

**COASTAL WATER AUTHORITY**

**Minutes of Regular Meeting**

**November 10, 2021**

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 ( <i>Absent</i> )	

**CWA Staff**

Don Ripley  
John Baldwin  
David Miller  
Greg Olinger  
James Lewis  
Mary Caballero  
Felipe Gomez

**City of Houston Staff**

Yvonne Forrest, Houston Public Works

**Legal Counsel**

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

With the exception of Director Reiser, 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 October 13, 2021, as written.

**A. Minutes of the October 13, 2021 Board Meeting.**

**Motion approving the Minutes of the Board Meeting of October 13, 2021.**

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

#### **IV. ONGOING PROJECTS – David Miller**

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

The Directors received a copy of CWA's October 2021 Luce Bayou Interbasin Transfer Project (LBITP) Monthly Status Report in their Board Members' Agenda packets.

##### **a. Capers Ridge Pump Station.**

The contractor for the Capers Ridge Pump Station (CRPS), Renda/Johnson Brothers JV (RJB), is approximately 99% complete. Mr. Miller stated that Operational Acceptance Testing occurred through the month of October 2021. Acceptance Testing will be completed in November 2021 and substantial completion is expected to be granted.

Summary of Testing and Training October 1-31, 2021 included:

##### Pumps/Motor Performance

- 60,000-GPM (50,000-GPM Required)
- Power Factors – 99-100
- Vibrations – 0.04 in/sec (less than 0.17 in/sec Required)
- Motor Temperatures – 55-80 degrees Celsius
- Pump Efficiency – 85%

##### Operations

- 7 Billion Gallons Pumped through October 31, 2021
- Pumps Operating 24-Hours Per Day, 7 Days per Week (625-700 hours of operation per Pump)

##### Tests

- Startup/Shut Down – Manual and SCADA
- Emergency Shutdowns
- Flushing Systems
- Valve Operations – Manual and SCADA (locally and remotely)
- SCADA – On-Site and Remote

##### Training

- 2 CWA Supervisors and 4 Operators (3 Shifts per Day)
- SCADA/Computer Training and Hands on Operation
- Startup/Shut Down Procedures
- Flushing Operations
- Valve Operations
- Log Book Record Keeping and Operational Data Collection

With reference to the SCADA Engineering/Programming/Training, Mr. Miller stated that with the extended project schedule, CWA's SCADA Consultant, CDM-Smith/Hatch (CDM-Smith) have incurred additional management costs and on-site pump station startup costs. In addition as operational acceptance testing has progressed CWA Operations has requested additional monitoring and controls be added to the SCADA System which will require associated programming. CWA and CDM-Smith completed scope and fee negotiations in October and these were reviewed with the Professional Engineering Services Review Committee (PESRC) on November 2, 2021. The PESRC recommended bringing forward for Board consideration. A copy of the scope and fee were included as Attachment 1 to the LBITP Monthly Report. There were no questions from the Board and Mr. Miller requested the motion as presented.

**Motion authorizing the Executive Director to issue a work order amendment in the amount of \$298,000.00 to CDM Smith Inc. for additional SCADA Engineering Services associate with construction of the Capers Ridge Pump Station as part of the Luce Bayou Interbasin Transfer Project.**

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

At this time Mr. Miller presented progress photos taken at the site. Director Klotz asked Mr. Miller to provide the Board with a final cost summary including MWSBE Report at that respective Board Meeting when the project is fully completed.

**B. Lake Houston Dam Spillway Improvement Project – Phase 2.**

Mr. Miller stated the project team conducted Phase 2 Coordination Meeting on October 6, 2021 (Meeting No. 14). The B&V Team submitted the Draft Basis of Design Report on November 5, 2021 which is currently being reviewed by the CWA, City of Houston, Harris County Flood Control District and CWA's Technical Advisor, Freese and Nichols. Director Klotz asked when the Report will go to FEMA. Mr. Miller stated that the City of Houston is coordinating with FEMA and he will get that answer from them and report the date back to the Board. There were no further questions from the Board.

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

**A. Monthly Operations Report/Project Updates.**

The Monthly Operations Report for October 2021 was included in the Board Members' Agenda packets.

**B. Lynchburg Pump Station P206/P201 Preliminary Engineering Report.**

Mr. Olinger stated this item is requesting a Preliminary Engineering Report (PER) for adding Pump 206 (P206) and upsizing Pump 201 (P201) at the Lynchburg Pump Station. This increase to capacity on the B-System will help satisfy increasing demands to the East Water Purification Plant and the industrial customers and would result in a 43% increase in firm pump capacity from 239MGD to 342MGD. CWA has negotiated a work order with CWA's GEC, BGE, that includes hydraulic analysis, evaluation of the chemical feed systems, structural modeling, and will deliver a PER with a 30% design package and a Class 3 OPCC. This project includes a five month delivery schedule and includes a 60% MWDBE participation. Mr. Olinger noted that this item was briefed to the PESRC on November 2, 2021. A copy of the proposal was included in the Board Members' Agenda packet. Director Zarinkelk asked Mr. Olinger to provide the MWDBE percentage on this item. Mr. Olinger stated Kalluri Group would receive 50% and Concept Engineers would receive 10%. 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 in the amount of \$382,282.00 to BGE, Inc. for a Preliminary Engineering Report for the Lynchburg Pump Station B-System P206/P201 Pump Expansion Project.**

Motion made by Director Walker, Seconded by Director Council. 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 helpdesk backup to CWA's IT Manager, Mr. Todd Vu. PennComp has provided dependable and reliable service this year and CWA is recommending a third year option on their five year contract. Mr. Olinger noted that this item was discussed with the PESRC on November 2, 2021. A copy of the proposal was included in the Board Members' Agenda packet. 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 Council, Seconded by Director Sjolander. The Motion carried unanimously.

**D. Red Bluff Water Treatment Plant – Clarifier and Clearwell Tank Painting Update.**

Mr. Olinger stated this item is for the blasting and recoating of the clarifier and clearwell at the Red Bluff Water Treatment Plant. Mr. Olinger presented a photograph of the open top clarifier showing the need for the recoating. The scope of work for the contractor will include responsibility for surface prep sandblasting, acid rinse, and application of a Sherwin Williams three part coating system, application of a sealant to the exterior bottom tank seal and minor repairs to the roof of the clear well tank. Mr. Olinger noted that this is for the Board's information with no action requested today. CWA is obtaining bids and will be prepared to make a recommendation at next month's Board Meeting. Director Klotz asked if there were any interested contractors. Mr. Olinger stated that there are currently three contractors that have stated their interest in bidding the project. There were no further questions from the Board.

**G. Lake Houston Water Quality Study Update – Kit Professionals.**

Mr. Olinger stated this next item is a presentation provided by KIT Professionals on the Lake Houston Water Quality Study Final. Mr. Sunil Kommineni and Mr. Justin Bartlett would provide an overview summary and answer any questions from the Board on their findings. At this time Mr. Kommineni began his presentation. (A copy of the presentation is attached hereto.)

(Director Walker left the Board Meeting after the presentation.)

**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 October 31, 2021. Mr. Baldwin noted that through the tenth month of the budget year all five of the Operating Budgets are doing well in the revenues and expenditures. Despite the significant increase in the high cost of aqueous ammonia and liquid chlorine chemicals within the Lynchburg Pump Station Budget, all five of the Funds will come in under budget at year-end. A copy of the report was included in the Board Members' packets. There were no questions from the Board.

**B. Adoption of the 2022 Operating Budgets for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project.**

Mr. Baldwin stated that this item is Coastal Water Authority's proposed Fiscal Year 2022 Operating Budgets with the City of Houston for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project. Mr. Baldwin noted that there were no changes made to the Budgets from the October 13, 2021 Finance and Audit Committee Budget Workshop. Mr. Baldwin stated that Mr. Ripley has reviewed the Budgets with Ms. Yvonne Forrest, City of Houston, Houston Public Works (COH/HPW) and a letter of concurrence for the Budgets was received from COH/HPW. A copy of the Budgets were included in the Board Members' packets. The next step in the Budget process is that on behalf of COH/HPW, Ms. Forrest will request the City of Houston Mayor and City Council to approve the said Budgets. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

**Motion adopting the 2022 Operating Budgets for the Trinity River Conveyance System, the Lake Houston Facilities and the Luce Bayou Water System Project and authorizing the Chief Financial Officer to submit said Budgets to the City of Houston Mayor and City Council for their review and approval.**

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

**C. Adoption of the 2022 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant.**

Mr. Baldwin stated that this item is Coastal Water Authority's proposed Fiscal Year 2022 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant and stated that there were no changes made from the Committee Budget Workshop meeting held on October 13, 2021. The proposed budgets were sent and acknowledged from the respective customers with no comments or objections received. A copy of the budgets were included in the Board Members' packets. There were no questions for the Board and Mr. Baldwin recommended the motion as presented.

**Motion approving the Resolutions adopting the 2022 Operating Budgets for the Bayport Water System Project and the Red Bluff Water Treatment Plant.**

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

**D. Internal Management Report – September 30, 2021.**

Mr. Baldwin stated that this item is CWA's Quarterly Internal Management Report (the Report) detailing the investment activities on all of the Authorities' funds for the quarter ending September 30, 2021 as required by the Texas Public Funds Investment Act. The Report reflects the investment yields available in the market place during that time frame. Mr. Baldwin stated that all investments were held to maturity. This item was reviewed with the Finance and Audit Committee earlier. There were no questions from the Board and Mr. Baldwin recommended the motion as presented. A copy of the Report was included in the Board Members' packets. There were no questions from the Board and Mr. Baldwin recommended the motion as presented.

**Motion approving the Coastal Water Authority's Internal Management Report for the Quarter ending September 30, 2021.**

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

At this time, Mr. Ripley stated that Ms. Forrest was leaving the meeting and so before she left he would like to take a moment to state that on behalf of Mr. Baldwin and himself, he wanted to express his appreciation to Ms. Forrest and the HPW Department for working closely with CWA on the COH 2022 Operating Budgets. Director Klotz also thanked Ms. Forrest on behalf of the Board.

**E. Holiday Schedule for Calendar Years 2022 and 2023.**

Mr. Baldwin presented to the Board the Holiday Schedule for Years 2022 and 2023 approved by the City of Houston Mayor and City Council on October 6, 2021. Mr. Baldwin stated that the CWA Board of Directors historically has adopted a Holiday Schedule for the Authority that matches the City of Houston's Holiday Schedule since most of CWA's operations involve working with the City's treatment plant operations and water delivery service to the City's municipal, and industrial customers. Mr. Baldwin noted to the Board that the Holiday Schedule presented today included the newly added Juneteenth Day. This item was reviewed 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 Holiday Schedule for Calendar Years 2022 and 2023 that match the same schedule approved by the City of Houston Mayor and City Council.**

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

**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 Special Project Equity Fund – in the amount of \$756,196.16; the Conveyance System Development Fund – in the amount of \$79,600.00; and the Construction Fund – Series 2017 Loan (Luce Bayou Project) – in the amount of \$48,638.17. 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 Sjolander, Seconded by Director Council. The Motion carried unanimously.

**VIII. OLD BUSINESS** – Don Ripley

There were no old business items to discuss.

**IX. NEW BUSINESS** – Don Ripley

There were no new business items to discuss. (At this time Director Sjolander left the meeting.)

**X. EXECUTIVE SESSION** – Wayne Klotz

**A. C-Line Encroachment Update.**

**B. Bayport Waterline Replacement Phase 3 Project Update.**

Director Klotz noted the time at 10:50 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 11:04 A.M. Director Klotz stated that no action was taken in Executive Session.

After discussion, in connection with Item X.B., the Bayport Waterline Replacement Phase 3 Project Update, Mr. Dimitri Millas, presented the following motion.

**Motion authorizing the Executive Director to issue a Termination of the Agreement with Carter Construction, LLC for the Bayport Waterline Replacement Phase 3 Project pursuant to the terms of such Agreement.**

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

**XII. ADJOURNMENT** – Wayne Klotz

The meeting was adjourned at 11:06 A.M.

[Signature page follows]



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Tony L. Council, 1<sup>st</sup> Vice-President