



CLEAR LAKE CITY WATER AUTHORITY

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

• Fax 281/488-3400

March 11, 2019

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 (The "Authority") will convene in Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on March 14, 2019 for the following purposes:

1. Approve or correct minutes of the February 14, 2019 Regular Meeting;
2. Approve or correct minutes of the February 20, 2019 Public Hearing;
3. Comments from the floor (5 minute limitation);
4. Consider and act upon South Taylor Lake Village Water Supply Corporation future development plans;
5. Consider and act upon request for water, sewer and drainage service to four shell buildings located in Port Commerce at 4484 Genoa Red Bluff;
6. Consider and act upon approval of Drainage and Detention Analysis for the proposed Middlebrook Apartments at 15500 Middlebrook Drive;
7. Consider and act upon request for water, sewer and drainage service to Middlebrook Apartments at 15500 Middlebrook Drive;
8. Hear report from financial advisor regarding proposed refunding of bonds;
9. Consider approving Order Adopting Preliminary Official Statement and Authorizing Distribution Thereof for approximately \$5,740,000 Series 2019 Refunding Bonds;
10. Consider approving Resolution Delegation of Authority for the Sale of Series 2019 Refunding Bonds;
11. Consider approving Amendment to Notice to Purchasers and Sellers;
12. Consider and act upon rescheduling Public Hearing to Consider Updates to Land Use Assumptions and the Capital Improvements Plan;
13. Receive legislative update from Attorney;

14. Consider and act upon amended Policy DEV-70 Annexation Requests;
15. Consider and act upon adopting Resolution Regarding 2019 Ad Valorem Tax Exemptions;
16. Consider and act upon Resolution Implementing a 20% Penalty on 2018 Delinquent Taxes;
17. Consider and act upon removing Donna Haynes and Gina Gentile from Prosperity Bank accounts and adding Rachel Crider and Nikki Andrus;
18. Receive Tax Assessor/Collector Report ending February 28, 2019;
19. Consider and act upon Financial Report ending January 31, 2019;
20. Consider and act upon the Operating Disbursement's Report ending February 28, 2019;
21. Review and approve Pay Application No. 3 for Elevated Storage Tank No. 6;
22. Review and approve Change Order No. 1 for Elevated Storage Tank No. 6;
23. Review and approve Pay Application No. 1 for Sanitary Sewer Phase 72 Rehabilitation;
24. Review bids and award contract for Sanitary Sewer Phase 76 Manhole Rehabilitation;
25. Review bids and award contract for Sanitary Sewer Phase 79 Television Inspection;
26. Review and approve Pay Application No. 6 for Exploration Green Detention Facility Phase 2;
27. Review and approve Pay Application No. 1 for the Re-Claimed Water Line Extension to El Dorado Boulevard;
28. Review and act if necessary upon the Engineer's Report and any matters pertaining to construction contracts;
29. Consider and act upon approval of the Capital Projects Disbursements;
30. Receive and act if necessary upon Attorney's Report;
31. Consider and act upon the Investment Summary ending January 31, 2018;
32. Receive General Manager's Report;
33. 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
March 14, 2019

- 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 March 14, 2019. 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 were present.
- Also present were:
- Ms. Jennifer Morrow, General Manager;
 Mr. Curtis Rodgers, Director of Utilities;
 Mr. Samuel Johnson, Attorney;
 Mr. Bill Rosenbaum, Engineer;
 Mr. Larry Dunbar, Hydrologist;
 Mr. Ryan LaRue, SK Law;
 Mr. Stephen Eustis, Financial Advisor, R.W. Baird;
 Ms. Mary Ann Schatz, Capital Projects Bookkeeper;
 Ms. Amy Suttle, Customer Service Supervisor;
 Ms. Nikki Andrus, Recording Secretary.
- (A visitor roster copy is on file in the official records of the Authority and identified as Exhibit **A**.)
1. Minutes of the 2/14/19 Reading of the minutes of the February 14, 2019 Regular Meeting was waived due to all
Regular Meeting Directors having received copies prior to the meeting.
Approved Thereupon, by motion duly made by Director Graf and seconded by Director Savely, the Board voted unanimously to approve the minutes of the February 14, 2019 Regular Meeting.
2. Minutes of the 2/20/19 Reading of the minutes of the February 20, 2019 Public Hearing was waived due to all
Public Hearing Directors having received copies prior to the meeting.
Approved Thereupon, by motion duly made by Director Graf and seconded by Director Savely, the Board voted unanimously to approve the minutes of the February 20, 2019 Public Hearing.
3. Comments from the Resident Fred Swerdlin asked about Harris County Flood Control District (HCFCD)
Floor dredging the channel that runs along Meadowgreen, and about expanding the pipe from 42"-78". Mr. Bill Rosenbaum discussed plans were submitted in October and after a few revisions, they are still working on them with the HCFCD.
- Mr. Swerdlin asked about permission from the water shed for Exploration Green Detention Facility Phase 3B to tie into ditches J and K. He was informed that there is a permit to do so. Phase 3B is under review with Harris County Flood Control District.

Mr. Swerdlin asked about some land on Red Bluff that could be used as drainage holding ponds. Mr. Branch discussed he has talked with the Harris County Flood Control District (HCFCD) and they have no plans at this time for any development.

Mark Kramer from the Armand Bayou Nature Center (ABNC) gave a brief history of the ABNC and discussed the new Middle Armand Bayou Protection Plan. They are working on obtaining funds to purchase 976 acres of open natural land north of Bay Area Blvd. to help alleviate flooding at high risk of development. ABNC is partnering with local cities and Harris County and is requesting the Authority's support in purchasing this land. The land value is being assessed, but they estimate the value at \$30-50 thousand dollars per acre. The Board directed Mr. Larry Dunbar to give an estimate of how much it would cost for a hydrology study on the land. The Board asked the attorney to draft a resolution of support to be presented at the April 11, 2019 meeting.

4. South Taylor Lake Water Supply Corporation Possible Development

Mr. Tim Leppard, a developer, discussed his interest in purchasing South Taylor Lake Village Water Supply Corporation. He discussed how they will upgrade the system and develop the land. Possible 55 residential homes, 30-35 townhomes and mixed commercial including a two to three story building with first floor commercial and upper floor residential. Director Graf and Director Johnson will be meeting with Mr. Leppard to discuss.

5. Water, Sewer and Drainage Service to Four Shell Building in Port Commerce at 4484 Genoa Red Bluff Rd. Approved

A request for water, sewer and drainage service to four shell buildings located at 4484 Genoa Red Bluff Rd. in Port Commerce 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 B.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve water, sewer and drainage service to four shell buildings in Port Commerce.

6. Drainage and Detention Analysis for Middlebrook Apartments at 15500 Middlebrook Drive Approved

A variance request with a Drainage and Detention Analysis for the proposed Middlebrook Apartments at 15500 Middlebrook Drive was submitted for review and approval. Mr. Larry Dunbar has reviewed the analysis and given his comments. (A copy of which is on file in the official records of the Authority and identified as Exhibit C.) Mr. Dunbar discussed with the Board the variance request and his review and has a no objection with specific conditions being met, as stated in his no objection letter. The Board expressed willingness to schedule a meeting to act on any adjustments to Mr. Dunbar's conditions if necessary.

Thereupon, by motion duly made by Director Morrow and seconded by Director Savely, the Board voted unanimously to approve the variance request with Larry Dunbar's conditions.

7. Water, Sewer and Drainage Service to Middlebrook Apartments at 15500 Middlebrook Drive Approved

A request for water, sewer and drainage service to Middlebrook Apartments at 15500 Middlebrook Drive 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.) A discussion with Mr. Rosenbaum and Mr. Dunbar regarding the review for service and variance request was held. LAN has no objection to the request for service, contingent upon final approval of the drainage variance request by Mr. Dunbar.

Thereupon, by motion duly made by Director Morrow and seconded by Director Graf, the Board voted unanimously to approve water, sewer and drainage service to Middlebrook Apartments contingent upon approval of detention by Larry Dunbar.

8. Report from the Financial Advisor Regarding Proposed Refunding Bonds

Mr. Stephen Eustis, financial advisor with R.W. Baird, discussed the proposed Refunding Bonds for the Board's consideration. (A copy of which is on file in the official records of the Authority and identified as Exhibit E.)

9. Order Adopting Preliminary Official Statement and Authorizing Distribution Thereof for Approximately \$5.740 M Series 2019 Refunding Bonds
Approved

Mr. Stephen Eustis presented the Order Adopting Preliminary Official Statement and Authorizing Distribution Thereof for Approximately \$5.740 M Series 2019 Refunding Bonds 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 F.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Order Adopting Preliminary Official Statement and Authorizing Distribution Thereof for Approximately \$5.740 M Series 2019 Refunding Bonds.
10. Resolution Delegation of Authority for the Sale of Series 2019 Refunding Bonds
Approved

Mr. Stephen Eustis presented and discussed a Resolution Delegation of Authority for the Sale of Series 2019 Refunding Bonds for the Sale of Series 2019 Refunding Bonds. (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 Savely, the Board voted unanimously to approve the Resolution Delegation of Authority for the Sale of Series 2019 Refunding Bonds for the Sale of Series 2019 Refunding Bonds as recommended with SAMCO Capital Markets as underwriter, John Branch as primary and Robert Savely as secondary.
11. Amendment to Notice to Purchasers and Sellers
Approved

An Amendment to the Notice to Purchasers and Sellers 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 Amended Notice to Purchasers and Sellers.
12. Reschedule Public Hearing to Consider Updates to Land Use Assumptions and the Capital Improvements Plan
Approved

Rescheduling of the Public Hearing to Consider Updates to the Land Use Assumptions and the Capital Improvements Plan was discussed.

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the hearing for April 11, 2019.
13. Receive Legislative Update from Attorney

This item was deferred to Executive Session.
14. Amendment to Policy DEV-70 Annexation Requests
Deferred

An amendment to policy DEV-70, Annexation Requests, 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 I.)

After a discussion regarding concerns about the language and criteria for annexation requirements, it was decided that a committee will meet to discuss and defer this item to a future meeting.
15. Resolution Regarding 2019 Ad Valorem Tax Exemptions
Approved

A Resolution Regarding 2019 Ad Valorem Tax Exemptions 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 J.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the Resolution Regarding 2019 Ad Valorem Tax Exemptions.

16. Resolution Implementing a 20% Penalty on 2018 Delinquent Taxes Approved
A Resolution Implementing a 20% Penalty on 2018 Delinquent Taxes 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 **K**.)
Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the Resolution Implementing a 20% Penalty on 2018 Delinquent Taxes.
17. Remove Donna Haynes and Gina Gentile from Prosperity Bank Account and add Rachel Crider and Nikki Andrus Approved
A request was made to remove Donna Haynes and Gina Gentile from the Prosperity Bank accounts and add Rachel Crider and Nikki Andrus.
Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve removing Donna Haynes and Gina Gentile from Prosperity Bank accounts and adding Rachel Crider and Nikki Andrus.
18. Tax Collector's Report
The Tax Collector's Report ending February 28, 2019 was presented for the Board's review. (A copy of which is on file in the official records of the Authority and identified as Exhibit **L**.)
19. Financial Report Ending 1/31/19 Approved
The Financial Report ending January 31, 2019 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 **M**.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Graf, the Board voted unanimously to approve the Financial Report ending January 31, 2019.
20. Operating Disbursements Report Ending 2/28/19 Approved
The Operating Disbursements Report for the period ending February 28, 2019 was presented 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 Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Operating Disbursements Report for the period ending February 28, 2019.
21. Pay Application No. 3 for Elevated Storage Tank No. 6 Approved
Pay Application No. 3 for Elevated Storage Tank No. 6 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 **O**.)
Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 for Elevated Storage Tank No. 6 to Landmark Structures I, L.P., for \$42,390.00.
22. Change Order No. 1 for Elevated Storage Tank No. 6 Approved
Change Order No. 1 for Elevated Storage Tank No. 6 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 **P**.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve Change Order No. 1 for Elevated Storage Tank No. 6 for \$5,000.00.
23. Pay Application No. 1 for Sanitary Sewer Phase 72 Rehabilitation Approved
Pay Application No. 1 for the Sanitary Sewer Phase 72 Rehabilitation 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 **Q**.)
Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 1 for Sanitary Sewer Phase 72 Rehabilitation to the Clear Lake City Water Authority for \$133,290.72.

24. Review Bids and Award Contract for Sanitary Sewer Phase 76 Manhole Rehabilitation Approved
- Mr. Rosenbaum presented bids for the Sanitary Sewer Phase 76 Manhole Rehabilitation for the Board's review and discussion to consider options, accept or reject the bids. (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 Savely and seconded by Director Morrow, the Board voted unanimously to approve awarding the contract to CDC Unlimited, LLC with a bid of \$214,835.00 and 150 calendar days.
25. Review Bids and Award Contract for Sanitary Sewer Phase 79 Television Inspection Approved
- Mr. Rosenbaum presented bids for the Sanitary Sewer Phase 79 Television Inspection for the Board's review and discussion to consider options, accept or reject the bids. (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 Graf and seconded by Director Johnson, the Board voted unanimously to approve awarding the contract to TB Environmental, Inc. with a bid of \$210,460.75 and 120 calendar days.
26. Pay Application No. 6 for Exploration Green Detention Facility Phase 2 Approved
- Pay Application No. 6 for Exploration Green Detention Facility Phase 2 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 **T**.)
- Thereupon, by motion duly made by Director Morrow and seconded by Director Graf, the Board voted unanimously to approve Pay Application No. 6 for Exploration Green Detention Facility Phase 2 to Triple B Services, LLP for \$438,796.69.
27. Pay Application No. 1 for the Re-Claimed Water Line Extension to El Dorado Blvd. Approved
- Pay Application No. 1 for the Re-Claimed Water Line Extension to El Dorado Blvd. 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 **U**.)
- Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 1 for the Re-Claimed Water Line Extension to El Dorado Blvd. to Landmark Structures I, L.P. for \$147,402.00.
28. Engineers Report
- A written status of projects was presented 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 **V**.)
- Mr. Rosenbaum reported Bond Issue #39 has been submitted to the TCEQ and is under review.
- Mr. Rosenbaum discussed options for the Exploration Green parking lot on Diana.
- Mr. Rosenbaum reported they are waiting on a valve to put flow meters in for Lift Station 4.
- There was a discussion regarding the proposed water facility permitting issues and a possible meeting with the City of Houston being set up.
29. Capital Projects Disbursement Report Approved
- The Capital Projects Disbursements Report was presented 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 **W**.)
- Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Capital Projects Report in the amount of \$924,925.16.
30. Attorney's Report
- Mr. Samuel Johnson discussed the status of the warranty dispute regarding Elevated Storage Tank No. 1.

31. Investment Summary
Approved

The Investment Summary for the period ending January 31, 2019 was presented 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 X.)

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Investment Summary for the period ending January 31, 2019.

32. General Manager's
Report

Ms. Morrow discussed the leak at Space Center Blvd and El Dorado Blvd. should be completed next week.

Ms. Morrow reported a contractor hit a water line on Barronridge next to the sewer line and a boil water notice was issued. The leak has been repaired, all water samples were good, and a notice to rescind was issued and sent to the TCEQ and affected residents.

Ms. Morrow discussed we should be ready to advertise for Exploration Green Phase 4 at the April Board meeting.

Ms. Morrow discussed there are 3 valves at the WWTP damaged by Hurricane Harvey. A 30" valve is being replaced overnight this week.

Ms. Morrow reported the new website for the Authority is in rough draft form and hoping to be ready to launch by April 2019.

Ms. Morrow discussed that WCID #61 on the northwest side of Houston will have representatives coming here next week to view and discuss our automatic metering system.

33. Old and New Business

Nothing to discuss.


34. Meeting Adjourned

President Branch declared a recess of the open meeting at 9:25 p.m.


After a brief recess, an Executive Session was held from 9:35 p.m. to 10:16 p.m. to consult with the Attorney regarding legal matters.

After Executive Session the open meeting was reconvened at 10:16 p.m.

President Branch declared the open meeting adjourned at 10:17 p.m.



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)

DATE APPROVED: 4-11-19

