



CLEAR LAKE CITY WATER AUTHORITY
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NEWSLETTER

CLEAR LAKE CITY WATER AUTHORITY

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www.clcwa.org



**Don't Forget to Vote
 on November 3!**

CLCWA Adopts Impact Fee Policy For New Development

After a review of the development plans for the remaining undeveloped land within the boundaries of the CLCWA over the next 10 years and the resulting impact which that development would have on the Authority's infrastructure, a study was conducted to determine the possible implementation of an impact fee. An impact fee is a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the cost of capital improvements for facility expansions necessitated by and attributable to the new development.

The study reviewed the projected development plans and created a capital improvement and facility expansion plan to accommodate that new development. As required by law, the plan was reviewed by a committee consisting of two CLCWA directors and three developers and the end result was a recommendation that an impact fee of \$2,924.01 per equivalent single family connection be instituted for all new development. The capital improvement plan and impact fee policy was adopted by the CLCWA board of directors in the spring of 2009.

CLCWA DIRECTORS

<i>President</i>	
Gayle Yoder	281-326-4464
<i>Vice President</i>	
John Branch	281-480-6503
<i>Secretary</i>	
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<i>Director</i>	
John Ferguson	281-488-0141

Clear Lake City Water Authority (CLCWA) to Hold Election on November 3, 2009

The Clear Lake City Water Authority (CLCWA) Board of Directors, at its regular meeting on August 13, 2009, called for a \$58 million bond election to be held on Tuesday, November 3, 2009. **The bond issue is needed to fund current and future requirements over the next nine years for facility inspection, construction, rehab, improvement and enhancement of the CLCWA utility system infrastructure and to**

comply with new hurricane emergency preparedness requirements imposed by the State Legislature this year.

The \$58 million includes an estimated cost of \$51.7 million for rehab and upgrade of existing facilities, \$1.2 million to meet new state mandated hurricane emergency preparedness requirements, and \$5.1 million for purchase of property for storm water detention and flood control purposes. Some of the projects include a new and enlarged sanitary sewer line under Mud Lake and enlargement of the force main line in Timber Cove to serve the eastern portion of the district, sewer plant expansion, and numerous lift station, water line, sewer line, and storm sewer rehab. Future state mandates or significant inflation might alter the projections through 2018. The scope of the CLCWA system includes water treatment and storage facilities, potable water supply lines,

sanitary sewers, sewage treatment facilities, storm sewers, and a joint venture with the City of Houston in the Southeast Water Treatment Plant.

In the late 1990's, the CLCWA began a program to evaluate and determine the useful life of the various elements of its infrastructure. The intent was to begin an annual capital improvement program which would ensure that our infrastructure is inspected, repaired, replaced or enhanced in order to maintain a first class system and to spread those costs as evenly as possible over the long term. Since that time, new regulations (GASB 34) further require at least 75% of the system to have an expected life of at least 20 years. The current engineering study used as the basis for this bond election is effective through the year 2018 and can be viewed on our website www.clcwa.org.

The bonds would be sold in staggered amounts over the next nine years as needed. The last bond approval was in 2004 for \$29.1 million and was expended at an annualized rate of \$5 to \$6.5 million. It is anticipated that the capital improvements would continue in the same range subject to inflation and changes in state regulatory requirements. **The CLCWA financial consultants have advised that passing this \$58 million bond issue will not cause an increase to the current CLCWA tax rate for debt retirement of \$0.23 per \$100.00 of property evaluation over the next nine years.** The debt retirement tax rate was reduced from \$0.26 in 2002 to \$0.23 in 2006 and has remained constant since that time. Our continued **low tax rates** are a result of retirement of older bonds, sound financial management, and a change in policy where construction of infrastructure in new developments is no longer reimbursed to developers. A comparison of the CLCWA tax rate to other water districts in the area can be found at www.clcwa.org. In addition, a comparison of the low CLCWA water and sewer rates to other entities in the area can be found at www.clcwa.org.

It is the preference of the current CLCWA Board of Directors to utilize ad valorem tax supported bonds to fund the current and future requirements over the next 9 years because taxes paid to the CLCWA by individuals can normally be deducted on the individual's federal income tax; however this type of bond does require voter approval. If the bond election does not pass, the only other source of funds for capital improvements would be revenue bonds which would have to be paid for with a significant increase in water and sewer rates and for which no federal income tax deduction would be available.

Early Voting by personal appearance will be conducted at the CLCWA office at 900 Bay Area Blvd., Houston, Texas 77058. Voting hours are 8:00 am to 4:30 pm, Monday through Friday. Early voting begins on October 19, 2009 and ends on October 30, 2009.

Voting by Mail: Please call the CLCWA office for information on voting by mail.

On November 3, 2009, the polls will be open from 7:00 am until 7:00 pm at the following Precinct locations:

Clear Lake City Precinct

Includes the following subdivisions of Oakbrook, Oakbrook West, Camino South, University Green, Meadowgreen, Bay Glen, Bay Forest, Bay Knoll, Bay Oaks (Pct. 568 – west of Horsepen Bayou), Armandwilde, Village By The Lake, and Bay Point. Voting will be at the Clear Lake City Recreational Center, 16511 Diana Lane.


Middlebrook / Brook Forest Precinct

Includes the following subdivisions of Brook Forest, Middlebrook, Bay Oaks (Pct. 718 – east of Horsepen Bayou), Village Grove, River Oaks, Santorini Estates, Providence Bayou, Turtle Creek, Northfork, Pinebrook, Brookwood, and University Park. Voting will be at the University Baptist Church, 16106 Middlebrook Drive.

Clear Lake Forest Precinct

Includes the following subdivisions of Clear Lake Forest, Timber Cove, Taylor Lake Estates, Kirbywoods, Kirby Oaks, Kirby Bend, Kirby Lake, Kirby Place, Harbour Estates, Harbour Village, Taylor Lake Shores, Endeavor, and Lake Country. Voting will be at the Taylor Lake Village City Hall, 500 Kirby Road.

For more information on the bond election, please visit our website at www.clcwa.org.



**WATER IS A
PRECIOUS
RESOURCE...
USE IT WISELY!**

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