

**COASTAL WATER AUTHORITY**

**Minutes of Regular Meeting**

**May 8, 2013**

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 ( <i>Absent</i> )	John Odis Cobb, P.E.
Tony L. Council, P.E., First Vice-President	Douglas E. Walker
Alan D. Conner, Second Vice-President	Giti Zarinkelk, P.E.
Zebulun Nash, Secretary-Treasurer ( <i>Absent</i> )	

**CWA Staff**

Donald R. Ripley  
John J. Baldwin  
Jerry Berry  
Greg Olinger  
Mary Caballero  
Jackie Leong

**City of Houston Staff**

Jun Chang, P.E., Deputy Director, PW&E  
John Liles, Legal

**Legal Counsel**

Neil Thomas, Fulbright & Jaworski L.L.P.

**General Engineering Consultant**

Ty Thomas, P.E., Lockwood, Andrews & Newnam, Inc.

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

**I. CALL TO ORDER – Tony Council**

- A. Welcome and Introduction of the Board.**
- 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. Copies of the sign-in sheets for those in attendance at the meeting are attached hereto.

**II. ITEMS FOR CONSIDERATION – Tony Council**

**A. Minutes of the April 10, 2013 Board Meeting.**

Director Council stated that the first item of business was the approval of the Minutes of the Board Meeting of April 10, 2013 as written.

**MOTION approving the Minutes of the Board Meeting of April 10, 2013.**

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

**III. ONGOING PROJECTS – Donald R. Ripley and Greg Olinger**

**A. Luce Bayou Project EIS.**

Mr. Ripley stated that the USACE District Commander and CWA had a project status teleconference on May 2, 2013. According to the USACE they are still on schedule for the previously indicated date to publish the Record of Decision in early to mid August 2013. Mr. Ripley then asked Mr. Stephen Berckenhoff with AECOM to provide the Board with an update of AECOM's work. Mr. Berckenhoff reported that that through last Friday (May 3, 2013) AECOM spent approximately 40% of the budget and are about 50% through the project schedule. A coordination meeting with the USACE was held in Galveston on April 30, 2013. During that meeting AECOM's responses to

the DEIS comments were reviewed in-depth with the USACE's Project Manager (PM) and the project schedule was also reviewed with the USACE PM. As a follow-up to that meeting AECOM is preparing additional data to differentiate Alternative 3A Canal vs. below ground pipeline scenarios. AECOM is also adding additional justification in support of the 2008 Compensatory Mitigation Rule (i.e. Harrison Tract). The USACE Hydraulics and Hydrology Section did issue a memorandum that confirms AECOM's previous findings of no freshwater inflow impacts to the Wallisville Reservoir and by extension no impacts to the Trinity River. The current schedule has AECOM providing the "Draft" EIS delivered to the USACE for review on May 28, 2013. The USACE will have approximately two weeks to review the Draft EIS. The USACE anticipates E-Filing the FEIS with the EPA on or about July 1, 2013 which should result in a ROD in early August. There were no questions from the Board.

**B. Luce Bayou EIS - Archeological.**

Mr. Ripley stated that the Ground Penetrating Radar (GPR) survey started on April 29, 2013 and the field work was completed on May 4, 2013. A Draft GPR Report will follow in two weeks. Additional shovel testing and archeological investigations will follow completion of the GPR Report. Tribal monitors from the Coushatta tribe were on site for the archeological work and also completed the reburial of the skeletal remains. Mr. Ripley stated that preliminary feedback on the GPR indicated that there were some features that might require additional investigations but there was no indication of human remains. Director Council asked if at this time there was an estimate of additional costs. Mr. Ripley stated that the data recovery phase would be a significant additional cost at the guesstimate of \$500,000.00. There were no further questions from the Board.

**C. Luce Bayou Pump Station Technical Advisor.**

Mr. Ripley stated that CWA staff negotiated Scope and Fee with CH2MHill and presented those to the Professional Engineering Services Committee on May 1, 2013. The Contract terms and conditions are being finalized by CWA's Legal Council. Mr. Ripley then recommended the motion as presented. Director Zarinkelk requested Mr. Ripley to discuss CH2MHill's Scope with emphasis on the portion that has been completed by AECOM which is the EIS. Mr. Ripley stated that CH2MHill will have two distinct tasks. The first being the development of a Request for Qualifications package to select a design consultant for the Trinity River Raw Water Intake and Capers Ridge Pump Station Design for the Luce Bayou Interbasin Transfer Project. Secondly, CH2MHill will review the existing documents, the PER, the Baird Modeling Report, and some portions of the EIS to assist CWA staff in determining the proper Scope for the design consultant. Mr. Ripley stated that this Work Order carries CH2MHill just through the period when CWA has the project kick-off meeting with whatever firm the Board selects to design the Pump Station. If carried beyond that point, CH2MHill will require another Work Order. Director Zarinkelk then asked if the \$437,571.00 is until mid December 2013. Mr. Ripley responded the Work Order covered the services required up to the kick-off meeting with the pump station design consultant which should happen in mid December, but may be January 2014. Director Zarinkelk asked if CH2MHill's actual role as Technical Advisor is for the Pump Station why would CH2MHill be tweaking with the EIS that is being prepared by AECOM. Mr. Ripley stated that CH2MHill's Scope is solely to review the EIS to determine what, if any, impact exists to the pump station designer's Scope of Services. Additionally, CH2MHill must become familiar with the AECOM data and offer any suggestions to revise or correct it should they feel it appropriate before developing a Scope of Service. There is minimal update to the PER that will need to be provided to the COH Director of Public Works, primarily related to relocating the canal across the Stoesser farms and the relocation that is being done now in response to the archeological investigations. The preparation of that work is not in CH2MHill's Scope. Director Zarinkelk asked if that was not part of AECOM's current Scope. Mr. Ripley stated not to the best of his knowledge. There were no further questions from the Board.

**MOTION authorizing the Executive Director to execute a time and materials contract with CH2M HILL Inc. and issue Worker No. 1 for \$437,571.00 for Technical Assistance Services associated with the Procurement of Design Engineering Services for the Capers Ridge Pump Station.**

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

**D. Luce Bayou Property Acquisition.**

Mr. Ripley reported that Parcel 39.4 is the only remaining parcel to acquire for right-of-way. CWA has settled with 12 of the 34 owners of Parcel 39.4. The condemnation process will now move forward for owners that have not responded. Mr. Ripley stated that there are no owners contesting the value; we just cannot find the owners. Condemnation will allow CWA to complete the transaction by making payment to an escrow fund controlled by the court. CWA's mineral ownership is at 90% and could be possibly 97% by this Friday, May 10, 2013. The remaining 3% is not being contested; the owners have estate issues and need to have their wills validated in order to proceed. Director Council asked for a time frame on the condemnation process. Mr. Ripley stated a couple of months. There were no further questions from the Board.

**E. Gillette Street Property Remediation.**

With reference to the Gillette Street Property Remediation, Mr. Olinger reported that the City of Houston (COH) Municipal Settings Designation (MSD) Application was held on April 23, 2013; there were no significant public comments at that meeting. The public hearing for the MSD will be held May 14, 2013 at 10:00AM in the COH Council Chambers. In response to TCEQ comments, Terracon is completing eight additional soil borings to complete the Affected Property Assessment Report (APAR). CWA is prepared to conduct additional soil samplings at the site. Currently CWA is awaiting approval from the TCEQ to agree to the Scope that was outlined. Terracon is meeting with the State coordinator today and it is anticipated to obtain that approval soon. Following the approval of the APAR, the response action plan will be prepared. Also ongoing at the site, is the permitting, engineering, and design of the slip ramp onto the Allen Parkway main lanes. Mr. Olinger stated that the COH has requested that CWA assist them with re-platting the current site in removing the inactive streets and park designations that are currently on the plat. As such, CWA has received a Scope and Fee from Surveying and Mapping, Inc. (SAM) to complete that work. The proposal was reviewed by the Professional Engineering Services Committee on May 1, 2013. Mr. Olinger informed the Board that there was a slip to the schedule that is attributed to the delays for review of documents at the TCEQ. The TCEQ has a sixty day window to comment on each submitted deliverable. The TCEQ is also asking CWA to fill in existing data gaps. Due to these issues, CWA is projecting a five month delay, moving the original project completion date of April 2014 to September 2014. This information has been communicated to the COH Mayor's Office. Director Council asked if there was any projected cost increase due to the delay. Mr. Olinger responded no. Mr. Ripley then noted to the Board that CWA has a \$5M agreement with the COH and it is anticipated that we will come within that amount. However, should CWA go over that amount, it will be the COH's responsibility to cover the overage. Mr. Olinger then recommended the motion as presented.

**MOTION authorizing the Executive Director to issue a Supplemental Work Order with Surveying And Mapping, Inc. (SAM) for \$17,826.00 for Surveying and Title Services required to complete the Re-platting of the Gillette Street Property.**

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

**IV. LAND AND RIGHT-OF-WAY** – John Liles

Mr. Liles reported that presently there are approximately thirty two requests currently being processed; the main focus of these requests are from the Mt. Belvieu area.

**V. MAINTENANCE & OPERATIONS** – Don Ripley and Greg Olinger

Mr. Ripley referred the Board to the Monthly Operation Report included in their agenda packets.

**Monthly Report**

<b>TRINITY RIVER</b>	<b>Water Production</b>		<b>DAILY AVG (MGD)</b>	
	<b>April 2013</b>		<b>INDUSTRIAL &amp; TREATMENT</b>	
	<b>30 DAYS (gallons)</b>			
Trinity River Pump Station	16.4 billion		Hwy 225 Plants (incl. CWA WTP)	107
Main Canal	14.9 billion		SEWPP	99
Cedar Point Lateral	1460.2 million		EWPP	228
San Jacinto Transfer Station	304.5 million		Deer Park WTP	4
Lynchburg Pump Station	14.2 billion		Bayport Plants	27
Water Treatment Plant	139.4 million		BAWA	13
Bayport Pump Station	814.5 million		CPL	49
			SJRA	<u>10</u>
			Trinity River Total	538 MGD
 <b>SAN JACINTO RIVER</b>				
Lake Houston Pump Station	1.2 billion		Indus. Customers	24
			EWPP	<u>15</u>
			San Jacinto River Total	39 MGD

**Operations**

Mr. Ripley stated that Lake Houston was at 44.87 ft (msl) and all gates were closed (normal pool is 44.5 ft). Mr. Ripley noted that as reported from the Ms. Yvonne Forrest from the COH-Public Works Division stated that the COH is no longer in the severe draught state. Lake Conroe was at 198.04 ft and there were no releases (normal pool is 201 ft). Lake Livingston was at 131.54 ft. and was releasing 1,000 cfs (normal pool is 131 ft). The Trinity River Pump Station (TRPS) April production was 16.4 billion gallons with an average daily production of 545 MGD. The Lake Houston Pump Station (LHPS) April production was 1.2 billion gallons with an average daily production of 39 MGD. The surface water distribution at the San Jacinto River remains unchanged from last month.

**Maintenance**

Mr. Ripley stated that maintenance activities included the completion of the NRG system operational test at the TRPS as well as load testing of the emergency generators, cleaning and removing of aquatic vegetation from canals and siphon screens, repaired roads on canal embankments at multiple locations, calibrated flow transmitters at the East and Southeast Water purification plants, completed repairs at the SJRA Pump Station on pump No. 1 impeller and suction bell.

**B. Lynchburg Pump Station Toshiba Variable Frequency Drive Replacement Engineering.**

Mr. Olinger stated that CWA identified at the Lynchburg Pump Station the need to replace two obsolete Toshiba Variable Frequency Drives. CWA had negotiated a Scope of Services and Fee Estimate with Infrastructure Associates for engineering and contract document development to support the replacement of two Toshiba Drives. This item was presented to the Professional Engineering Services Committee. There were no questions from the Board and Mr. Olinger recommended the motion as presented.

**MOTION authorizing the Executive Director to issue a Contract with Infrastructure Associates for Engineering Services for in the Not to Exceed Amount of \$192,207.00 for the Replacement of Two Toshiba Variable Frequency Drives.**

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

Director Council noted to CWA staff to ensure that these drives would not become obsolete before they were installed.

**C. Bayport Water Line Rehabilitation Phase 2 Project.**

Mr. Ripley stated that Statement of Qualification on this project would be due to CWA on Friday, May 10, 2013 at 3:00 PM. CWA staff will keep the Board informed of that development.

**D. Chevron HDD under Lynchburg Pump Station Floodwall Update.**

With reference to the update on this item, Mr. Olinger stated that CWA staff and the USACE have reviewed Chevron's Geotechnical Work Plan to investigate potential impacts to the floodwall and service and overflow discharge pipelines. Chevron addressed CWA's comments and developed a final work plan that satisfied CWA's requirements. Chevron and their sub-contractors are completing the survey work at the site this week to identify boring locations and geofoam locations. The geotechnical borings and assessment will start next week and is scheduled to take place over two weeks and will involve roughly fifty geotechnical borings that will be completed in the floodwall and adjacent to CWA's pipelines in the area to assess if there has been any impacts. With the results that are received, Chevron will provide CWA with a report of those findings and any recommendations for any repair work to the floodwall or to the pipelines. Director Council asked if the USACE had to approve on any work to the floodwall. Mr. Olinger stated that it would be a dual approval from both the USACE and CWA. Mr. Ripley stated that CWA will have Terracon on board to advise CWA on the geotechnical issues. Mr. Walker asked if Chevron would be providing CWA with a report. Mr. Olinger stated yes.

**E. Security Guard Services.**

Mr. Ripley stated that the contract of Security Guard Services at the Lynchburg, Lake Houston and Bayport Pump Stations is set to expire at the end of this month. This contract was authorized by the Board in April 2012 and it allowed for (2) one year extension with a maximum year-to-year increase of three percent increase to the unity hourly prices. CWA staff evaluated a one year option to extend the contract with the current contractor, Sterling Protective Services, involving the three percent increase to the unity hourly prices. There were no questions from the Board and Mr. Ripley recommended the motion as presented.

**MOTION authorizing the Executive Director to issue a One Year Extension in the amount of \$351,848.16 to Sterling Protective Services for Security Guard Support at Coastal Water Facilities.**

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

**F. Four Wheel Drive Tractor.**

Mr. Olinger stated that CWA received four bids for the purchase of a four wheel drive tractor to support mowing operations and maintenance activities along the canal and other CWA locations. Bid tabs with the four bids were provided to the Board members. Mr. Olinger recommended the Motion as presented.

**MOTION authorizing the Executive Director to issue a Purchase Order to Eastex Farm and Home for \$63,904.91 for (1) Four Wheel Drive Tractor.**

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

**VI. 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 of April 2013. Mr. Baldwin stated that all four of the operating funds expenditures and revenues are going as expected and are in good shape. It is still forecasted that CWA will be at budget or below budget by year-end. This year-end forecast will be fine tuned as we get into the summer months and determine what the water production demands will be. CWA is still monitoring the usage at the Red Bluff Treatment Plant by Air Products, L.P. (A/P) as it continues its diminished usage that began late last year. As previously stated to the Board, A/P's usage will be re-visited again in July 2013 and if the reduction in usage warrants another adjustment in their treatment rate, it will be brought to the Board for consideration. All other customers are doing fine. There were no questions from the Board.

**VII. DISBURSEMENTS** – John J. Baldwin

Mr. Baldwin stated that the disbursements to be approved by the Board included: the Construction Fund – Series 2009 (Luce Bayou Project) – in the amount of \$2,210.38, the Construction Fund – Series 2010 (Luce Bayou Project) – in the amount of \$36,019.22, the Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$75,226.63, the Luce Bayou – Land & Mitigation Fund – in the amount of \$226,794.05, the Special Project Equity Fund - in the amount of \$6,133.46.

**MOTION to Approve the Disbursements As Presented.**

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

**VIII. OLD BUSINESS** – Donald R. Ripley

Mr. Ripley stated that there were no Old Business items to discuss.

**IX. NEW BUSINESS** – Donald R. Ripley

**A. San Jacinto River Pump Station.**

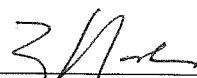
Mr. Ripley informed the Board that the San Jacinto River Authority (SJRA) approached CWA with the indication that they may need to construct additional facilities to withdraw water that they own from our canal. It was noted that this is the very early stages of coordination. CWA staff has met with the Mr. Jun Chang making him aware that this may be developing within the next two to three months. The Board will be kept apprised of this item.

**X. EXECUTIVE SESSION**

There was no Executive Session.

**XI. ADJORNMENT**

The Meeting was adjourned at 10:38 A.M.

  
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Zebulun Nash, Secretary-Treasurer