

NEWSLETTER

CLEAR LAKE CITY WATER AUTHORITY

October 2016

www.clcwa.org

24 Hour Phone Number 281-488-1164

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The Clear Lake City Water Authority (CLCWA) was created May 6, 1963, to provide, operate, and maintain a potable water supply, water storage and distribution system, sanitary sewer collection and conveyance system, wastewater treatment plant, and storm water system. To accomplish this, CLCWA installs, repairs, upgrades, and maintains this sizeable system and numerous facilities within its approximately 15,837 acres.

The CLCWA Board of Directors, at its regular meeting on July 14, 2016, called for an \$88 million bond election to be held on Tuesday, November 8, 2016. The bond issue proposes to fund current and future requirements over the next 7 years for facility inspections, construction, rehabilitation, improvement and enhancement of the CLCWA utility system infrastructure and to comply with state and federal mandated regulations.

The \$88 million includes estimated costs for the following:

- \$13.9 million for water line rehabilitation and replacements including a nearly 50 year old 20" water main that serves parts of Camino South and Meadowgreen, water tank recoatings, a large generator replacement, and a joint venture with the City of Houston and other co-participants of the Southeast Water Treatment Plant to replace a water supply main on Hwy. 3;
- \$16.8 million for wastewater rehabilitation and replacement including numerous lift station rehabilitations and upgrades, TV inspections and rehabilitation of the sanitary sewer lines, and a zinc and copper treatment system to meet state and federal mandated regulations;
- \$33.3 million for rehabilitation and TV inspections of the storm sewer system, detention facility expansions and construction for flood control purposes, and expansion of the reuse water system;
- \$24 million for engineering, construction contingency, and fees.

Future state or federal mandates or significant inflation can alter the projections through 2023. The scope of the CLCWA system includes groundwater production and storage facilities, potable water supply lines, sanitary sewers, wastewater treatment facilities, storm sewers, and a joint ownership in the Southeast Water Purification Plant.

ELECTION DAY NOVEMBER 8, 2016

In the late 1990's the CLCWA began a program to evaluate and determine the useful life of the various elements of its infrastructure. The intent was to begin an annual capital improvement program which would ensure that the existing infrastructure is inspected, repaired, replaced, enhanced, or expanded in order to maintain a first class system and to spread those costs over the long term. Since that time, new federal regulations (GASB 34) further require the CLCWA to maintain at least 75% of the system to have a minimum expected remaining life of at least 20 years at all times. The current engineering study used as the basis for this bond election is effective through the year 2023 and can be viewed on our website www.clcwa.org.

The bonds would be sold in staggered amounts over the next 7 years as needed. The last bond approval was in 2009 for \$58 million and was expended at an average rate of \$8.4 million per year. It is anticipated that the capital improvements would continue in the same range subject to inflation and changes in the state regulatory requirements. The CLCWA financial consultants have advised that the proposed \$88 million bond authorization is not projected to cause an increase to the current CLCWA tax rate for debt retirement of \$0.22 per \$100.00 property valuation over the next 7 years. The debt retirement tax rate was reduced from \$0.26 in 2002 to \$0.23 in 2006, and then to \$0.22 in 2015. Our continued low tax rates are a result of retirement of older bonds, sound financial management, and a change in policy where construction of infrastructure in new developments is no longer reimbursed to developers. The historically high financial ratings of the CLCWA and resulting low interest rates have combined to provide a favorable bond funding market. A comparison of the CLCWA tax rate to other water districts in the area can be found at www.clcwa.org. In addition, CLCWA's low water and sewer rates in comparison to other entities in the area can be found at www.clcwa.org.

A Note on Refunding Bonds

The CLCWA is also proposing to authorize \$132 million in Refunding Bonds. Refunding Bonds are only issued to refund outstanding debt originally issued at a higher interest rate. Taking advantage of lower interest rates helps reduce bond debt and ultimately lowers overall costs to the taxpayers.

The alternative to the proposed bond authorization is revenue bonds, which would be secured by a pledge of revenues from the water and sewer systems, after payment of all maintenance and operational expenses. Undertaking additional projects secured by these revenues could require increases to the CLCWA water and sewer rates.

Voting Information

CLCWA has contracted with Harris County for this joint election. Please note this is a change from previous elections and there will be no early or Election Day voting at CLCWA offices or traditional CLCWA precincts. CLCWA's Bond Election proposition will appear on the county ballot. Voter identification is required in Harris County and a list of accepted documents is available at www.harrisvotes.com.

Early Voting: Harris County's registered voters may choose to vote prior to Election Day during the early voting period at any one of the Harris County early voting sites. The Freeman Branch Library located at 16616 Diana Lane, Houston, 77062 is one of the early voting locations. To find a list of additional voting locations or additional information please see: www.harrisvotes.com.

October 24 - October 28: 8:00 a.m. - 6:00 p.m.
October 29: 7:00 a.m. - 7:00 p.m.
October 30: 1:00 p.m. - 6:00 p.m.
October 31 - November 4: 7:00 a.m. - 7:00 p.m.

Voting by Mail, Military, and Overseas: Please see www.harrisvotes.com for more information.

Election Day: On November 8, 2016 the polls will be open from 7:00 a.m. until 7:00 p.m. This is a joint election with Harris County so you will vote at your assigned poll location. Please see www.harrisvotes.com for more information.

Additional information on CLCWA's Bond Election, or other CLCWA information can be found on our website at www.clcwa.org.

What has CLCWA been doing to serve you better over the last 5 years?

Sanitary and Storm Sewer Rehabilitation

In 2014 CLCWA purchased its own TV Inspection truck to utilize in-house personnel for more efficient and expedited TV inspections of sanitary and storm sewer lines at a reduced cost, versus outsourcing the work. Improvements have been made in being able to quickly identify issues and better evaluate repair options.

With the amount of sanitary sewer rehabilitation completed over the last 10 years, there has been an average of 1 million gallons per day of decreased infiltration flow sent to the Wastewater Treatment Plant.

Water Meter Replacement Program

During 2013-2016 all CLCWA residential and commercial water meters were replaced or retrofitted with an automatic meter reading system. A typical water meter remains accurate for about 20 years and most of CLCWA's were the original installed meters. This meter change out maintenance program has benefited our customers with more accurate water usage billing, earlier leak detection, significantly reduced unaccounted for water, and has allowed better utilization of CLCWA personnel by not spending a week or two reading thousands of meters in person every month. CLCWA personnel are able to focus more on new installations, repairs and maintenance.

New Elevated Water Storage Tank

CLCWA will begin construction in early 2017 on a new elevated water storage tank in the El Dorado and Clear Lake City Boulevard area. This area was identified with upcoming growing water demands.

Exploration Green

Exploration Green is the name of a detention facility in the heart of Clear Lake that was purchased in 2011 by CLCWA. The CLCWA Board of Directors saw this opportunity as a way to retrofit the local area with increased detention for storm water runoff and reduce local area flooding. When the project is complete, 2.1 million cubic yards of dirt will have been removed and have the capacity to hold 760 acre feet of detention volume. In September 2016, after a lengthy Texas Commission on Environmental Quality (TCEQ) hearing process, CLCWA was approved to expand its reuse water system. Reuse water at Exploration Green will be used to maintain flowing streams of water to support aquatic life and wildlife. Additional environmental benefits include man-made wetland areas that provide natural filtration of storm sewer runoff before being released further downstream. Reuse water is less expensive than drinking water, is a drought-proof source of water, and reduces stress on limited drinking water sources of groundwater and surface water. Reuse water goes through a rigorous process of state mandated treatment and reuse facilities are constantly monitored to ensure high-quality reuse water is distributed. For more information on reuse water and its usage around Texas please visit our website at www.clcwa.org/reuse.htm.

Drainage Policy

In 2005, the CLCWA Board of Directors approved a policy regarding drainage and flood control for new and redevelopment to ensure responsible flooding mitigation occurs. This policy requires developers to construct detention ponds for a capacity of up to 12 inches of rain in 24 hours, which is almost twice the required amount for Harris County. The policy was approved after a comprehensive study of the CLCWA area by a hydrologist who is recognized as the expert for this part of Texas, and the results of his study were verified by Rice University. Since this policy has been in place, there have been 16 new detention ponds constructed by developers to mitigate flooding as a result of development.

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Don't Forget to Vote on November 8th!



CLEAR LAKE CITY WATER AUTHORITY

900 Bay Area Boulevard
Houston, Texas 77058-2691

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**Don't Forget to Vote
on November 8th!**

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General System

Water storage tanks (interior and exterior) were recoated. CLCWA shared in the improvements and upgrades to the City of Houston Southeast Water Purification Plant since CLCWA owns part of the plant. Repairs were made to a few storm sewer sinkholes caused by lines deteriorating over time and washing out. Lift stations were improved and upgraded.

Improvements to the Water Supervisory Control and Data Acquisition (SCADA) and security systems were made. A SCADA system was incorporated into the water and sanitary sewer systems in the early 1990's. The SCADA allows the monitoring and control of the water and sanitary sewer systems from a remote location. This is especially critical during catastrophic weather events or emergency situations.

Critical Infrastructure Upgrades

Nine large generators have been installed at all of the critical infrastructure facilities. These generators will help maintain water and sanitary sewer service during emergency situations or power outages.