



CLEAR LAKE CITY WATER AUTHORITY

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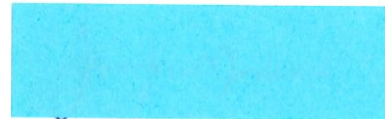
May 10, 2019

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 Special Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on May 15, 2019 for the following purposes:

1. Consider and act upon potential annexation and provision of water, sewer and drainage service to future development in South Taylor Lake Village Water Supply Corporation.

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'
Special Meeting Minutes
May 15, 2019

Special Meeting The Board of Directors of the Clear Lake City Water Authority ("Authority") convened in Special Session open to the public at the regular meeting place at its office inside the Authority at 6:58 p.m. on May 15, 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. Tim Green, Attorney;
Mr. Samuel Johnson, Attorney;
Mr. Eddie Streich, Engineer;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper;
Ms. Nikki Andrus, Recording Secretary.

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

1. Annexation and Provision of Water, Sewer and Drainage Service to Future Development in South Taylor Lake Village Water Supply Corporation

President Branch asked the Committee to give an update on the discussions with Developer, Mr. Tim Leppard, who is proposing a new development in the South Taylor Lake Village Water Supply Corporation (STLVWSC).

Director Morrow discussed the proposed development and informed the Board and staff of what the developer would like to add to the area. He stated Mr. Leppard would like to build 60, 3 bed, 3 bath homes; 36, 2 bed, 2 bath lofts; 17, 2 bed, 2 bath townhomes and some commercial space as well. By adding this new development, it would increase the water usage and sewer intake. Mr. Leppard has stated he will upgrade the current system the STLVWSC is currently using so it complies with the TCEQ and CLCWA standards. Mr. Leppard has also stated he will contribute towards cost to upgrade Lift Station #4. Mr. Leppard stated he would like to start with the engineering within 30 days and begin construction in August 2019.

The Authority would need to annex the STLVWSC after their current system is upgraded to the TCEQ and CLCWA standards to be able to serve the current customers.

Attorney Samuel Johnson gave information on annexation stating that the STLVWSC would need 100% of its lienholders, in favor of the annexation, to sign a petition agreeing to the annexation, or the Authority would need to hold an election for all eligible voters to vote yes or no on the annexation of the STLVWSC into the Authority. If all petition requirements are met, including receipt of the consent of all lienholders and tenants, then the Board can vote in favor to annex.

Mr. Leppard has agreed to upgrade the current system to Authority standards and work with LAN on all new development to make sure the infrastructure complies with the Authority policies and standards.

Director Savely voiced his concern with possible flooding that may occur in the STLWWSA because of the issues in the past with it being in such a low-lying area. He is concerned about the water and sewer lines and asked what the developer would do to help prevent flooding.

Mr. Leppard would have to meet with the County and City requirements. Eddie Streich suggested the Authority hydrologist, Larry Dunbar, would need to review the plans for drainage and detention. Detention must meet the Authority standards.

Mayor Keeney added there will be wide private canals that will be dredged out. The property will be raised 8 ½ feet and new development to have a 19-foot elevation.

Mr. Leppard said he has plans and will drop off a couple copies for Mr. Dunbar and LAN to review. He would like to move quickly on this to keep his schedule.

Mayor Keeney voiced his concern on the Authority's intentions to annex the STLWWSA. He stated in the past the Authority has shown little interest in annexation and he would like to know why we are so willing to move forward with it now. The Board noted that this is the first time a developer has presented a viable plan to bring the system up to CLCWA's standards and not just take it over "as-is".

In the past, there were no developers interested in the land and the current facilities are not up to the Authority standards.

Mr. Samuel Johnson stated that currently there is an alternative collection system in place that has satisfied the TCEQ to serve the 17 homes. The developer would take out the current system and replace with an upgraded system to the Authority standards.

Mr. Leppard asked about reimbursement for developer expenses through a 380 or Tax Increment Reinvestment Zone (TIRZ). Mr. Green stated the Authority is not eligible to participate in a 380 but could look at a TIRZ as an option.

Director Savely asked if they had considered a MUD district. Mr. Leppard had been talking with WCID 50 for them to possibly annex and take over. He stopped pursuing that possibility when the Authority became involved with the possible annexation.

Mr. Leppard would like an agreement from the Authority for intent to annex. Director Morrow discussed the details of a letter and agreement of intent to annex. The committee will continue to work with the developer on the agreement.

A resident of the STLWWSA asked about the cost difference for the residents if the developer would choose WCID 50 or the CLCWA. There is not much difference with the cost.

Mr. Mario Runco with WCID 50 stated they have had an intent to annex the STLWWSA for the past 10 years. They had been working with John Ellor on an agreement to annex. Mr. Ellor then decided to approach the Authority for possible annexation.

Mayor Keeney stated the STLWWSA has been wanting annexation for many years. He wants the residents to have permanent-reliable services and to be served by a professional water supply company.

Director Morrow would like a letter of intent to annex drafted quickly to keep moving forward. It is in everyone's best interest to continue to work together and make a decision in the near future.

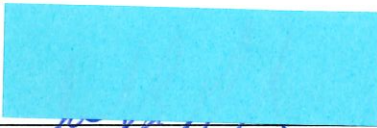
Director Savely asked about the value of the proposed development. Mr. Leppard stated it is an estimated \$51-53 million.

Director Morrow motioned to have the Authority staff, attorney and engineer proceed to create a memorandum of understanding regarding the annexation and development of the property and include a list of responsibilities and requirements.


Thereupon, by motion duly made by Director Morrow and seconded by Director Graf, the Board voted unanimously to approve to proceed with a memorandum of understanding regarding the annexation and development of the property.

2. Meeting Adjourned

President Branch declared the special meeting adjourned at 8:48 p.m.



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: 6-20-19