

CLEAR LAKE CITY WATER AUTHORITY

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

January 11, 2016

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

Notice of an Agenda is hereby given that the Board of the Clear Lake City Water Authority will convene in Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on January 14, 2016, for the following purposes:

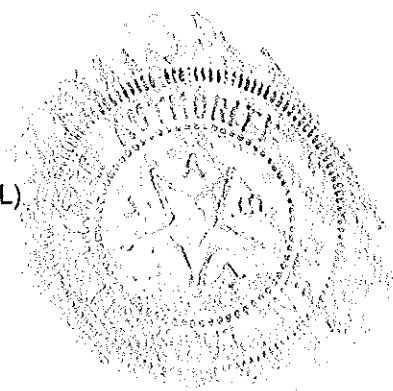
1. Approve or correct minutes of the December 10, 2015 Regular Meeting;
2. Approve or correct minutes of the December 24, 2015 Special Meeting;
3. Comments from the floor (5 minute limitation);
4. Consider and act upon releasing an 8.158 acre drainage easement at El Dorado Blvd. and Clear Lake City Blvd;
5. Discuss and act upon possible signage pertaining to recent handgun law changes;
6. Consider and act upon approving a Replacement Water Line Capacity and Cost Sharing Agreement, formerly along Old Galveston Road, in conjunction with the SEWPP co-participants;
7. Consider and act upon Kings Park Inn site storm sewer abandonments;
8. Consider and act upon updating the Prosperity Bank wire transfer agreement;
9. Discuss and act upon the Financial Advisor's Report, and issuance of Unlimited Tax Refunding Bonds, Series 2016 (the "Bonds"), including approval of the following items in connection with the Bonds:
 - (i) acceptance of proposal to purchase the Bonds;
 - (ii) Bond Purchase Agreement;
 - (iii) Order Authorizing Issuance of the Bonds;
 - (iv) General Certificate;
 - (v) Signature Identification and No-Litigation Certificate;
 - (vi) Bond Registrar, Paying Agency and Transfer Agency Agreement;
 - (vii) Notice of Redemption, along with Letter of Instructions;
 - (viii) Preliminary Official Statement;
 - (ix) Official Statement;
 - (x) Resolution Regarding Delegation of Authority; and
 - (xi) all other documents, certificates and actions necessary to accomplish the sale and closing of the Bonds.
10. Receive the Tax Assessor/Collector Report ending December 31, 2015;

11. Consider and act upon Financial Report ending September 30, 2015;
12. Consider and act upon Financial Report ending October 31, 2015;
13. Consider and act upon Financial Report ending November 30, 2015;
14. Consider and act upon the Operating Disbursement's Report ending December 31, 2015;
15. Review and approve Pay Application No. 1 for Water System Phases 9 & 11 Rehabilitation;
16. Review and approve Pay Application No. 2 for Sanitary Sewer Phase 62 Rehabilitation;
17. Review and approve Pay Application No. 6 for Sanitary Sewer Phase 63 Television Inspection;
18. Review and approve Pay Application No. 7 for Sanitary Sewer Phase 65 Rehabilitation;
19. Review and approve Pay Application No. 2 & Final for the Brookgreen Drive Sanitary Sewer Relocation;
20. Review and approve Pay Application No. 2 for Memory Lane Sanitary Sewer;
21. Review and approve Pay Application No. 5 for Storm Sewer Phase 29 Rehabilitation;
22. Review and approve Change Order No. 1 for Storm Sewer Phase 29 Rehabilitation;
23. Review and approve Pay Application No. 2 for Exploration Green Detention Pond Phase 1A;
24. Review and approve the Resolution for the Change in Use of Bond Proceeds for Bond Issue No. 35;
25. Authorize the advertising for construction bids for the Replacement of the Main Office Roof;
26. Authorize the advertising for construction bids for Exploration Green Detention Pond Phase 1B;
27. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
28. Consider and act upon approval of the Capital Projects Disbursements;
29. Receive and act upon Attorney's Report;
30. Consider and act upon the Investment Summary ending November 30, 2015;
31. Receive General Manager's Report;
32. 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
January 14, 2016

Regular Meeting The Board of Directors of the Clear Lake City Water Authority convened in regular session open to the public at the regular meeting place in its office at 7:00 p.m. on January 14, 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.

All Board Members were present.

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. Laura Mason, Recording Secretary;
Ms. Alice Cumming; Tax Assessor/Collector;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper;

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

1. Minutes of 12/10/2015 Regular Meeting Approved
Reading of the minutes of the December 10, 2015 Regular Meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the minutes of the December 10, 2015 Regular Meeting.
2. Minutes of the 12/24/2015 Special Session Deferred
This item was deferred.
3. Comments from the Floor
Ms. Debbie Roan addressed the Board with concerns about her water bill and a lost check.
4. Release of an 8.158 acre drainage easement at El Dorado and Clear Lake City Blvd
Mr. James Ross, an engineer with LJA Engineers representing Fidelis Realty made a formal request for a drainage easement owned by the Authority to be released at the HEB tract. (A copy of which is on file in the official records of the District and identified as Exhibit B.)

Closed Session The Board suspended regular session at 8:02 pm, and adjourned into Closed Session at 8:05 pm.

The Board ended Closed Session at 8:17pm, and entered Open Session at 8:20 pm.

5. Release of an 8.158 acre drainage easement at El Dorado and Clear Lake City Blvd
Approved
Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the release of an 8.158 acre drainage easement at El Dorado and Clear Lake City Blvd, subject to receipt of payment in the amount of \$17,500.
6. Discuss and act upon handgun laws
Approved
After a lengthy discussion with Attorneys Timothy Green and Samuel Johnson, the Board decided on the following action with regard to new Texas handgun laws: (1) CLCWA cannot prohibit concealed carry on its premises during regular business hours, but can prohibit open carry; (2) CLCWA can prohibit open and concealed carry on its premises during and inside Board meetings; (3) CLCWA can prohibit open carry at the main office and critical facilities only; (4) CLCWA staff will purchase compliant signs with lettering in 1" font, black and white in color to notify the public of policy.
7. Replacement Water Line Capacity and Cost Sharing Agreement, formerly along Old Galveston Road, in conjunction with SWEPP Co-Participants
Approved
SEWPP Replacement Water Line Capacity and Cost Sharing Agreement was presented to the Board for review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit C.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Replacement Water Line Capacity and Cost Sharing Agreement for the Phase 1a design of facility only.
8. Kings Park Inn site storm sewer abandonments
Deferred
This item was deferred.
9. Updating Prosperity Bank wire transfer agreement
Approved
A petition to update the Prosperity Bank wire transfer agreement was presented to the Board for review. (A copy of which is on file in the official records of the District and identified as Exhibit E.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the update to Prosperity Bank's wire transfer agreement.
10. Financial Advisor's Report, and issuance of Unlimited Tax Refunding Bonds, Series 2016, including approval of several items in connection with the Bonds
Approved
Mr. Stephen Eustis, with RBC presented a financial report to the Board for review. After a lengthy discussion, Mr. Eustis requested that the Board authorize his firm to obtain bids for refunding of approximately \$3,835,000 principal amount of Series 2008 bonds. (A copy of which is on file in the official records of the District and identified as Exhibit F.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the authorization to obtain bids for refunding of approximately \$3,835,000 principal amount of series 2008 bonds.
11. Tax Collector Report
A report of taxes collected and taxes outstanding as of November 30, 2015 was given for the Board's review. (A copy of which is on file in the official records of the District and identified as Exhibit G.)
12. Financial Report ending September 30, 2015
Approved
The Financial Report ending September 30, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit H.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Financial Report ending September 30, 2015.

13. Financial Report ending October 31, 2015
Approved

The Financial Report ending October 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit I.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Financial Report ending October 31, 2015.

14. Financial Report ending November 30, 2015
Approved

The Financial Report ending November 30, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit J.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve the Financial Report ending November 30, 2015.

15. Operating Disbursements Report
Approved

The Operating Disbursements Report ending December 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit K.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Operating Disbursements Report ending December 31, 2015.

16. Pay Application No. 1 for Water System Phases 9 & 11 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 1 for Water System Phases 9 & 11 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit L.)

Thereupon, by motion duly made by Director Savely and seconded by Director Graf, the Board voted unanimously to approve Pay Application No. 1 for Alcott, Inc. for \$43,281.00.

17. Pay Application No. 2 for Sanitary Sewer Phase 62 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 2 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 District 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. 2 for T Construction for \$239,624.10.

18. Pay Application No. 6 for Sanitary Sewer Phase 63 Television Inspection
Approved

Mr. Rosenbaum presented Pay Application No. 6 for Sanitary Sewer Phase 63 Television Inspection for the Board's review and approval. (A copy of which is on file in the official records of the District 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. 6 for Sewer Services of Texas for \$3,050.13.

19. Pay Application No. 7 for Sanitary Sewer Phase 65 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 7 for Sanitary Sewer Phase 65 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit O.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 7 for Nerie Construction for \$17,291.65.

20. Pay Application No. 2 for Brookgreen Dr. Sanitary Sewer Relocation
Approved

Mr. Rosenbaum presented Pay Application No. 2 for Brookgreen Dr. Sanitary Sewer Relocation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit P.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 2 for Alcott, Inc. for \$23,798.00.

21. Pay Application No. 2 Memory Lane Sanitary Sewer
Approved

Mr. Rosenbaum presented Pay Application No. 2 for Memory Lane Sanitary Sewer for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit Q.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 2 for MMG Contractors, LLC for \$74,935.80.

22. Pay Application No. 5 for Storm Sewer Phase 29 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 5 for Storm Sewer Phase 29 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit R.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 5 for R.L. Utilities, Inc. for \$37,292.40.

23. Change Order No. 1 for Storm Sewer Phase 29 Rehabilitation
Approved

Mr. Rosenbaum presented Change Order No.1 for Storm Sewer Phase 29 Rehabilitation for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit S.)

Thereupon, by motion duly made by Director Graf and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 1 for R.L. Utilities, Inc. for \$31,600.00.

24. Pay Application No. 2 for Exploration Green Detention Pond Phase 1A
Approved

Mr. Rosenbaum presented Pay Application No.2 for Exploration Green Detention Pond Phase 1A for the Board's review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit T.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely, the Board voted unanimously to approve Pay Application No. 2 for Paskey Incorporated for \$220,510.53.

25. Resolution for Change in Use of Bond Proceeds for Bond Issue No. 35
Approved

Mr. Rosenbaum presented a Resolution for Change in Use of Bond Proceeds for Bond Issue No. 35 for the Boards review and approval. (A copy of which is on file in the official records of the District and identified as Exhibit U.)

Thereupon, by motion duly made by Director Morrow and seconded by Director Johnson, the Board voted unanimously to approve the Resolution for Change in Use of Bond Proceeds for Bond Issue No. 35.

26. Engineer's Report
Approved

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 District and identified as Exhibit V.)

27. Capital Projects
Disbursements
Approved

The Capital Projects Disbursements Report was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit W.)

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Capital Projects Report in the amount of \$827,850.60.

28. Attorney's Report

Mr. Green updated the Board on the status of the SOAH case and reviewed the process of an appeals process.

Mr. Green informed the Board of HB1295, which will affect all new contract amendments and is effective January 01, 2016. Director Morrow and Director Johnson will review new processes and authorizations.

Mr. Green informed the Board that it was time to adopt an order for Director voting, elections, and call for ballots. The earliest application date for Directors to apply to be on the ballot is January 20, 2016.

29. Investment Summary
Approved

The Investment Summary ending October 31, 2015 was presented for the Board's approval. (A copy of which is on file in the official records of the District and identified as Exhibit X.)

Thereupon, by motion duly made by Director Savely and seconded by Director Graf, the Board voted unanimously to approve the Investment Summary ending October 31, 2015.

30. General Manager's
Report

Ms. Morrow updated the Board about the SEWPP budget dispute. A mediator has been agreed upon and a mediation date will be scheduled soon. The co-participants mediation attorney is putting together a formalized common defense agreement soon. The City of Houston sent a letter in mid-December stating they are giving their 6 month notice to quit operating the plant. Per the contract, the letter was sent 10 days too late.

Ms. Morrow reported that zinc and copper monitoring has started and there is no consistent pattern yet. Two automatic samplers have been ordered. The next plan is to start testing drinking water daily. The staff met with Paul Wood, a LAN engineer to discuss options, and we are putting together a more detailed proactive plan to submit to the TCEQ. The staff and consultants are not only looking for a source, but long range solutions and modifications to the treatment process.

Ms. Morrow reported a lead and copper monitoring reporting violation has occurred and the district's residents will have to be notified in writing. This violation is not for exceeding lead and copper limits, and is only for testing that was not fully submitted by the deadline. The TCEQ issued regulation changes for 2015, shifting testing procedures to water districts. CLCWA ordered 30 sampling bottles later than usual, sent them out for residential testing, and received 12 back before the deadline. In the past there was additional time available to send out more sample bottles to residents if the initial round did not timely complete the required 30 samples. To prevent this from occurring again, the staff has been in contact with the TCEQ and 30 back up sites have been submitted and approved by the TCEQ. Testing will start earlier next year in order to allow enough follow up time with residents. It was noted to the Board that the 12 samples received on time and tested had no limit violations.

Ms. Morrow presented a draft employee handbook to the Board for review and approval at the next regular board meeting. She discussed with the Board briefly that many of the Authority's policies concerning employees must be updated and that employee training needs to occur very soon.

Ms. Morrow requested an Executive Session to discuss a personnel issue.

Director Savely suggested revisions to the Detention Policy. A meeting will be set up with Director Savely, Director Branch, and Larry Dunbar to discuss further.

32. Meeting Adjourned

President Branch declared the regular meeting adjourned at 10:10 p.m.

President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)

DATE APPROVED: 2/11/16

