

CLEAR LAKE CITY WATER AUTHORITY

900 Bay Area Boulevard • Houston, Texas 77058 • 281/488-1164
• FAX 281/488-3400

February 8, 2016

To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

Notice is hereby given that the Board of the Clear Lake City Water Authority will convene in Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on February 11, 2016 for the following purposes:

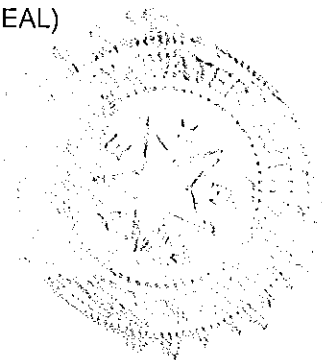
1. Ratify agenda item #6 from the January 14, 2016 meeting for the Old Galveston Road new water line agreement, herein related to Phase 1 design of facility only;
2. Approve or correct minutes of the December 24, 2016 Special Meeting;
3. Approve or correct minutes of the January 14, 2016 Regular Meeting;
4. Comments from the floor (5 minute limitation);
5. Consider and act upon waiving tax penalty and interest per the homeowners request at 16026 Mesa Verde Dr.;
6. Consider and act upon reviewing bids and award sale of Series 2016 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds (the "Bonds");
 - A. Approve and authorize execution of the following in connection with the issuance of the Bonds;
 - B. Order Authorizing Issuance of the Bonds;
 - C. Purchase Letter with Trustmark Bank;
 - D. General Certificate;
 - E. Signature Identification and No-Litigation Certificate;
 - F. Tax Exemption Certificate;
 - G. Closing Certificate of President;
 - H. Bond Registrar, Paying Agency and Transfer Agency Agreement;
 - I. Escrow Agent;
 - J. DTC Blanket Issue Letter of Representation;
 - K. Letters Addressed to Attorney General of Texas and Sanford Kuhl Hagan Kugle Parker Kahn LLP regarding dating of the Signature Identification and No-Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
 - L. Rule 15c2-12 Certificate;
 - M. IRS Form 8038-G; and
 - N. Such other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.
7. Consider and act upon approval of financial audit ending September 30, 2015;

8. Consider and act upon Kings Park Inn site storm sewer abandonments;
9. Consider and act upon a revision to Policy DEV-100, Detention Policy;
10. Consider and act upon approving Order Calling Directors Election;
11. Consider and act upon designating agent for Directors Election;
12. Consider and act upon authorizing agent for Directors Election to contract for electronic voting equipment;
13. Discuss and act upon open carry signs at Main Office and critical facilities;
14. Consider and act upon adding 4 new water department employees;
15. Consider and act upon approval of the CLCWA Employee Handbook;
16. Consider and act upon changing signature cards on bank accounts;
17. Receive Tax Assessor/Collector Report ending January 31, 2016;
18. Consider and act upon Financial Report ending December 31, 2015;
19. Consider and act upon the Operating Disbursement's Report ending January 31, 2016;
20. Review and approve Pay Application No. 2 for Water System Phases 9 & 11 Rehabilitation;
21. Review and approve Change Order No. 1 for Water System Phases 9 & 11 Rehabilitation;
22. Review and approve Pay Application No. 8 & Final for Sanitary Sewer Phase 65 Rehabilitation;
23. Review and approve Pay Application No. 3 for the Memory Lane Sanitary Sewer;
24. Review and approve Pay Application No. 6 for Storm Sewer Phase 29 Rehabilitation;
25. Review and approve Pay Application No. 3 for Exploration Green Detention Pond Phase 1A;
26. Review and approve Change Order No. 1 for Exploration Green Detention Pond Phase 1A;
27. Review the construction bids for the Replacement of the Main Office Roof and award the contract;
28. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
29. Consider and act upon approval of the Capital Projects Disbursements;
30. Discuss and act upon status of SOAH proceedings;
31. Receive and act upon Attorney's Report;
32. Consider and act upon the Investment Summary ending December 31, 2015;
33. Receive General Manager's Report;
34. Old and New Business

Following the Board's consideration, and action if any, on the above items, the Board will adjourn from Regular Session and reconvene in Closed Session pursuant to §551.071 of the Government Code for the purpose of consulting with its attorney, pursuant to §551.072 of the Government Code to deliberate regarding real property and pursuant to §551.074 of the Government Code to discuss personnel matters.

Jennifer Morrow
General Manager
Clear Lake City Water Authority

(SEAL)



CLEAR LAKE CITY WATER AUTHORITY

Board of Directors'
Regular Meeting Minutes
February 11, 2016

Regular Meeting The Board of Directors of the Clear Lake City Water Authority (the "Authority") convened in regular session open to the public at the regular meeting place in its office at 7:00 p.m. on February 11, 2016. Roll was called of the members:

Quorum Present Mr. John Branch, President;
Mr. Robert T. Savely, Vice-President
Mr. W. Thomas Morrow, Secretary;
Mr. Gordon Johnson, Director;
Mr. John Graf, Director.

All Board Members were present.

Also present were:

Ms. Jennifer Morrow, General Manager
Mr. Curtis Rodgers, Director of Utilities;
Mr. Bill Rosenbaum, Engineer;
Mr. Tim Green, Attorney;
Mr. Samuel Johnson, Attorney;
Ms. Sarah Danford, HR Supervisor;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper;
Ms. Alice Cumming; Tax Assessor/Collector & Recording Secretary;
Mr. Stephen Eustis, Financial Advisor;
Mr. Michael Willis, Bond Attorney.

(A visitor roster copy is on file in the official records of the Authority and identified as Exhibit A.)

1. Ratify agenda item #6 from 1/14/2016 Meeting for the Old Galveston Road New Water Line Agreement, Phase 1 Design of Facility Only, Approved
Ratification of item #6 from the January 14, 2016 Regular Board Meeting for the Old Galveston Road new water line agreement, herein related to Phase 1 design of facility only.
Thereupon, by motion duly made by Director Johnson and seconded by Director Morrow, the Board voted unanimously to ratify the Board's prior approval of the Old Galveston Road new water line agreement, to specifically reflect that the agreement relates only to Phase 1 design of the facility.
2. Minutes of 12/24/2015 Special Meeting, Approved
Reading of the minutes of the December 24, 2015 Special Meeting was waived due to all Directors having received copies prior to the meeting.
Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the minutes of the December 24, 2015 Special Meeting.
3. Minutes of the 1/14/2016 Regular Meeting, Approved
Reading of the minutes of the January 14, 2016 Regular Meeting was waived due to all Directors having received copies prior to the meeting.
Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the minutes of the January 14, 2016 Regular Meeting.

4. Comments from the Floor None.
5. Request to Waive Penalty & Interest at 16026 Mesa Verde, Denied
Phyllis Gross, 16026 Mesa Verde, presented a letter to the Board requesting that property tax penalty & interest be waived. (A copy of which is on file in the official records of the Authority and identified as Exhibit B.)
After a brief discussion, President Branch explained to Mrs. Gross that State Law does not allow the Board to waive penalty & interest unless specific circumstances apply, such as, if an employee or the Appraisal District made an error resulting in the taxpayer's failure to pay the tax before delinquency. No action was taken.
6. Review Bids & Award Sale of \$5,645,000 Waterworks & Sewer Systems Combination Unlimited Tax & Revenue Refunding Bonds, Series 2016, Approved
Stephen Eustis with Robert W. Baird & Co. gave a summary of the refunding results for the sale of the 2016 Waterworks and Sewer System Combination Unlimited Tax and Revenue Refunding Bonds for \$5,645,000, Series 2016.
Michael Willis with SK Law explained the steps involved for the Refunding Bonds.
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to award the sale of Series 2016 Waterworks and Sewer System Combination Unlimited Tax Revenue Refunding Bonds for \$5,645,000 to Trustmark Bank at an interest rate of 1.45% and to authorize the execution of documents reflected on the agenda.
The motion was amended by Director Savely to rescind documents "G" and "L" and seconded by Director Morrow, the Board voted unanimously to approve the amendment to the original motion.
The Board voted unanimously to approve the original motion as amended to award the sale of Series 2016 Waterworks and Sewer System Combination Unlimited Tax Revenue Refunding Bonds for \$5,645,000 to Trustmark Bank at an interest rate of 1.45% and to authorize the execution of documents reflected on the agenda, excluding "G" and "L".
7. Financial Audit for Fiscal Year Ending September 30, 2015, Approved
Mr. Noel Barfoot presented the financial audit for the fiscal year ending September 30, 2015 for the Board's review and approval. After reviewing and discussing the audit, the acreage of the Water Authority (on page 16) was changed from 16,000 to 15,835. (A copy of which is on file in the official records of the Authority and identified as Exhibit C.)
Thereupon, by motion duly made by Director Graf and seconded by Director Savely, the Board voted unanimously to approve the financial audit for the fiscal year ending September 30, 2015 with changes.
8. Kings Park Inn Site Storm Sewer Abandonments, Approved
A Partial Abandonment of Conveyance of Easements and Facilities document was presented to the Board for review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit D.)
Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the document that releases and relinquishes all of its rights under the Easements to Kings Park Inn.
9. Revision No. 1 to Detention Policy, DEV-100, Approved
Revision No. 1 to the Detention Policy, DEV-100 was presented to the Board for review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit E.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve Revision No. 1 to the Detention

Policy, DEV-100 as presented.

10. Order Calling 2016 Director's Election, Approved

Mr. Samuel Johnson presented to the Board an Order Calling the Director's Election for May 7, 2016 for approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit F.) . Mr. Johnson discussed with the Board the possibility of reducing the number of precincts due to the difficulty in finding people to work the poles.

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Order Calling the May 7, 2016 Director's Election with no change to the number of precincts.
11. Designating Agent for Directors' Election, Approved

Mr. Samuel Johnson presented to the Board an offer to designate appointing Coats/Rose as the agent for the May 7, 2016 Director's Election for approval.

Thereupon, by motion duly made by Director Johnson and seconded by Director Morrow, the Board voted unanimously to approve Coats/Rose as Agent for the Director's May 7, 2016 Election.
12. Authorizing Agent for Directors Election to Contract for Electronic Voting Equipment, Approved

Mr. Samuel Johnson requested the Board to authorize Coats/Rose as agent for Directors Election to contract with ES&S, LLC to provide electronic voting equipment after February 24, 2016 if an election is to be held. (A copy of which is on file in the official records of the Authority and identified as Exhibit G.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to authorize Coats/Rose to the contract with ES&S, LLC to provide the electronic voting equipment, if necessary.
13. Open Carry Signs at Main Office and Critical Facilities, Approved

After reviewing the law, Mr. Samuel Johnson explained to the Board that permanent open carry signs should not be posted at the Main Office and critical facilities but temporary signs may be displayed outside the board room during open meetings.

Thereupon, by motion duly made by Director Morrow and seconded by Director Savely, the Board voted unanimously to rescind the Board's authorization (1/14/2016 minutes) to post open carry prohibition signs at the main office and critical facilities.
14. New Water Department Employees, Approved

Ms. Morrow explained to the Board the water department is behind in repairs and taps in Harris County WCID # 161.

Thereupon, by motion duly made by Director Morrow and seconded by Director Savely, the Board voted unanimously to add 4 new water department employees.
15. CLCWA Employee Handbook, Approved

A CLCWA Employee Handbook was presented to the Board for review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit H.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Employee Handbook and in the future to allow the General Manager to modify as needed to reflect any change in law and editorial change but a change that impacts the budget will need to be approved by the Board.
16. Changing Signature Cards on Bank Accounts, Approved

Ms. Morrow requested updated authorized signatures on bank accounts to remove Gayle Yoder, Vincent Johnson and James Byrd and adding John Graf, W. Thomas Morrow and Nikki Weidig as authorized signers on the bank accounts at Wells Fargo. (A copy of which is on file in the official records of the Authority and identified as Exhibit I.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Savely, the Board voted unanimously to approve removing Gayle Yoder, Vincent Johnson and James Byrd and adding John Graf, W. Thomas Morrow and Niikki Weidig as authorized signers.

17. Tax Collector Report
A report of taxes collected and taxes outstanding as of January 31, 2016 was given for the Board's review. (A copy of which is on file in the official records of the Authority and identified as Exhibit J.)
18. Financial Report ending December 31, 2015, Approved
The Financial Report ending December 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit K.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Financial Report ending December 31, 2015.
19. Operating Disbursements Report, Approved
The Operating Disbursements Report ending January 31, 2016 was presented for the Board's approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit L.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Graf, the Board voted unanimously to approve the Operating Disbursements Report ending January 31, 2016.
20. Pay Application No. 2 for Water System Phases 9 & 11 Rehabilitation, Approved
Mr. Rosenbaum presented Pay Application No. 2 for Water System Phases 9 & 11 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit M.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve Pay Application No. 2 for Water System Phases 9 & 11 Rehabilitation for Alcott Inc. for \$95,446.80.
21. Change Order No. 1 for Water System Phases 9 & 11 Rehabilitation, Approved
Mr. Rosenbaum presented Change Order No. 1 for Water System Phases 9 & 11 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit N.)

Thereupon, by motion duly made by Director Graf and seconded by Director Morrow, the Board voted unanimously to approve Change Order No. 1 for Alcott, Inc. for \$8,595.16.
22. Pay Application No. 8 & Final for Sanitary Sewer Phase 65 Rehabilitation, Approved
Mr. Rosenbaum presented Pay Application No. 8 & Final for Sanitary Sewer Phase 65 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit O.)

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve Pay Application No. 8 & Final for Nerie Construction, LLC for \$103,600.90.
23. Pay Application No. 3 Memory Lane Sanitary Sewer, Approved
Mr. Rosenbaum presented Pay Application No. 3 for Memory Lane Sanitary Sewer for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit P.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Savely, the Board voted unanimously to approve Pay Application No. 3 for MMG Contractors, LLC for \$62,856.00.

24. Pay Application No. 6 for Storm Sewer Phase 29 Rehabilitation, Approved
Mr. Rosenbaum presented Pay Application No. 6 for Storm Sewer Phase 29 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit Q.)
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 6 for R.L. Utilities, Inc. for \$99,773.10.
25. Pay Application No. 3 for Exploration Green Detention Pond Phase 1A, Approved
Mr. Rosenbaum presented Pay Application No.3 for Exploration Green Detention Pond Phase 1A for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit R.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 for Paskey Incorporated for \$75,238.92.
26. Change Order No. 1 for Exploration Green Detention Pond Phase 1A, Approved
Mr. Rosenbaum presented Change Order No. 1 for Exploration Green Detention Pond Phase 1A for the Boards review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit S.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Graf, the Board voted unanimously to approve Option D subject to consulting John Jacobs for his recommendation on the compost level and whether it should be tilled into the soil.
27. Bids for Replacement of Main Office Roof & Award Contract, Deferred
This item was deferred.
28. Engineer's Report
Mr. Rosenbaum presented a written status of projects for the Board's review and discussion. (A copy of which is on file in the official records of the Authority and identified as Exhibit T.)
29. Capital Projects Disbursements, Approved
The Capital Projects Disbursements Report was presented for the Board's approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit U.)
Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve the Capital Projects Report in the amount of \$637,098.30.
30. Status of SOAH Proceedings
Mr. Green requested an executive session.
31. Attorney's Report
No report.
32. Investment Summary Approved
The Investment Summary ending December 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit V.)
Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Investment Summary ending December 31, 2015.

33. General Manager's Report

Ms. Morrow reported the Reserve at Clear Lake turned in plans and is requesting water, sewer, and drainage service for their Recreation Center. The request for service was accidentally left off the agenda. The plans have been approved by engineering, legal, and staff. Ms. Morrow asked the Board for it be considered for approval and ratified at the next regular meeting.

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve service to the Reserve Recreation Center, subject to ratification at the next regular meeting.

Ms. Morrow reported a mediation date has been set for March 8, 2016 for the SEWPP budget dispute.

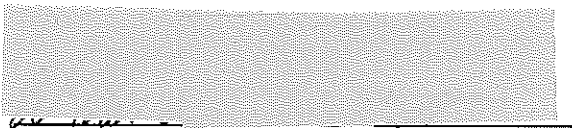
Ms. Morrow reported the feedback on the meter program looks good and passed out a chart for the Water Accountability Ratio Report for the past 5 years. The staff will be working on getting how this translates into revenue.

34. Old and New Business

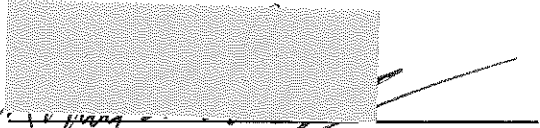
None

35. Closed Session/Meeting Adjourned

President Branch announced that the Board would enter into Closed Session to discuss a litigation matter with legal counsel and a personnel matter. The Board entered into Closed Session at 9:50 p.m. and returned to Open Session at 10:07 p.m. at which time the meeting was adjourned.

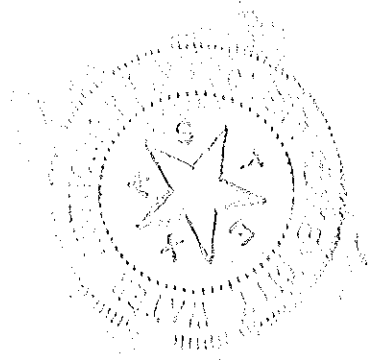


Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: 2/10/16