

CLEAR LAKE CITY WATER AUTHORITY

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

September 4, 2015

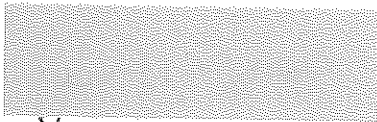
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

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 September 10, 2015 for the following purposes:

1. Approve or correct minutes of the August 13, 2015 Regular Meeting;
2. Comments from the floor (5 minute limitation);
3. Consider and act upon accepting resignation of director;
4. Consider and act upon appointment of director to fill vacancy;
5. Consider and act upon approving Sworn Statement, Bond, and Oath of Directors;
6. Consider and act upon reconstituting Board and approve execution and filing of District Registration Form with Texas Commission on Environmental Quality;
7. Consider and act upon water, sewer and drainage service to Schlotzsky's Deli and Cinnabon at 1521 Bay Area Blvd.;
8. Consider and act upon water, sewer and drainage service to HEB at 3501 Clear Lake City Blvd.;
9. Consider and act upon adding antennas to 939 El Dorado at Elevated Storage Tank #1;
10. Consider and act upon retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP, Auditors for 2014-2015 Fiscal Year;
11. Consider and act upon approval of an Amended Budget for the 2014-2015 Fiscal Year;
12. Consider and act upon approval of the Budget for the 2015-2016 Fiscal year;
13. Consider and act upon adoption of proposed 2015 Ad Valorem tax rate for CLCWA;
14. Consider and act upon adoption of proposed 2015 Ad Valorem tax rate for WCID #75;
15. Receive Tax Assessor/Collector Report ending August 31, 2015;
16. Consider and act upon approval to write-off delinquent uncollectable water/sewer accounts;

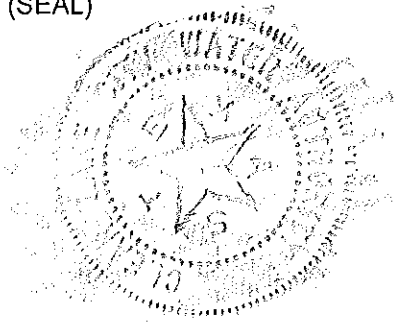
17. Consider and act upon Financial Report ending July 31, 2015;
18. Consider and act upon the Operating Disbursement's Report ending August 31, 2015;
19. Review bids and award contract for Water System Phase 11 Rehabilitation;
20. Review and approve Pay Application No. 3 for Sanitary Sewer Phase 65 Rehabilitation;
21. Review bids and award contract for Memory Lane Sanitary Sewer Line;
22. Review and approve Pay Application No. 3 & Final for Lift Station 19 Rehabilitation;
23. Review and approve Pay Application No. 1 for Storm Sewer Phase 29 Rehabilitation;
24. Review and approve Pay Application No. 4 for Storm Sewer Phase 30 Manhole Rehabilitation;
25. Review and approve Pay Application No. 1 & Final for Storm Sewer Phase 31 Rehabilitation;
26. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
27. Consider and act upon approval of the Capital Projects Disbursements;
28. Receive and act upon Attorney's Report;
29. Consider and act upon the Investment Summary ending July 31, 2015;
30. Receive General Manager's Report;
31. 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
September 10, 2015

Regular Meeting

The Board of Directors of the Clear Lake City Water Authority convened in regular session open to the public at the regular meeting place in its office at 7:00 p.m. on September 10, 2015. Roll was called of the members:

Quorum Present

Mrs. Gayle Yoder, President;
Mr. John Branch, Vice-President
Mr. Robert T. Savely, Secretary;
Mr. Gordon Johnson, Director;
Mr. W. Thomas Morrow, Director,
Mr. John Graf, Director. (Arrived late, was not present for items 1-2, and 7-12)

All were present except Mrs. Gayle Yoder.

Also present were:

Ms. Jennifer Morrow, General Manager
Mr. Curtis Rodgers, Director of Utilities;
Mr. Bill Rosenbaum, Engineer;
Mr. Bill Schweinle, Attorney;
Mr. Tim Green, Attorney;
Mr. Stephen Eustis, Financial Advisor;
Ms. Alice Cumming; Tax Assessor/Collector and Recording Secretary;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper;
Ms. Fatima Uwakwe, Account Manager.

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

1. Minutes of 8/13/2015 Regular Meeting, Approved

Reading of the minutes of the August 13, 2015 Regular Meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Johnson and seconded by Director Morrow, the Board voted unanimously to approve the minutes for the August 13, 2015 Regular Meeting.

2. Comments from the Floor

John Williams, Architect with Landesign and Representing University Baptist Church, explained to the Board that the Architect working on the plans for the detention had passed away and his replacement will be submitting the plans on Monday. He requested the Board's approval to begin the work at their risk before the plans are approved.

Vice President Branch explained that procedures should be followed and the Water Authority's Engineer will review the plans as quickly as possible.

Marion (Sandy) Sanford, Lobbyist, reported no new bills were passed in this Legislative Session that would have an impact on the Water Authority. Mr. Sanford did not receive any negative comments about the Water Authority but he suggested for the Board to stay active with local organizations and to consider inviting the State Representatives to a Board Meeting.

Vice President Branch deferred items 3-6 until later in the meeting.

3. Water, Sewer and Drainage Service to Schlotzsky's Deli and Cinnabon at 1521 Bay Area Blvd., Approved

A request for water, sewer and drainage service to Schlotzsky's Deli and Cinnabon at 1521 Bay Area Blvd. was presented to the Board for review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit B.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve the request for water, sewer and drainage service to Schlotzsky's Deli at 1521 Bay Area Blvd.
4. Water, Sewer and Drainage Service to HEB at 3501 Clear Lake City Blvd., Approved

A request for water, sewer and drainage service to HEB at 3501 Clear Lake City Blvd. was presented to the Board for review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit C.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve the request for water, sewer and drainage service to HEB at 3501 Clear Lake City Blvd.
5. Adding Antennas to Elevated Storage Tank # 1 at 939 El Dorado, Deferred

This item was deferred.
6. Retain McCall, Gibson, Swedlund, Barfoot PLLC LLP As Financial Auditors for 2014-2015 Fiscal Year, Approved

Mr. Noel Barfoot from McCall, Gibson, Swedlund, Barfoot PLLC LLP presented an engagement letter for the 2014-2015 audit. (A copy of which is on file in the official records of the District and identified as Exhibit D.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP as the District's Financial Auditors for 2014-2015 Fiscal Year.
7. Amend Fiscal Year 2014-2015 Budget, Approved

A request from the CLCWA staff was presented to amend the budget for the 2014-2015 Fiscal Year.

By motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve amending the budget for the 2014-2015 Fiscal Year. (A copy of which is on file in the official records of the District and identified as Exhibit E.)
8. 2015-2016 Fiscal Year Budget, Approved

The 2015-2016 Fiscal Year Budget was given to the Board for review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit F.)

Thereupon, by motion duly made by Director Savely (with the 2014-2015 budget to reflect the approved amendments) and seconded by Director Johnson, the Board voted unanimously to approve the Budget for Fiscal Year 2015-2016.

After Mr. John Graf arrived, Vice President Branch moved items 3-6 to this time on the agenda.
9. Resignation of Director, Approved

A letter submitted by Mrs. Gayle Yoder resigning from the Board of Directors, effective 9/10/2015, was presented to the Board for review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit G.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to accept Mrs. Yoder's resignation from the Board of Directors.

10. Appointment of Director to Fill Vacancy, Approved
Director Savely made a motion to appoint John Graf as Director. The motion was seconded by Director Morrow and the Board voted unanimously to appoint John Graf to the Board of Directors for CLCWA to fill the remaining term of Director Yoder.
11. Acceptance of Oath of Office and Statement of Appointed Officer,
The Oath of Office and Statement of Appointed Officer was taken by Mr. John Graf, signed, notarized and presented to the Board for acceptance. (Copy attached hereto as part of these minutes and identified as Exhibit H.)
12. Reconstituting Board and Approve Execution and Filing of District Registration Form with Texas Commission on Environmental Quality, Appointments Approved
After a brief discussion was held regarding Reconstituting of the Board, action was taken on the following positions:
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson and acceptance by Vice President Branch, the Board voted unanimously to appoint Vice President Branch as President.
Thereupon, by motion duly made by Director Johnson and seconded by Director Morrow and acceptance by Director Savely, the Board voted unanimously to appoint Director Savely as Vice President.
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson and acceptance by Director Morrow, the Board voted unanimously to appoint Director Morrow as Secretary.
Following the vote, the Board directed the staff to file an updated District Registration Form with the TCEQ reflecting the new director and officers.
13. Proposed 2015 Ad Valorem Tax Rate for CLCWA, Approved
Mr. Stephen Eustis from Robert W. Baird & Co. presented to the Board the proposed 2015 Ad Valorem Tax Rates for CLCWA. (A copy of which is on file in the official records of the District and identified as Exhibit I.)
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to authorize publication of a proposed debt service rate of \$0.22 per \$100 of the assessed valuation and a maintenance tax rate of \$0.05 per \$100 of the assessed valuation for the CLCWA.
14. Proposed 2015 Ad Valorem Tax Rate for WCID #75, Approved
Mr. Stephen Eustis from Robert W. Baird & Co. presented to the Board the proposed 2015 Ad Valorem Tax Rates for WCID #75. . (A copy of which is on file in the official records of the District and identified as Exhibit J.)
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to authorize publication of a proposed debt service rate of \$0.33 per \$100 of the assessed valuation and a maintenance tax rate of \$0.05 per \$100 of the assessed valuation for the WCID #75
15. Tax Collector Report Received
Ms. Cumming reported that a public hearing on the proposed tax rates will be held on October 8, 2015 at 7:00 p.m. The notices will be published in The Citizen.
A report of taxes collected and taxes outstanding as of August 31, 2015 was given for the Board's review. (A copy of which is on file in the official records of the District and identified as Exhibit K.)
16. Write-off of Delinquent Uncollectable Water/Sewer Accounts, Approved
A report of delinquent uncollectable water/sewer accounts was presented for the Board's review and approval of write-offs. (A copy of which is on file in the official records of the District and identified as Exhibit L.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the write-offs in the amount of \$4,592.45.

17. Financial Report
Approved

The Financial Report ending July 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit M.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve the Financial Report ending July 31, 2015.

18. Operating
Disbursements Report
Approved

The Operating Disbursements Report ending August 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit N.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Operating Disbursements Report ending August 31, 2015.

19. Review Bids for Water
System Phase 11
Rehabilitation,
Deferred

This item was deferred

20. Pay Application No.3
for Sanitary Sewer
Phase 65
Rehabilitation,
Approved

Mr. Rosenbaum presented Pay Application No. 3 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 District and identified as Exhibit O.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 for Nerie Construction, LLC for \$71,503.20.

21. Review Bids for
Memory Lane Sanitary
Sewer Line,
Approved

Mr. Rosenbaum presented bids received for Memory Lane Sanitary Sewer Line for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit P.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve awarding the contract to the low bidder MMG Contractors, LLC, with a bid of \$279,097.00 and 60 calendar days.

22. Pay Application No. 3 &
Final for Lift Station 19
Rehabilitation,
Approved

Mr. Rosenbaum presented Pay Application No. 3 & Final for Lift Station 19 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District 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. 3 & Final for T & C Construction, LTD, for \$35,792.47.

23. Pay Application No. 1
for Storm Sewer Phase
29 Rehabilitation,
Approved

Mr. Rosenbaum presented Pay Application No. 1 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 District and identified as Exhibit R.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 1 for R.L. Utilities, Inc. for \$24,012.00.

24. Pay Application No. 4 for Storm Sewer Phase 30 Manhole Rehabilitation, Approved
- Mr. Rosenbaum presented Pay Application No.4 for Storm Sewer Phase 30 Manhole Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit S.)
- Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve Pay Application No. 4 for Standard Cement Materials, Inc. for \$68,459.85.
25. Pay Application No. 1 & Final for Storm Sewer Phase 31 Rehabilitation, Approved
- Mr. Rosenbaum presented Pay Application No. 1 & Final for Storm Sewer Phase 31 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit T.)
- Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve Pay Application No. 1 & Final for CDC Unlimited, LLC for \$47,950.00.
26. 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 District and identified as Exhibit U.)
27. 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 District and identified as Exhibit V.)
- 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 \$561,793.85.
28. Attorney's Report
- Mr. Schweinle gave an update on the lawsuit with Allied Foundation. He mentioned that Allied Foundation wants to have their own inspection done to see whether the house foundation piers were driven through the Authority's sanitary sewer line.
- Mr. Green talked about the process for the public hearing on the 24th before the TCEQ Hearing Officer and what will be needed if a hearing is scheduled.
29. Investment Summary Approved
- The Investment Summary ending July 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit W.)
- Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Investment Summary ending July 31, 2015.
30. General Manager's Report
- Ms. Morrow introduced Laura Mason as the new Human Resource/Adm. Supervisor.
- Ms. Morrow reported the co-participants of SWEPP are paying the water bill under protest because the new higher rates are not justified.
- Ms. Morrow reported complaints have been received about the drainage ditch surrounding Exploration Green not being maintained. Residents have been encouraged to contact HCFCD regarding this issue since they are responsible for maintaining the drainage ditches.
- Ms. Morrow reported on Parksley and Brookgreen sinkhole. The sanitary & storm sewer lines in the area have been tested. The sanitary sewer line was recently rehabbed and could not find a reason for the Authority's infrastructure to be causing a problem. This issue has been reported to Houston's 311 system and a metal plate

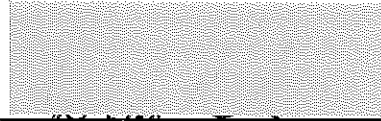
has been placed in the street for safety reasons.

31. Old and New Business

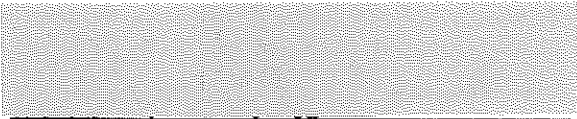
Director Morrow reminded the Board of Kaneka's interest in using the Authority's reuse water if it meets the standard required for their plant.

32. Meeting Adjourned

President Branch declared the regular meeting adjourned at 9:58 p.m.



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: 10/08/2015