18, 2022 and a copy of the bid tabulation and bid history was included in the Board Members' packets. This item was briefed to the O&M Oversight Committee on March 1, 2022. Mr. Olinger recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order in the amount of \$51,812.00 to National Field Services for Electrical Substation/Switchgear Testing at five CWA facilities.

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

E. Luce Bayou Equipment Purchases.

Mr. Olinger stated this item is related to the purchase of two pieces of needed maintenance equipment for the Luce Bayou Facilities, a forklift and a tractor/mower. Bids for both were requested in accordance with the Texas Water Development Board Supplemental Contract Conditions and Instructions. Each procurement was advertised twice in two local papers, the Baytown Sun and the Houston Business Journal. Mr. Olinger noted that outreach and bid package distribution to the known dealers for the type of equipment was also completed.

Mr. Olinger stated that the forklift for the Capers Ridge maintenance and storage building is needed to handle and manage materials and supplies. Two bids were received on February 24, 2022 and a copy of the bid tab was included in the Board Members' packets. This item was briefed to the PESRC on March 1, 2022. Mr. Olinger recommended to motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Doggett Equipment Services Group in the amount of \$31,474.00 for a forklift to use on the Luce Bayou Canal System.

Director Sjolander, Seconded by Director Zarinkelk. The Motion carried unanimously.

Mr. Olinger stated that a tractor and mower is needed at Capers Ridge Pump Station for mowing right-of-way and the pump station grounds. Two bids were received on February 24, 2022. A copy of the bid tab was included in the Board Members' packets. This item was briefed to the PESRC on March 1, 2022. Mr. Olinger recommended to motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Brookside Equipment in the amount of \$133,258.00 for a tractor and batwing mower to use on the Luce Bayou Canal System.

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

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 February 28, 2022. Two month into the budget year, all five of the Operating Funds are in good shape and as forecasted. 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 \$3,090.00; the Special Project Equity Fund – in the amount of \$95,442.40; the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$64,613.83; the Construction Fund – Series 2016 (Luce Bayou Project) – in the amount of \$2,036,077.46; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$320,734.49. 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 Sjolander. The Motion carried unanimously.

VIII. OLD BUSINESS

There were no old business items to discuss.

IX. NEW BUSINESS

There were no new business items to discuss.

X. EXECUTIVE SESSION – Wayne Klotz

A. Professional Services – CWA General Counsel Interviews.

This item was moved under XI., Reconvene – Open Session.

B. Executive Officers Compensation.

Director Klotz noted the time at 10:17 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 10:21 A.M. Director Klotz stated that no action was taken in Executive Session.

After discussion, in connection with Item X.B., Executive Officers Compensation, the following motion was presented.

Motion approving the salary increases from January 1, 2022, for the Executive Director and the Chief Financial Officer in accordance with the "Schedule of Salary Increases."

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

A. Professional Services – CWA General Counsel Interviews.

At this time, the following law firms made short presentations to the CWA Board detailing their qualifications and experience to serve as CWA's General Counsel.

- Bracewell LLP
- Haynes and Boone, LLP
- Norton Rose Fulbright
- Orrick, Herrington & Sutcliffe LLP

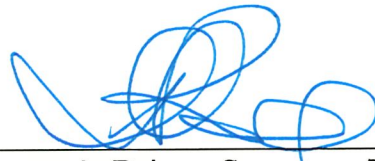
The presentations were followed by a few questions to the presenting firms from CWA Board Members. Mr. Ripley then recommended the motion as presented.

Motion authorizing the Executive Director to negotiate a contract with Bracewell LLP to serve as General Counsel for Coastal Water Authority.
Motion made by Director Walker, Seconded by Director Zarinkelk. The Motion carried unanimously.

XII. ADJOURNMENT – Wayne Klotz

The meeting was adjourned at 12:10 P.M.

[Signature page follows]

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Thomas A. Reiser, Secretary-Treasurer