



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

CLEAR LAKE CITY WATER AUTHORITY

March 12, 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 March 19, 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/587309389>

Phone conference call at: +1 (408) 650-3123 Access Code: 587-309-389

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 February 12, 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 Resolution Regarding 2026 Ad Valorem Tax Exemptions;
5. Consider and act upon renewal of the CLCWA Employee Benefits Insurance Plan;
6. Water, sewer, and drainage services for 16390 Diana Lane, Clear Lake United Methodist Church;
7. Consider and act upon variance request for 700 E Medical Center Blvd, All American Orthopedic;
8. Consider and act upon variance request for 1904 El Dorado Blvd, Mavis Tires & Brakes;
9. Ratify the Establishment of Polling Places for the May 2, 2026 Directors Election;
10. Consider and act upon Termination of Lease Agreements with Dish Wireless, LLC (Site Nos. HOHOU00498A and HOHOU00490A);
11. Receive Tax Collector Report ending February 28, 2026;
12. Consider and act upon the approval to close TexPool Account for Series 2017A \$13,800,000 Bond Sale;
13. Receive Financial Report ending January 30, 2026;

14. Consider and act upon the Operating Disbursement's Report ending February 28, 2026;
15. Review and approve Pay Application 4 for Lift Station No. 5 Flood Mitigation Improvements;
16. Review and approve Pay Application 2 & Final for Lift Station No. 15 Rehabilitation;
17. Review and approve Pay Application 4 for Elevated Storage Tank No. 4 Recoating;
18. Review and approve Pay Application 4 for Water Plant No. 2 Ground Storage Tank No. 2 Rehabilitation and Recoating;
19. Review and approve Pay Application 3 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement;
20. Review and approve Pay Application 3 for Water Plant No. 3 Rehabilitation Phase 1;
21. Review and act, if necessary, upon the Engineer's Report and any matters pertaining to construction contracts;
22. Consider and act upon approval of the Capital Projects Disbursements;
23. Receive and act upon, if necessary, the Attorney's Report;
24. Receive and act upon the Investment Summary ending January 30, 2026;
25. Receive and act upon, if necessary, the Exploration Green Conservancy report;
26. Receive and act upon, if necessary, the General Manager's Report;
27. Old and New Business;
28. 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
March 19, 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, March 19, 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/587309389>
Phone conference call at +1(408) 650-3123 Access Code: 587-309-389

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, (by video conference);
Mr. David Wood, Financial Advisor, Baird;
Ms. Valerie Nystrom, Client Manager, Gallagher (by video conference);
Mr. Larry Dunbar, Hydrologist, Lawrence G. Dunbar, P.E, (by video conference);
Mr. Dean McGee, Finance Director;
Ms. JoJo Finkeldei, HR Manager;
Ms. Samilla Laws, HR Assistant;
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 February 12, 2026, Regular Meeting Approved

Reading of the minutes of the February 12, 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**.) A correction was needed to update the director roles: Anthea Guest is Secretary, and John Graf is Director.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve the minutes of the

February 12, 2026, Regular Board Meeting, predicated on the correction of the director roles.

2. Comments from the Floor

President Morrow introduced Mr. Scott Bowen, candidate for HD 129 running for State Representative. Mr. Bowen thanked the Board members and staff for the tour of Exploration Green and for information on its history and benefits to the local community, and he expressed his intention to be a resource to serve the community.

Returned to Agenda Item 2 after Agenda Item 5

Ms. Smith, a resident of Taylor Lake Village, expressed her frustration regarding the redevelopment project at 1111 Kirby Dr for Living Word Church. After attending and speaking at the most recent Taylor Lake Village City Council Meeting regarding the amount of water flowing toward the adjacent homes and the use of excavated dirt to build up sections of the property, Ms. Smith stated she was informed that meetings had been held and documentation provided to follow established procedures in the redevelopment process with the CLCWA and the site had obtained proper approvals. Ms. Smith brought the documentation she had provided to the city council to the CLCWA Board. (A copy of which is on file in the official records of the Authority and identified as Exhibit C.) She then inquired about which meetings were being referred to, as she had endeavored to attend each CLCWA Board meeting that included this project on the agenda. President Morrow informed Ms. Smith that committee meetings had been held to verify, by our engineering and hydrologist consultants, the validity and design aspects that had been submitted to the CLCWA and provide comments/concerns for any issues/required modifications to adhere to CLCWA policy to ensure the information provided at each Board meeting was accurate.

Returned to Agenda Item 6

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

Mr. Wade Parks informed the Board that the Notice to Proceed (NTP) has been issued, and project details will be provided as the process progresses.

4. Resolution Regarding 2026 Ad Valorem Tax Exemptions Approved

The Board continued the consideration of the Resolution Regarding 2026 Ad Valorem Tax Exemptions from the February 12, 2026, Regular Board Meeting. (A copy of which is on file in the official records of the Authority and identified as Exhibit D.) Mr. David Wood provided an overview of the additional analyses, requested by the Board at the February 12, 2026, Regular Board Meeting, including a bond proforma. Considering the range of negative to positive taxable value changes over the last four tax years, the remainder of the current voted authorization of bond funds covering needed project costs only to 2029, possible delays or higher interest rates on future bond needs, and available value on the tax role, it was recommended to keep the exemptions the same as adopted in 2025. It was noted that the CLCWA's current optional exemptions are

approximately twice the average of 400 entities known to the financial advisor.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve the Resolution Regarding 2026 Ad Valorem Tax Exemptions in the amount of \$80,000.00 for over-65 persons and \$100,000.00 for disabled persons and 20% general residential homestead exemption.

- 5. Renewal of the
CLCWA Employee
Benefits Insurance
Plan
Approved

Ms. Nystrom informed the Board that inquiries were made into traditional and non-traditional plan providers. No other providers offered services and benefits comparable to the proposed cost, as under CLCWA's current provider. The current provider continues to offer high-quality benefits at competitive prices, even amid an increasing loss ratio and rising health care costs. It was noted that the current medical plan is grandfathered and that if it is not renewed, the value provided would not be available moving forward. The current plan provides an incentive to attract and retain valuable employees. Director Graf noted that Valerie Nystrom, Gallagher, and the benefits committee conducted proper due diligence when considering all alternatives. However, bills and costs are high, and the current provider has been providing services at a loss due to the gap between claim values and deductibles and premiums paid, limiting negotiation flexibility. The CLCWA would absorb the majority of the cost for its employees in its current 97% share, grateful for this option that will continue to protect all employees. In the future, the cadence of renewals and research for beneficial options will broaden, as major changes in a short time can be reckless. One option implemented last year that has received positive feedback is the launch of the employee-funded flexible spending account, which should assist with the rising cost of health care. Renewing the current medical plan at the 22.3% increase, with the current set percentage cost share of 97% for CLCWA and 3% for Employee, was recommended.

Thereupon, by motion duly made by Director Savely and seconded by Director Guest, the Board voted unanimously to approve the renewal of the current CLCWA Employee Benefits Insurance Plan with BCBS.

Returned to Agenda Item 2

- 6. Water, sewer, and
drainage services
for 16390 Diana
Lane, Clear Lake
United Methodist
Church
Approved

Ms. Morrow presented to the Board that a water, sewer, and drainage service request from Clear Lake United Methodist Church at 16390 Diana Lane has been received and that the required staff and consultant reviews have been acceptably completed. Provided documentation is included in the packet. (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 Savely and seconded by Director Pyle, the Board voted unanimously to approve Water, sewer, and drainage service to Clear Lake United Methodist Church at 16390 Diana Lane.

- 7. Consider and act
upon variance
request for 700 E

Mr. Larry Dunbar provided an overview of the variance request for 700 E Medical Center Blvd, All American Orthopedic. The Sr. Project Manager, Vinay Goel of HR Green, provided documentation for a variance request.

Medical Center
Blvd, All American
Orthopedic
Approved

Mr. Dunbar verified the information's validity and provided a "No Objection" letter for the terms of the requested variance. Mr. Goel commented that the project has received approval from Harris County Flood Control, that the detention pond will detain up to a 500-yr event, and that an overflow weir will direct a portion of the water flow off the property to the Cow Bayou channel, limiting use of the storm sewer system.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve the variance request for 700 E Medical Center Blvd, All American Orthopedic.

8. Consider and act
upon variance
request for 1904
El Dorado Blvd,
Mavis Tires &
Brakes
Deferred

Deferred

9. Ratify the
Establishment of
Polling Places for
the May 2, 2026
Directors Election
Approved

President Morrow explained that the resolution needed to be ratified due to the unavailability of the polling location originally indicated for the Clear Lake Forest Precinct; the location was changed to G.W. Robinson Elementary School at 451 Kirby Road, Seabrook, Texas 77586. (A copy of which is on file in the official records of the Authority and identified as Exhibit F.) Due to the deadline of March 3, 2026, to submit the Election Notice to the State, there was not sufficient time to hold a Board Meeting before the submission. It was noted that notifications will be posted at each previous location on Election Day and mailed to residents at the beginning of April.

Thereupon, by motion duly made by Director Savely and seconded by Director Pyle, the Board voted unanimously to approve the ratification of the Established Polling Places for the May 2, 2026, Directors Election.

10. Termination of
Lease
Agreements with
Dish Wireless,
LLC (Site Nos.
HOHOU00498A
and
HOHOU00490A)
Approved

Discussion was deferred to an Executive Session at the end of the current Board Meeting for an attorney-client privileged consultation regarding potential litigation.

Returned after Executive Session.

Having received attorney-client privileged legal advice associated with this request in Executive Session, the following motion was made: Motion to approve termination of the contract leases with DISH Wireless LLC. Authorize Sam Johnson, CLCWA legal counsel, to provide notice to require equipment removal in 30 days, or we may remove, bill for associated costs, and any other damages.

Thereupon, by motion duly made by Director Pyle and seconded by Director Savely, the Board voted unanimously to approve the termination of Lease Agreements with Dish Wireless, LLC (Site Nos. HOHOU00498A and HOHOU00490A).

Return to Agenda Item 28.

11. Tax Collector's Report Ending 02/28/2026
- The Tax Collector's Report ending February 28, 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 G.) Ms. Garay explained that the WCID #75 report shows the collection of a balance owed from 2015 that had been deferred, and that the property's recent sale facilitated payment of the amount owed. The CLCWA report shows a 1.74% difference in collected amounts between 2025 and the current year, which will be affected by changes to the adjusted tax roll, including the removal of solar power exemptions.
12. Close TexPool Account for Series 2017A \$13,800,000 Bond Sale Approved
- Projects under the Series 2017A \$13.8M Bond Sale have been completed, and all funds have been distributed. It was noted that the focus on using such funds to provide appropriate preventive maintenance to protect CLCWA infrastructure from costly emergency repairs, with planned maintenance averaging 1/3 the cost of emergency repairs, is an appreciated value and appropriate stewardship of our taxpayers' funds.
- Thereupon, by motion duly made by Director Guest and seconded by Director Savely, the Board voted unanimously to approve the closure of the TexPool Account for Series 2017A \$13,800,000 Bond Sale.
13. Financial Report Ending 01/30/2026
- The Financial Report for the period ending January 30, 2026, 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 H.) It was noted that the positive revenue variance is calculated using the monthly average of the conservative annual budget and will be affected by actual revenue and costs as the fiscal year progresses.
14. Operating Disbursements Report Ending 02/28/2026 Approved
- The Operating Disbursements Report for the period ending February 28, 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 I.)
- 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 February 28, 2026.
15. Pay Application 4 for Lift Station No. 5 Flood Mitigation Improvements Approved
- Pay Application 4 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 J.) It was noted that the project is substantially complete, pending electrical service, as CenterPoint is changing out the transformer serving this location to provide the required 480V service.
- Thereupon, by motion duly made by Director Guest and seconded by Director Pyle, the Board voted unanimously to approve Pay Application 4 for Lift Station No. 5 Flood Mitigation Improvements to Persons Services Corp for \$375,210.01.
16. Pay Application 2 & Final for Lift Station No. 15
- Pay Application 2 & Final for Lift Station No. 15 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 K.) It was

Rehabilitation
Approved

noted that the 1-year warranty period has started, and an inspection will be carried out in 10 months.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve Pay Application 2 & Final for Lift Station No. 15 Rehabilitation to Pioneer Construction Services, LLC, for \$25,800.00.

17. Pay Application 4
for Elevated
Storage Tank No.
4 Recoating
Approved

Pay Application 4 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 L.) It was noted that 85% of the exterior work is complete with a topcoat remaining, work on the riser pipes will begin in the following week, and the contractor is owed days for weather and additional work. The change order was needed to replace roof rafters after sandblasting revealed hidden structural damage on three.

With direction from the Board, all projects are evaluated to include possible supplemental items in the original bid, to provide reference and pricing under bid pressure for possible change orders.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve Pay Application 4 for Elevated Storage Tank No. 4 Recoating to D&M Tank, LLC, for \$74,731.95.

18. Pay Application 4
for Water Plant
No. 2 Ground
Storage Tank No.
2 Rehabilitation
and Recoating
Approved

Pay Application 4 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 M.) It was noted that the majority of the interior and exterior of the tank is painted. Once the piping has been replaced, the painting will be completed.

Thereupon, by motion duly made by Director Guest and seconded by Director Pyle, the Board voted unanimously to approve Pay Application 4 for Water Plant No. 2 Ground Storage Tank No. 2 Rehabilitation and Recoating to D&M Tank, LLC, for \$142,650.00.

19. Pay Application 3
for Robert T.
Savely Water
Reclamation
Facility (WWTP)
24-Inch Sanitary
Sewer
Replacement
Approved

Pay Application 3 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 N.) It was noted that the project is almost complete. Active use was found on a line previously thought to be abandoned during an investigation into possible capping; it was found to tie into a NASA lift station. Inquiries to determine all facilities connected, the type of discharge, and update infrastructure maps will be completed.

Thereupon, by motion duly made by Director Guest and seconded by Director Pyle, the Board voted unanimously to approve Pay Application 3 for Robert T. Savely Water Reclamation Facility (WWTP) 24-Inch Sanitary Sewer Replacement to Vera Industries, LLC, for \$111,153.55.

20. Pay Application 3
for Water Plant
No. 3
Rehabilitation
Phase 1
Approved

Pay Application 3 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 O.) It was noted that the contractor is blasting the interior of the roof and will then move to exterior work. A no-cost change order was issued for this project to remove the interior overflow pipe, as the existing exterior pipe will be used moving forward.

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to approve Pay Application 3 for Water Plant No. 3 Rehabilitation Phase 1 to M.K. Painting, Inc, for \$136,800.00.

21. Engineer's Report

For Sanitary Sewer Phase 99 Rehabilitation – work is underway on the waterline replacement portion of the project.

Lift Station No. 4 Parallel Force Main – Punchlist items from the pre-final inspection are in progress; once complete, site restoration will proceed. It was noted that the old line was left in place and connected to the active infrastructure via valves, to allow for future maintenance or emergency use.

Lift Stations (multiple) – majority are close to completion, with some in pre-final inspection.

Regarding the El Dorado Boulevard Expansion project's unacceptable condition of the storm sewer joints, pipe, seals, and inadequate installation of stabilizing sand, no updates have been provided by Harris County, and visual surface restoration was completed.

22. 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 P.)

Thereupon, by motion duly made by Director Pyle and seconded by Director Guest, the Board voted unanimously to accept and approve the updated Capital Project Report in the amount of \$1,909,749.16.

23. Attorney's Report

Mr. Johnson had nothing to review with the Board.

24. Investment
Summary Ending
January 30, 2026
Approved

The Investment Summary for the period ending January 30, 2026, 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 Q.)

25. Exploration Green
Conservancy
Report

Director Guest informed the Board that the Exploration Green Conservancy (EGC) did not hold a meeting in March.

26. General
Manager's
Report

Ms. Morrow highlighted the following matters with the Board:

Staff is working through the required processes to hold the Election: purchasing equipment and supplies, mailing notices, training personnel,

contracting with consultants, hiring election-day personnel, and arranging on-site election-day equipment and legal support.

Questions from Board members included the following discussions.

The three hydrants that remain out of service have extenuating circumstances delaying repair/replacement, including a valve replacement to isolate the line, Centerpoint providing a stakeout, and WCID 161 approval to proceed.

NRG has verified that all generators can be returned to automatic transfer mode, as the energy fluctuations that endangered the equipment have been resolved.

27. Old and New Business

The Board members had nothing additional to review.

Open Session Recessed at 8:51 p.m.

Executive Session

An Executive Session was held from 8:52 p.m. to 9:18 p.m. to provide attorney-client privileged legal advice and consult with the attorney regarding pending or potential litigation on Agenda Item 10. The video conference recording was paused for the duration of the session and reactivated prior to the closing of the Board Meeting.

Open Session Resumed at 9:19 p.m.

Returned to Agenda Item 10

28. Meeting Adjourned

President Morrow declared the open meeting adjourned at 9:20 p.m.

[Redacted signature]

President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

[Redacted signature]

Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: April 9, 2026