

COASTAL WATER AUTHORITY

Minutes of Regular Meeting

July 10, 2024

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

Tony L. Council, P.E., President
Douglas E. Walker, First Vice-President
Giti Zarinkelk, P.E., Second Vice-President (*Absent*)
Joseph G. Soliz, Secretary-Treasurer
Jon M. Sjolander, Assistant Secretary-Treasurer
Thomas A. Reiser (*Absent*)

CWA Staff

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

City of Houston Staff

Greg Eyerly

General Legal Counsel

Barron Wallace and Mary Buzak, Bracewell LLP

With the exception of Director Reiser and Director Zarinkelk, all Members of the Board were present thus constituting a quorum.

Copies of the agenda materials were included in the Board Members' packets.

I. CALL TO ORDER – Tony Council

A. Welcome.

Director Council opened the meeting 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.

At this time, Mr. Ripley provided the Board with an update on events regarding Hurricane Beryl and noted that currently CWA's downtown office is still without internet service. CWA's IT Manager, Todd Vu, is in contact with the service provider and monitoring the situation.

In anticipation of the storm, CWA activated its tiered employee system which requires certain employees to staff each of CWA's facilities. CWA encountered fairly minimal difficulties with its facilities. On Monday, July 8, 2024, at approximately 10:00 A.M. a tree fell on the primary Entergy west electrical service line at the Trinity River Pump Station (TRPS) causing a loss of power. The NRG generators at TRPS started by noon and electrical service was restored to the alternate Entergy east electrical service by 1:00 P.M. that same day. The canal water went down a little but no customers were impacted. CWA does not know when the primary west electrical service will be re-established. The Lake Houston Pump

Station (LHPS) lost power and it was not restored until 10:30 P.M. on Tuesday, July 9, 2024. A couple of small industrial customers on the West Canal were briefly impacted.

All CWA facilities are now up and running. With the exception of the two industrial customers, no customers were impacted. Mr. Ripley commended the field employees for their dedication, commitment and working through the storm event.

III. ITEMS FOR CONSIDERATION – Tony Council

Director Council stated that the first item of business was the approval of the Minutes of the Board Meeting of June 12, 2024.

A. Minutes of the June 12, 2024 Board Meeting.

Motion approving the Minutes of the Board Meeting of June 12, 2024.

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

IV. OPERATIONS AND MAINTENANCE – James Lewis

A. Operations Summary Report.

Mr. Lewis stated that currently, Lake Houston is at 43.30 feet. Lake Conroe is approximately at normal pool of 201 feet and Lake Livingston is above normal pool at 131.50 feet. During June, the TRPS pumped 20.6 billion gallons which is an average of 686 million gallons per day (MGD). The LHPS pumped 1.3 billion gallons which is an average of 41 MGD and Capers Ridge Pump Station (CRPS) ran a few days in June for a total of 300 MGD.

Mr. Lewis presented raw surface water production for June 2024, noting the total municipal production was 12.3 billion gallons (62% distribution) and industrial production was 7.7 billion gallons (38% distribution).

B. Lynchburg Pump Station.

Mr. Lewis stated the Lynchburg Pump Station (LPS) received an electrical surge during a thunderstorm on May 14, 2024, which caused damage to the Pump P-106 variable frequency drive (VFD) transformer. Upon inspection it was determined the transformer required replacement. The replacement transformer will be an exact match to the existing transformer due to cabinet space and connection locations. CWA has filed a claim with its insurance carrier to cover the costs for replacement.

This information was reviewed with the O&M Oversight Committee (O&M Committee) on July 2, 2024, and the O&M Committee recommended bringing this item forward for Board consideration. Mr. Ripley noted that CWA made an aggressive effort to reach out for alternate transformer quotes and was able to obtain one, but it was about 300% more expensive. There were no questions from the Board and Mr. Lewis recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Virginia Georgia Transformer in the amount of \$286,762.00 for the replacement of the Pump P-106 Transformer at Lynchburg Pump Station.

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

Mr. Lewis reported that CWA began replacing air conditioning (A/C) units for each of the LPS Variable Frequency Drive (VFD) houses in 2023. CWA is now requesting to replace the A/C units on two of the B-Pump System and C-Pump System VFD houses. Mr. Lewis noted that the existing units are approximately twenty years old and will be replaced with in-kind Trane 17.5 Ton units to match the existing building openings. This information was reviewed with the O&M Committee on July 2, 2024, and the O&M Committee recommended

bringing this item forward for Board consideration. There were no questions from the Board and Mr. Lewis recommended the motion as presented.

Motion authorizing the Executive Director to issue a purchase order to Hunton Distribution in the amount of \$129,846.00 for the replacement of air conditioning units at Lynchburg Pump Station.

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

C. Main Canal – Safety Rack Fabrication.

Mr. Lewis reported that CWA's Main Canal has three inverted siphons between the TRPS and the LPS. These are Goose Creek, Cedar Creek and Interstate 10 siphons. The upstream side of each siphon has an assembly of safety/trash racks to prevent debris from entering the siphon pipes. Over the years the racks deteriorate and need replacement. CWA advertised for the fabrication of new racks for the Cedar Bayou siphon in June 2024 and received four bids on June 28, 2024. The bids were reviewed with the O&M Committee on July 2, 2024, and the O&M Committee recommended bringing this item forward for Board consideration. There were no questions from the Board and Mr. Lewis recommended the motion as presented.

Motion authorizing the Executive Director to accept a bid from PQIS, LLC in the amount of \$75,000.00 for the fabrication and delivery of the safety rack to the Canal Maintenance Station.

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

D. Upcoming Bids/Procurement.

Mr. Lewis stated that CWA is planning to advertise bids over the next few months for the following items:

- CWA Facilities:
 - Security Guard Services
- LPS:
 - Aqua Ammonia
 - Liquid Chlorine
 - Structural Steel Blasting/Coating
- Lake Houston Dam:
 - Annual Debris Removal

On behalf of the Board, Director Council commended CWA staff for their stellar efforts keeping CWA facilities up and running before and during Hurricane Beryl.

V. ONGOING PROJECTS – David Miller

A. Capers Ridge Pump Station – Additional Pump Capacity.

Mr. Miller stated that as discussed over the past few Board Meetings, CWA is ready to move into the contractor procurement phase of the CRPS expansion project. The delivery method will be Construction Management at Risk (CMAR). CWA and CWA's design engineer, Carollo, developed a CMAR Request for Proposals (RFP) which was reviewed by Texas Water Development Board. The RFP was also reviewed with the Professional Engineering Services Review Committee (PESRC) on July 2, 2024, and the PESRC recommended bringing this item forward for Board consideration. Once approved for advertisement, the schedule will be as follows:

- Advertise RFP – Friday, July 12, 2024, or no later than Monday, July 15, 2024
- Pre-Proposal Meeting – July 24, 2024
- Proposal Due Date – August 16, 2024

- Selection Recommendation – September 11, 2024 Board Meeting

In response to a question from Director Council, Mr. Miller stated the MWDBE participation goal for the engineering portion of the job is 30%. There were no further questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to advertise a Request for Proposals for a Construction Management at Risk contract for construction of the Capers Ridge Pump Station Additional Pump Capacity Project associated with the Luce Bayou Interbasin Transfer Project.

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

B. Bayport Distribution System.

Mr. Miller noted that CWA has been replacing sections of the Bayport Distribution System (Bayport) over the last ten years. Bayport has approximately twenty miles of pipe ranging in size from 8-inches to 60-inches in diameter. CWA is ready to begin the fourth and final phase of the replacements which is approximately 14,000 linear feet of piping ranging in size from 16-inches to 60-inches in diameter. The scope will also include replacement of the 48-inch magnetic flow meter at the Bayport Pump Station. CWA has developed a Request for Qualifications (RFQ) for Engineering Services to prepare the design of the replacements. The RFQ was reviewed with the PESRC on July 2, 2024, and the PESRC recommended bringing this item forward for Board consideration. Once approved for advertisement the schedule will be as follows:

- Advertise RFQ – July 12, 2024
- Pre-Proposal Conference – July 25, 2024
- Statements of Qualifications Due Date – August 9, 2024
- Selection Recommendation – September 11, 2024 Board Meeting

In response to a question from Director Sjolander, Mr. Ripley stated that if the construction cost estimate exceeds the balance of funds in the Bayport Water System Construction Fund, CWA will structure the project to meet the available funds. This design will be structured to allow CWA to eliminate certain pipe segments if necessary to stay within budget. There were no further questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to advertise a Request for Proposal for Engineering Services for the Bayport Distribution System Phase 4 waterline replacement.

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

C. Lake Houston Dam – Hazard Mitigation Grant Program.

Mr. Miller stated that as briefed previously to the Board, CWA has been preparing to begin the final design for eleven new gates to be added to the Lake Houston Dam to increase discharge capacity by 80,000 cfs. The current discharge capacity is approximately 10,000 cfs. FEMA/TDEM approved an amendment to the existing Hazard Mitigation Grant with the City of Houston (COH) in April 2024. CWA and the COH are now ready to amend the existing Interlocal Agreement (ILA) to add the design services scope of work and costs. The ILA amendment was reviewed with the PESRC on July 2, 2024, and the PESRC recommended bringing this item forward for Board consideration.

If approved by the Board, CWA will sign the ILA amendment in advance of COH City Council approval. Following COH City Council approval, CWA will amend the design contract with its design engineer, Black and Veatch. After the design contract is amended and approved by the Board, the final design services will begin in the 3rd or 4th quarter of this year. In response to a question from Director Sjolander, Mr. Miller stated that CWA is comfortable with the ILA

amendment presented to the Board, which has been reviewed by CWA's general counsel, Bracewell LLP.

Director Sjolander asked if the increase in the discharge would affect areas downstream. Mr. Ripley stated that part of the process to get project approval was to confirm no significant downstream impacts. Mr. Miller noted that extensive hydraulic modeling was performed during the preliminary engineering phase to look at the downstream impacts. There were no further questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Coastal Water Authority to execute the First Amendment to the Interlocal Agreement with the City of Houston for the Lake Houston Dam Spillway Improvement Project.

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

D. General Engineering Consultant – Trinity River System.

Mr. Miller stated that CWA's general engineering consultant, BGE, Inc. (BGE), provides CWA with day-to-day engineering services throughout the year including surveys, geotechnical studies, utility crossings, easements, encroachments, coordination with Chambers County on proposed road crossings, support for GIS, and preparation of CWA's Emergency Action Plans and Emergency Preparedness Plans. On an annual basis, every July, CWA sets up a \$150,000 work order to cover these miscellaneous assignments that occur through the year. This process was reviewed with the PESRC on July 2, 2024, and the PESRC recommended bringing this item forward for Board consideration. There were no questions from the Board and Mr. Miller recommended the motion as presented.

Motion authorizing the Executive Director to execute a work order to BGE, Inc. in the amount of \$150,000.00 for general engineering consultant services related to the maintenance and operation of the Coastal Water Authority's Trinity River System.

Motion made by Director Sjolander, Seconded by Director Soliz. 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 June 30, 2024. Mr. Baldwin noted that halfway through the budget year, all five of the Operating Funds are within the forecasted budget and the revenue stream from the COH and CWA's customers at the Water Treatment Plant and at the Bayport Plant are timely.

B. Business Insurance Policy Renewal – Update.

Mr. Baldwin stated this item is CWA's business insurance policy renewal update. At last month's Board Meeting, CWA renewed its business insurance policy with the Risk Management Fund of the Texas Water Conservation Association (TWCA) with the contingency that motion include the amount not to exceed the estimated amount of \$960,000. The final quote came in from TWCA at the lower rate of \$958,377. Mr. Baldwin noted that this amount was forecasted in CWA's 2024 insurance category budget. In response to a question from Director Sjolander, Mr. Baldwin stated that this is an increase of 4% to 5% over last year's rate. The increase is due to property insurance replacement cost claims from other TWCA members. There were no further questions from the Board.

D. Notification of Procured Items.

In accordance with CWA's Amended and Restated Resolution (2023-1) Delegating Authority to Executive Officers, Mr. Baldwin presented to the Board two items that CWA procured in June 2024 that came in between \$25,000 to \$75,000: a purchase order to Tommy Vaughn Ford for a truck; and a purchase order to Alpha Pipeline Integrity Services for repairs at Lake Houston Dam. Regarding the repairs at Lake Houston Dam, Mr. Miller noted that the cost included divers that were needed to access the connection points of the chains to the tainter gates. A dive team from a local company came out and assisted CWA staff for about a one-week period to make those connections. Mr. Ripley stated that CWA will utilize these divers to perform inspections before CWA begins the Lake Houston Dam work. There were no further 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. The disbursements to be approved by the Board included the Special Project Equity Fund – in the amount of \$3,630.95; Construction Fund – Series 2013 (Luce Bayou Project) – in the amount of \$19,859.50; and the Project Fund – in the amount of \$2,069,145.71. 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 Soliz. The Motion carried unanimously.

VIII. OLD BUSINESS – Don Ripley

No items to discuss.

IX. NEW BUSINESS – Don Ripley

A. CWA Board Committees.

Mr. Ripley reported that CWA is awaiting information from the COH's Mayor's office on the appointment to fill the vacant Director position.

Regarding CWA Board Committees, Mr. Ripley stated that Bracewell has prepared a Resolution for the Board to consider at next month's agenda that will clearly define how Board Members are assigned to CWA Committees, since currently there is not a well-defined process for committee assignments. A draft of the Resolution will be sent to each Board Member early next week for review/comments before next month's Board Meeting.

Director Council requested that Mr. Eyerly, Director of COH/Houston Public Works/Houston Water, convey to the Mayor's office how important it is to have the vacant Director position filled, as the position has now been vacant for about six months.

Mr. Ripley noted that though there have been several previous discussions on CWA by-laws, the Board needs to address CWA Board Committees first in order to comply with CWA's Pension Plan, which mandates that the CWA Board's current Secretary-Treasurer, Director Soliz, must be on the Pension Committee and a Pension Plan Trustee.

X. EXECUTIVE SESSION – Tony Council

There was no executive session.

XI. ADJOURNMENT – Tony Council

The meeting was adjourned at 10:26 A.M.



Joseph G. Soliz, Secretary-Treasurer