



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

CLEAR LAKE CITY WATER AUTHORITY

February 6, 2026,

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 at 7:00 p.m. on February 12, 2026, in Regular Session open to the public at 900 Bay Area Boulevard within such Authority, such location being the location where a quorum of the Board will be physically present, and by:

Video conference call at: <https://meet.goto.com/702473085>

Phone conference call at: +1 (408) 650-3123 Access Code:702-473-085

Video conference attendance is authorized by Section 551.127, Texas Government Code. At the meeting the following items will be considered and acted on:

1. Approve or correct the minutes of the January 15, 2026, Regular Board Meeting;
2. Comments from the floor (5-minute limitation);
3. Review and act, if necessary, upon report from Garver, Engineering Consultant, on any matters pertaining to CLCWA WWTP Expansion;
4. Consider and act upon approving the Robert T. Savely Water Reclamation Facility Headworks Engineering oversight proposal;
5. Consider and act upon approving a Drainage Study of the Clear Lake City Water Authority's District, for flood mitigation;
6. Consider and act upon variance request for 16390 Diana Lane, Clear Lake United Methodist Church;
7. Consider and act upon First Amendment to the Water Service Agreement with Harris County Water Control and Improvement District No. 50;
8. Consider and act upon Resolution Evidencing Review of Investment Policy and Investment Strategies;
9. Consider and act upon Resolution Regarding 2026 Ad Valorem Tax Exemptions;
10. Consider and act upon Resolution Implementing a 20% Penalty on 2025 Delinquent Taxes;
11. Consider and act upon adding Samilla Laws as an authorized signer on all CLCWA bank accounts at Texpool, Stellar, and Prosperity banks;
12. Receive Tax Collector Report ending January 30, 2026;

13. Receive Financial Report ending December 31, 2025;
14. Consider and act upon the Operating Disbursement's Report ending January 30, 2026;
15. Review and approve Pay Application 3 for Lift Station No. 5 Flood Mitigation Improvements;
16. Review and approve Pay Application 3 for Elevated Storage Tank No. 4 Recoating;
17. Review and approve Pay Application 3 for Water Plant No. 2 Ground Storage Tank No. 2 Rehabilitation and Recoating;
18. Review and approve Pay Application 2 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement;
19. Review and approve Pay Application 2 for Water Plant No. 3 Rehabilitation Phase 1;
20. Review and act, if necessary, 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, if necessary, the Attorney's Report;
23. Receive and act upon the Investment Summary ending December 31, 2025;
24. Receive and act upon, if necessary, the Exploration Green Conservancy report;
25. Receive and act upon, if necessary, the General Manager's Report;
26. Old and New Business;
27. Consider and act upon adjourning the meeting.

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. The Board may, if it deems necessary, designate certain directors as "Acting President" or "Acting Secretary" in the absence of necessary officers.

Jennifer Morrow
General Manager
Clear Lake City Water Authority
(SEAL)



CLEAR LAKE CITY WATER AUTHORITY

Board of Directors'
Regular Meeting Minutes
February 12, 2026

Regular Meeting

The Board of Directors ("Board") of the Clear Lake City Water Authority ("CLCWA") convened in Regular Session open to the public at 7:00 p.m. (CDT), on Thursday, February 12, 2026, at 900 Bay Area Blvd., such location being the location where a quorum of the Board was physically present and by video conference call at:

Video conference call at: <https://global.gotomeeting.com/join/702473085>
Phone conference call at +1(408) 650-3123 Access Code: 702-473-085

Video Conference attendance was authorized by Section 551.127, Texas Government Code.

Roll Call

Roll was called of the members:

Mr. W. Thomas Morrow, President;
Mr. Robert T. Savely, Vice-President;
Ms. Anthea Guest, Secretary;
Mr. Brady Pyle, Director;

Mr. John Graf, Director, (by video conference);

Also present were:

Ms. Jennifer Morrow, General Manager;
Mr. Alex Salgado, Utility Operations Engineer;
Mr. Samuel Johnson, Attorney, Coats Rose, (by video conference);
Mr. Eddie Streich, Engineer, LAN;
Mr. Wade Parks, Engineer, Garver;
Mr. Larry Dunbar, Hydrologist, Lawrence G. Dunbar, P.E;
Mr. David Wood, Financial Advisor, Baird;
Mr. Dean McGee, Finance Director;
Ms. JoJo Finkeldei, HR Manager;
Ms. Yazmin Garay, Tax Assessor Collector;
Ms. Diana Espinoza, Senior Accountant, (by video conference);
Ms. Heather Frank, Recording Secretary.

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

1. Minutes of
January 15, 2026,
Regular Meeting
Approved

Reading of the minutes of the January 15, 2026, Regular Board Meeting was waived because all Directors had received copies before the meeting. (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 Guest, the Board voted unanimously to approve the minutes of the January 15, 2026, Regular Board Meeting.

2. Comments from
the Floor

No comments from the floor.

3. Report from Garver, Engineering Consultant, on any matters pertaining to CLCWA WWTP Expansion

Mr. Wade Parks informed the Board that a preconstruction meeting is scheduled for February 24, 2026, and that it is projected to facilitate the issuance of a Notice to Proceed (NTP) the following week to begin mobilization.

4. Robert T. Savely Water Reclamation Facility Headworks Engineering oversight proposal Approved

Mr. Wade Parks informed the Board that the proposed work order would extend services under the current master service agreement terms and conditions used for the Bidding Phase, to include oversight of the Construction Phase of the Headworks Expansion. (A copy of which is on file in the official records of the Authority and identified as Exhibit C.) Garver would handle submittals, contractor requests/clarifications, progress meetings, and, as needed, on-site oversight to ensure contractors adhere to all contract requirements. A junior observer would be on-site for general operations, and a senior observer would be on-site as needed for critical requirements. Costs were calculated to provide a not-to-exceed cost projection.

Mr. Johnson requested time to review the terms of the work order.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve Work Order for Headworks Expansion Construction Phase Services, contingent on review, incorporation of any comments, and/or no objection by legal counsel.

5. Drainage Study of the Clear Lake City Water Authority's District, for flood mitigation Approved

Mr. Larry Dunbar provided an overview of the Scope of Work for New Drainage Study for CLCWA by P.B. Bedient & Assoc., Inc. (A copy of which is on file in the official records of the Authority and identified as Exhibit D.) The process would include three components: (1) Update H&H Modeling with 2024 LIDAR data that includes Exploration Green's detention, the Meadowgreen (Peermont) Drainage improvements, 2022 HGAC Land cover/Land use data, Atlas 14 rainfall, updated floodplain maps for portions of area bayous within the CLCWA, and develop a HEC-RAS 2D "rain-on-grid" model; (2) Flood models to include updated contour maps with 2024 LIDAR data and current storm sewer infrastructure, to provide area specific conditions/characteristics; (3) Analyzation of obtained data/resources including determining if characteristics specific to various areas within the CLCWA boundary would be better served by detention requirements catered to those specific characteristics, detailed materials for public education, and impacts within the CLCWA's boundaries from surrounding areas.

Mr. Larry Dunbar recommended requesting an additional service from P.B. Bedient & Assoc., Inc., to compare the results of this study with the new Harris County modeling and floodplain predictions to verify their accuracy for our specific area and provide additional understanding.

Mr. Johnson requested time to review and, if necessary, provide comments.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve the New Drainage Study for CLCWA by P.B. Bedient & Assoc., Inc., contingent on review, incorporation of any comments, and/or no objection by legal counsel.

- 6. Consider and act upon variance request for 16390 Diana Lane, Clear Lake United Methodist Church
Approved

Ms. Morrow explained the basic aspect of the variance request for 16390 Diana Lane, Clear Lake United Methodist Church. The project engineer, Brian W. Reed of Talon Engineering, provided documentation requesting a variance. Mr. Dunbar verified the information's validity and provided a "No Objection" letter for the terms of the requested variance, indicating that the proposed development design would not cause any additional flooding.

Thereupon, by motion duly made by Director Pyle and seconded by Director Savely, the Board voted unanimously to approve the variance request for 16390 Diana Lane, Clear Lake United Methodist Church.

- 7. First Amendment to the Water Service Agreement with Harris County Water Control and Improvement District No. 50
Approved

Mr. Samuel Johnson provided an overview of the proposed amendment to the WCID #50's Water Service Agreement, discussed during the October 9, 2025 November 13, 2025, and December 11, 2025, Regular Board meetings, to provide additional capacity to assist in addressing service needs of the area at Kirby Blvd and E NASA Pkwy. (A copy of which is on file in the official records of the Authority and identified as Exhibit E.) WCID #50 requested CLCWA provide capacity sufficient to serve 232 equivalent single-family connections (ESFCs) based on 325 gallons per day (GPD) per ESFC, totaling 75,400 gpd for the entire area, under the existing agreement terms. WCID #50 has requested a modification to the supplied amendment to allow for quarterly payments through December 2026 to reimburse Capital Recovery Expenses.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve the First Amendment to the Water Service Agreement with Harris County Water Control and Improvement District No. 50, with the updated term of a quarterly payment schedule.

- 8. Resolution Evidencing Review of Investment Policy and Investment Strategies
Approved

Mr. Johnson provided an overview of the Resolution Evidencing Review of Investment Policy and Investment Strategies, ADM-165 Investment Policy. (A copy of which is on file in the official records of the Authority and identified as Exhibit F.) The CLCWA maintains an investment policy that complies with the Public Funds Investment Act and outlines, including but not limited to, the types of investments authorized for public funds. Under the act, the CLCWA is required to conduct an annual review of the policy for compliance. The review has been completed; no changes are recommended at this time. The CLCWA policy essentially mirrors what is stipulated under the law, and absent legislative changes to the Public Funds Investment Act, no updates are required.

Thereupon, by motion duly made by Director Savely and seconded by Director Guest, the Board voted unanimously to approve the annual review and the Resolution Evidencing Review, resulting in no changes and the continued use of the current ADM-165 Investment Policy, which meets all requirements.

- 9. Resolution Regarding 2026 Ad Valorem Tax Exemptions Suspended

Mr. Sam Johnson provided an overview of the Resolution Regarding 2026 Ad Valorem Tax Exemptions. (A copy of which is on file in the official records of the Authority and identified as Exhibit G.) Annually, the Authority must consider the optional exemptions that may be offered to taxpayers, including the general homestead exemption, the over-65 homestead exemption, and the disabled homestead exemption. The Homestead Tax Exemptions adopted in 2025 were \$80,000.00 for over-65 persons, \$100,000.00 for disabled persons, and 20% (maximum allowable by law) for general residential. The law requires that any adoptions for the 2026 tax year be finalized well before taxable values are certified.

Mr. David Wood provided an overview of the possible effects of incremental changes to the over-65 and disabled homestead tax exemptions to the Authority and the taxpayer. The CLCWA's current financial standing, property values, future bond needs, and debt service costs were considered. Concerns over the ability of the CLCWA to maintain, update, provide preventive rehabilitation, and operate all essential infrastructure to supply services to our residents while keeping monthly rates for all residents at the lowest possible were discussed.

The Board requested a detailed analysis of historical patterns and projected fluctuations in future revenue and costs to provide a dynamic model to consider increasing exceptions for over-65 persons to \$90,000.00 and for disabled persons to \$120,000.00 before a decision is finalized. The discussion was suspended and will be considered at the March 2026 Regular Board Meeting.

- 10. Resolution Implementing a 20% Penalty on 2025 Delinquent Taxes Approved

The Board next considered the Resolution Implementing a 20% Penalty on 2025 Delinquent Taxes. (A copy of which is on file in the official records of the Authority and identified as Exhibit H.) The tax code allows the imposition of an additional 20% penalty on real property accounts due January 31 that are still delinquent as of July 1 to defray the cost of collections. An annual consideration is required to make the election to implement the 20% penalty for the tax year that is becoming delinquent, now the 2025 tax year.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve the Resolution Implementing a 20% Penalty on 2025 Delinquent Taxes.

- 11. Adding Samilla Laws as an authorized signer on all CLCWA bank accounts at Texpool, Stellar, and Prosperity banks Approved

Ms. Morrow explained that Samilla Laws is in the HR Department and assists with Administration. This will allow for the reorganization and consolidation of responsibilities, with Samilla Laws serving as the task lead for standard financial transactions.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve adding Samilla Laws as an authorized signer on all CLCWA bank accounts at Texpool, Stellar, and Prosperity banks.

- 12. Tax Collector's Report Ending 01/30/2026

The Tax Collector's Report ending January 30, 2026, 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 I.) It was noted that one aspect that could

be affecting the difference between the current Percent Collected and the Same Period last Yr is the amount of property values still in arbitration.

13. Financial Report
Ending
12/31/2025

The Financial Report for the period ending December 31, 2025, was presented to the Board for review. (A copy of which is on file in the official records of the Authority and identified as Exhibit J.) It was noted that the variances reflect the reclassification of capital recovery fees paid for modifications to infrastructure to serve a development project by Texas A&M, funds for stale-dated checks, fee chargebacks with utility operations adjustments, and limited expenses accruing within the seasonal breakdown projections. The payroll expenses variance was influenced by the prefunding of the FSA account, which will be reimbursed from employee contributions, and a sick/vacation accrual payout for a former employee. Revenue may be impacted by possible changes or terminations of Tower Lease Agreements by Dish Network and Verizon.

14. Operating
Disbursements
Report Ending
01/30/2026
Approved

The Operating Disbursements Report for the period ending January 30, 2026, 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 Savely and seconded by Director Pyle, the Board voted unanimously to approve the Operating Disbursements Report for the period ending January 30, 2026.

15. Pay Application 3
for Lift Station No.
5 Flood Mitigation
Improvements
Approved

Pay Application 3 for Lift Station No. 5 Flood Mitigation Improvements 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 L.) It was noted that project completion is projected for the first week in March.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve Pay Application 3 for Lift Station No. 5 Flood Mitigation Improvements to Persons Services Corp for \$329,783.30.

16. Pay Application 3
for Elevated
Storage Tank No.
4 Recoating
Approved

Pay Application 3 for Elevated Storage Tank No. 4 Recoating 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.) It was noted that the contractor has completed the interior painting, is working on the riser pipes, and will then proceed with the exterior work. The original contract timeline should be met.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve Pay Application 3 for Elevated Storage Tank No. 4 Recoating to D&M Tank, LLC, for \$84,165.30.

17. Pay Application 3
for Water Plant
No. 2 Ground
Storage Tank No.
2 Rehabilitation
and Recoating

Pay Application 3 for Water Plant No. 2 Ground Storage Tank No. 2 Rehabilitation and Recoating 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 N.) It was noted that the roof and blasting are complete, and coating will proceed over the next 4-5 weeks.

- Approved
- Thereupon, by motion duly made by Director Guest and seconded by Director Savely, the Board voted unanimously to approve Pay Application 3 for Water Plant No. 2 Ground Storage Tank No. 2 Rehabilitation and Recoating to D&M Tank, LLC, for \$95,197.50.
18. Pay Application 2 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement
Approved
- Pay Application 2 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement 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.) It was noted that the project is projected to be complete in 3 weeks. A&M will tie in their gravity line upstream at a manhole outside the plant perimeter fence line.
- Thereupon, by motion duly made by Director Pyle and seconded by Director Savely, the Board voted unanimously to approve Pay Application 2 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement to Vera Industries, LLC, for \$435,289.28.
19. Pay Application 2 for Water Plant No. 3 Rehabilitation Phase 1
Approved
- Pay Application 2 for Water Plant No. 3 Rehabilitation Phase 1 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.) It was noted that the roof is projected to be completed in one week, then blasting and priming will begin.
- Thereupon, by motion duly made by Director Guest and seconded by Director Pyle, the Board voted unanimously to approve Pay Application 2 for Water Plant No. 3 Rehabilitation Phase 1 to M.K. Painting, Inc, for \$287,550.00.
20. Engineer's Report
- For Sanitary Sewer Phase 99 Rehabilitation – Critical locates for existing underground infrastructure are expected to begin over the next two weeks. The timeline to begin work on the new water line is early March. It was noted that another project in this area, to replace storm sewer manhole covers, will not impact this project.
- Lift Station No. 4 Parallel Force Main – The guard rails have been replaced, and the hatches are scheduled for installation in one week. Appropriate site restoration will be verified before the contract is closed out.
- The EPA inspected the wastewater treatment plant in connection with the CLCWA Risk Management Plan; no items were reported as needing correction.
- Director Savely inquired about the updates to the water model for the 24" water line along Space Center Boulevard. The model is being updated to reflect proposed demands from the Texas A&M University Space Collaboration Facility, proposed development within the JSC property, and a possible extension to Elevated Storage Tank #2. It was noted that once the additional line is complete, work to replace stuck valves on the existing line will be done.
21. Capital Projects Disbursement Report
- 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.)

Approved

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to accept and approve the updated Capital Project Report in the amount of \$1,977,275.54.

22. Attorney's Report

Mr. Johnson informed the Board that he is awaiting clarification from the attorney for Dish Wireless regarding delinquent payments and the letter received from Dish Wireless to CLCWA.

23. Investment
Summary Ending
December 31,
2025
Approved

The Investment Summary for the period ending December 31, 2025, 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 R.)

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve the Investment Summary for the period ending December 31, 2025.

24. Exploration Green
Conservancy
Report

Director Guest informed the Board of the topics discussed at the Exploration Green Conservancy (EGC) Meeting. The EGC continues to focus on obtaining data analytics from RICE to facilitate the management of components of the Strategic Plan, establishing set duties, fundraising, and obtaining grants. The audit is complete and is clean. Positive feedback was received on the \$100 Environmental Excellence Award to the top CCISD Science Fair participant and a wetlands internship project with Texas A&M and the High school.

25. General
Manager's
Report

Ms. Morrow highlighted the following matters with the Board:

The CLCWA did not sustain any damage from the January 2026 freeze. It was noted that, as a precaution, after the fish kill event during the previous freeze, the ponds at Exploration Green were filled ahead of this predicted freeze to mitigate the potential impact.

The tie-in work for Texas A&M behind Water Plant #1(WP#1) is being finalized.

Questions from Board members included the following discussions.

At the recent quarterly meeting for the Southeast Water Purification Plant, the plant's Resiliency Report was reviewed, including future options for increased security measures and overall resilience.

Hydro-excavation was used to verify the locations of existing water mains and pipeline crossings to protect existing underground infrastructure on the 2 acres behind WP#1 prior to Texas A&M completing the water line and tie-in.

After the repair/replacement of 19 hydrants to correct issues found during the recent survey, 4 hydrants are currently out of service. 2 of the 4 were damaged by vehicles; the CLCWA endeavors to file claims to be reimbursed for the costs of repairs/replacements that are the result of vehicle damage when the party responsible can be identified. The replacement of the damaged hydrant at 2010 El Dorado was postponed

due to malfunctioning isolation valves, which were replaced on February 12, 2026.

26. Old and New Business

Director Pyle inquired about the status of the report received from a resident stating that trees on his property, adjacent to a CLCWA manhole and sewer pipes, located within an easement running through the front section of his property, could be causing damage to the CLCWA infrastructure. Additional review was considered, and the matter was addressed.

A Board Committee review of the Emergency Response Plan, certification due by June 30, 2026, will be conducted before submittal to allow for possible feedback.

The March Regular Board meeting will be scheduled for March 19, 2026, to ensure a quorum.

Director Savely recommended reviewing recent news articles and Federal Emergency Management Agency Bulletins on changes to floodplain reporting and management.

27. Meeting Adjourned

President Morrow declared the open meeting adjourned at 8:55 p.m.

[Redacted signature]

President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

[Redacted signature]

Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

DATE APPROVED: 3/19/2026

(SEAL)

