

CLEAR LAKE CITY WATER AUTHORITY

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

September 2, 2016

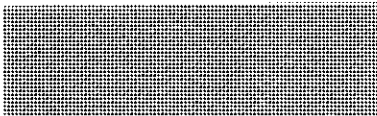
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

Notice is hereby given that the Board of the Clear Lake City Water Authority (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 September 8, 2016 for the following purposes:

1. Approve or correct minutes of the August 11, 2016 Regular Meeting;
2. Comments from the floor (5 minute limitation);
3. Consider and act upon retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP, as Auditors for the 2015-2016 Fiscal Year;
4. Consider and act upon adoption of proposed 2016 Ad Valorem tax rate for CLCWA;
5. Consider and act upon adoption of proposed 2016 Ad Valorem tax rate for WCID #75;
6. Consider approving the National Aeronautics and Space Administration Easement for Water Line and Construction License;
7. Consider approving the Joint Election Contract with Harris County;
8. Consider and act upon approving an Indemnity and Hold Harmless Agreement for groups using Exploration Green;
9. Consider and act upon approval of the Budget for the 2016-2017 Fiscal Year;
10. Receive Tax Assessor/Collector Report ending August 31, 2016;
11. Consider and act upon approval to write-off delinquent uncollectable water/sewer accounts;
12. Consider and act upon Financial Report ending July 31, 2016;
13. Consider and act upon the Operating Disbursement's Report ending August 31, 2016;
14. Review and approve Pay Application No. 2 for Water Phase 8 Rehabilitation;
15. Review and approve Pay Application No. 3 & Final for Elevated Storage Tank No. 2;

16. Review and approve Change Order No. 1 for Sanitary Sewer Phase 62 Rehabilitation;
17. Review and approve Pay Application No. 7 & Final for Sanitary Sewer Phase 62 Rehabilitation;
18. Review and approve Pay Application No. 3 for Exploration Green Detention Pond Phase 1B;
19. Review and approve Pay Application No. 3 and Final for Storm Sewer Phase 28 Television Inspection;
20. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
21. Consider and act upon approval of the Capital Projects Disbursements;
22. Receive and act upon Attorney's Report;
23. Consider and act upon the Investment Summary ending July 31, 2016;
24. Receive General Manager's Report;
25. 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 8, 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 7:02 p.m. on September 8, 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.

Mr. Morrow left the meeting around 8:11 pm. Mr. Branch then appointed Mr. Johnson to act as Secretary in his absence.

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. Nikki Weidig, Recording Secretary;
Ms. Fatima Uwakwe, Accountant;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper.

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

1. Minutes of 8/11/2016
Regular Meeting
Approved

Reading of the minutes of the August 11, 2016 Regular Meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the minutes of the August 11, 2016 Regular Meeting.

2. Comments from the
Floor

Mr. Zuhair Hillail, owner of Tiger's Den Martial Arts, was present to discuss his high water bill. He discussed how it was caused by a break in the water main under his building and once discovered was repaired. He asked the Board for an adjustment to his bill. The Board discussed and will review the Policy and make a decision at the next Board meeting.

Mr. Daniel Gillham with Trendmaker Homes, developer of The Reserve at Clear Lake, discussed a letter sent to Mr. Larry Dunbar regarding the outfalls at The Reserve. He asked the Authority consider operating valves for the outfall to help drain the detention ponds when there is a significant rain event. The Board will look into it.

3. Retain McCall, Gibson,
Swedlund, Barfoot
PLLC LLP as Financial
Auditors for 2015-2016
Fiscal Year
Approved

Mr. Brian Toldan from McCall, Gibson, Swedlund, Barfoot PLLC LLP presented an engagement letter for the 2015-2016 audit. (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 Savely and seconded by Director Morrow, the Board voted unanimously to approve retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP as the District's Financial Auditors for the 2015-2016

Fiscal Year.

4. Adopt 2016 Ad Valorem Tax Rate for CLCWA Approved

Mr. Stephen Eustis with Robert W. Baird & Co. presented to the Board the proposed 2016 Ad Valorem Tax Rates for CLCWA. (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 Savely and seconded by Director Morrow, 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.
5. Adopt 2016 Ad Valorem Tax Rate for WCID #75

Clerical error, no action needed.
6. NASA Easement for Water Line and Construction License Approved by General Manager

An easement with NASA for a Water Line and Construction License was presented and discussed. (A copy of which is on file in the official records of the Authority and identified as Exhibit D.) Director Savely, Director Morrow and Director Graf excused themselves from the discussion and approval. Mr. Green reminded the Board that the General Manager has the authority to approve and sign the easement documents.
7. Joint Election Contract with Harris County for November 2016 Bond Election Approved

There was a discussion regarding the request for a joint contract with Harris County to be signed for the November 2016 Bond Election. The contract has not yet been received from Harris County.

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the joint contract with Harris County for the November 2016 Bond Election. The request is approved subject to approval by the attorneys.
8. Indemnity and Hold Harmless Agreement for Exploration Green Deferred

Mr. Johnson discussed the proposed Indemnity and Hold Harmless Agreement for groups using Exploration Green. It was decided to defer this item until the next regular Board meeting.
9. Budget for Fiscal Year 2016-2017 Approved

The Budget for the 2016-2017 Fiscal Year was given to the Board for review and approval.

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the Budget for Fiscal Year 2016-2017.

The Board agreed to adjust the General Manager's pay. (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 Graf and seconded by Director Johnson, the Board voted unanimously to approve the adjustment to the General Manager's pay.
10. Tax Assessor/Collector's Report

Tax Assessor/Collector's Report ending August 31, 2016 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 F.)
11. Write-off of Delinquent Uncollectable Water/Sewer Accounts Approved

A report of delinquent uncollectable water/sewer accounts 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 G.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the write-off of delinquent uncollectable

water/sewer accounts in the amount of \$4,524.69.

12. Financial Report
Approved

The Financial Report for the period ending July 31, 2016 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 H.)

Thereupon, by motion duly made by Director Graf and seconded by Director Savely, the Board voted unanimously to approve the Financial Report for the period ending July 31, 2016.

13. Operating
Disbursements Report
Approved

The Operating Disbursements Report for the period ending August 31, 2016 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 I.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve the Operating Disbursements Report for the period ending August 31, 2016.

14. Pay Application No. 2
for Water System
Phase 8 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 2 for Water System Phase 8 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 J.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Graf, the Board voted unanimously to approve Pay Application No. 2 for Water System Phase 8 Rehabilitation for CES Utilities, Inc. for \$41,784.30.

15. Pay Application No. 3 &
Final for Elevated
Storage Tank No. 2
Approved

Mr. Rosenbaum presented Pay Application No. 3 & Final for Elevated Storage Tank No. 2 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 K.)

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 Elevated Storage Tank No. 2 for A&M Construction & Utilities, Inc. for \$23,840.00.

16. Change Order No. 1 for
Sanitary Sewer Phase
62 Rehabilitation
Approved

Mr. Rosenbaum presented Change Order No. 1 for Sanitary Sewer Phase 62 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 L.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Change Order No. 1 for Sanitary Sewer Phase 62 Rehabilitation for T Construction, Inc. for \$7,500.

17. Pay Application No. 7 &
Final for Sanitary
Sewer Phase 62
Rehabilitation
Approved

Mr. Rosenbaum presented bids for Pay Application No. 7 & Final 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 Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 7 & Final for Sanitary Sewer Phase 62 Rehabilitation for T Construction, Inc. for \$37,216.00.

18. Pay Application No. 3
for Exploration Green
Detention Pond Phase
1B
Approved

Mr. Rosenbaum presented bids for Pay Application No. 3 for Exploration Green Detention Pond Phase 1B 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 Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 for Exploration Green Detention Pond Phase 1B for Lecon, Inc. for \$291,006.36.

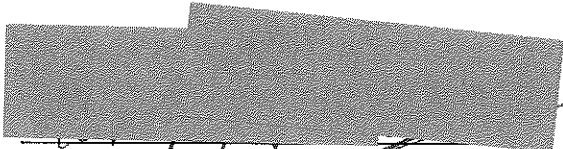
19. Pay Application No. 3 & Final for Storm Sewer Phase 28 TV Inspection Approved
- Mr. Rosenbaum presented bids for Pay Application No. 3 & Final for Storm Sewer Phase 28 TV Inspection for the Board's review and approval. (A copy of which is on file in the official records of the Authority and identified as Exhibit O.)
- Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 & Final for Storm Sewer Phase 28 TV Inspection for Magna Flow Environmental for \$27,228.01.
20. Engineers 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 P.)
21. 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 Q.)
- Thereupon, by motion duly made by Director Johnson and seconded by Director Graf, the Board voted unanimously to approve the Capital Projects Report in the amount of \$561,928.51.
22. Attorney's Report
- There was a discussion regarding the SOAH Hearing. Mr. Branch joined the discussion and reported the change in BOD sampling is to be done monthly.
- Mr. Tim Green discussed amending the standard Construction Contracts.
23. Investment Summary Approved
- The Investment Summary for the period ending July 31, 2016 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 R.)
- Thereupon, by motion duly made by Director Johnson and seconded by Director Graf, the Board voted unanimously to approve the Investment Summary for the period ending July 31, 2016.
24. General Manager's Report Approved
- Ms. Morrow discussed a memo sent by Julianne Kugle and proposed Newsletter regarding the November Bond Election to be sent. The Newsletter will need to be final by October 1, 2016 to allow for time to print and mail.
- Ms. Morrow discussed South Taylor Lake Village. Director Graf and Director Johnson will review as a committee.
- Ms. Morrow discussed with Bill Rosenbaum a zinc & copper violation. There are different short term and long term treatment options.
- Ms. Morrow reported on a meeting with the Harris County Flood Control District. The grass for Exploration Green Detention Pond Phase 1A is growing with 20% coverage. The contractor needs to reseed toward the end of October and add a wildflower mix. The cost has yet to be determined.
- Ms. Morrow discussed a meeting with the SEWPP regarding True-ups. The Co-Participants are protesting the 2017 Budget.
25. Old and New Business
- Mr. Savely discussed rewarding employees for exceptional work.
- Mr. Graf discussed the Tiger's Den situation.

26. Meeting Adjourned

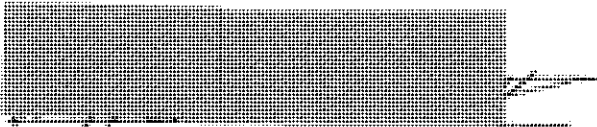
President Branch declared the regular open meeting suspended at 9:35 pm.

After a brief recess an Executive Session was held from 9:40 pm to 10:12 pm to consult with the Authority's attorneys regarding legal matters.

After Executive session the open meeting was reconvened at 10:12 and adjourned at 10.14 pm.



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: 10/13/16