

CLEAR LAKE CITY WATER AUTHORITY

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

September 8, 2014

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 will convene in Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on September 11, 2014 for the following purposes:

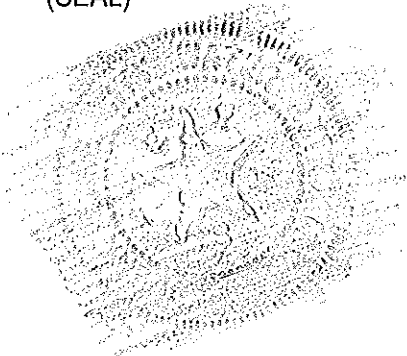
1. Approve or correct minutes of the August 14, 2014 Regular Meeting;
2. Approve or correct minutes of the August 28, 2014 Special Meeting;
3. Comments from the floor (5 minute limitation);
4. Discuss and act on a presentation from Texas Class;
5. Discuss and act upon a presentation for reverse osmosis;
6. Consider and act upon a detention variance for Trendmaker (The Reserve at Clear Lake);
7. Consider and act upon retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP, Auditors for 2013-2014 Fiscal Year;
8. Consider and act upon revising Policy R&S-100 Water and Sewer Service Connection Charges;
9. Consider and act upon approval of the Budget for the 2014-2015 Fiscal year;
10. Consider and act upon adoption of proposed 2014 Ad Valorem tax rate for CLCWA;
11. Consider and act upon adoption of proposed 2014 Ad Valorem tax rate for WCID #75;
12. Receive Tax Assessor/Collector Report ending August 31, 2014;
13. Consider and act upon approval to write-off delinquent uncollectable water/sewer accounts;
14. Consider and act upon Financial Report ending July 31, 2014;
15. Consider and act upon the Operating Disbursement's Report ending August 31, 2014;
16. Review and approve Pay Application No. 11 for Water Meter Replacement Program;
17. Review and Approve Pay Application No. 3 for Water System Phase 6 Rehabilitation;

18. Review and approve Pay Application No. 7 for Sanitary Sewer Phase 57 Rehabilitation;
19. Review and approve Pay Application No. 6 for Sanitary Sewer Phase 59 Manhole Rehabilitation;
20. Authorization to advertise for bids for Sanitary Sewer Phase 63 Television Inspections;
21. Authorization to advertise for bids for Sanitary Sewer Phase 64 Manhole Rehabilitation;
22. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
23. Consider and act upon approval of the Capital Projects Disbursements;
24. Receive and act upon Attorney's Report;
25. Consider and act upon the Investment Summary ending July 31, 2014;
26. Receive General Manager's Report;
27. 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.


Curtis Rodgers
Director of Utilities
Clear Lake City Water Authority

(SEAL)



CLEAR LAKE CITY WATER AUTHORITY
Board of Directors'
Regular Meeting Minutes
September 11, 2014

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 September 11, 2014. Roll was called of the members:

Quorum Present Mrs. Gayle Yoder, President;
Mr. John Branch, Vice President;
Mr. Robert T. Savely, Secretary;
Mr. Gordon Johnson, Director;
Mr. W. Thomas Morrow, Director.

All were present.

Also present were:

Mr. James Byrd, General Manager;
Mr. Curtis Rodgers, Director of Utilities;
Mr. Bill Rosenbaum, Engineer;
Mr. William Schweinle, Attorney;
Ms. Jennifer Morrow, Recording Secretary;
Ms. Alice Cumming, Tax Collector;
Ms. Mary Ann Schatz, Capital Projects Bookkeeper;
Ms. Janet Clark, Accounting Manager.

(See visitor roster attached hereto as part of these minutes and identified as Exhibit A.)

1. Minutes of 8/14/14 Regular Meeting Approved Reading of the minutes of the August 14, 2014 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 Branch, the Board voted unanimously to approve the minutes for the August 14, 2014 Regular Meeting.

2. Minutes of 8/28/14 Special Meeting Approved Reading of the minutes of the August 28, 2014 Special Meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve the minutes for the August 28, 2014 Special Meeting.

3. Comments from the Floor Mr. James Ross with LJA Engineering is contesting that neither the 500 year flood plain nor 500 year ponding matter are addressed in CLCWA's detention policy. Mr. James Byrd and Director Morrow concurred. LJA representatives have met with the Development Committee and Mr. Dunbar. Dr. John Grounds stated that LJA meets the national flood program minimums with height of house foundations all well above the required elevations. LJA representatives want to present to Mr. Dunbar a revised proposal of 1 ft. above top of curb allowance. If Mr. Dunbar approves then the Board will consider approving. Trendmaker needs to meet with Mr. Dunbar again.

4. Presentation from Texas Class

A presentation for Texas Class was given by Bill Moritz and Karen Proctor for investment options. Texas Class is a diversified, blended investment pool that only handles public entities. This item was deferred to the Investment Committee to review.
5. Presentation for Reverse Osmosis

Mr. Jeff Peters with CDM Smith gave a presentation to the Board regarding Reverse Osmosis. Microfiltration or ultrafiltration options (low pressure type) is about \$2.0-3.5 million per plant MGD (million gallon a day). The reverse osmosis option is about \$3.0-4.5 million per plant MGD. Additionally, it is estimated that \$20,000 would have to be budgeted per month for maintenance and upkeep. Mr. Peters encouraged the Board to see the City of Wichita Falls website for an online video of the city's plant.
6. Detention Variance for Trendmaker Deferred

Item was deferred.
7. Retain McCall, Gibson, Swedlund, Barfoot PLLC LLP as Financial Auditors for 2013-2014 Fiscal Year
Approved

Mr. Brian Toldan from McCall, Gibson, Swedlund, Barfoot PLLC LLP presented an engagement letter for the 2013-2014 audit. (Copy attached hereto as part of these minutes and identified as Exhibit B.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP as the District's Financial Auditors for 2013-2014 Fiscal Year.
8. Revision to Policy R&S-100 Water and Sewer Service Connections

Revised Policy R&S-100 Water and Sewer Service Connections was given to the Board for review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

Thereupon, by motion duly made by Director Savely and seconded by Director Morrow, the Board voted unanimously to approve the Revised Policy R&S-100.
9. 2014-2015 Budget
Approved

The 2014-2015 Fiscal Year Budget was given to the Board for review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

Thereupon, by motion duly made by Director Morrow that includes approving the budget with the addition of a \$20,000 allowance for a booster pump, and was seconded by Director Johnson. The Board voted unanimously to approve the Budget for Fiscal Year 2014-2015.
10. Adopt 2014 Ad Valorem Tax Rate for CLCWA
Approved

Mr. Ryan Nesmith from RBC Capital Markets presented to the Board the proposed 2014 Ad Valorem Tax Rates for CLCWA.

By motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to adopt a proposed debt service rate of \$0.28 per \$100 of the assessed valuation and a maintenance tax of \$0.05 per \$100 of the assessed valuation for the CLCWA. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

Mr. Ryan Nesmith from RBC Capital Markets presented to the Board the proposed 2014 Ad Valorem Tax Rates for WCID #75.

11. Adopt 2014 Ad Valorem Tax Rate for WCID #75
Approved

By motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to adopt a proposed debt service rate of \$0.405 per \$100 of the assessed valuation and a maintenance tax of \$0.05 per \$100 of the assessed valuation for WCID #75. (Copy attached hereto as part of these minutes and identified as Exhibit F.)

12. Tax Collector Report Received

Ms. Cumming presented a report of taxes collected and taxes outstanding as of August 31, 2014 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit G.)

13. Write-off of Delinquent Uncollectable Water/Sewer Accounts
Approved

A report of delinquent uncollectable water/sewer accounts was presented for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit H.)

By motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve the write-offs in the amount of \$11,386.73.

14. Financial Report
Approved

The Financial Report ending June 30, 2014 was presented for the Board's approval. (Copy attached hereto as part of these minutes 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 July 31, 2014.

15. Operating Disbursements Report
Approved

The Operating Disbursements Report ending August 31, 2014 was presented for the Board's approval. (Copy attached hereto as part of these minutes 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 Operating Disbursements Report ending August 31, 2014.

16. Pay Application No. 11 for Water Meter Replacement Program
Approved

Mr. Rosenbaum presented Pay Application No. 11 for Water Meter Replacement Program for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit K.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 11 for National Metering Service, Inc. for \$855,029.72.

17. Pay Application No. 3 for Water System Phase 6 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Water System Phase 6 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit L.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve Pay Application No. 3 for Alcott, Inc. dba TCH, for \$55,619.10.

18. Pay Application No. 7 for Sanitary Sewer Phase 57 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 7 for Sanitary Sewer Phase 57 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit M.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve Pay Application No. 7 for PM Construction & Rehab, LLC, for \$25,188.30.

- 19. Pay Application No. 6 for Sanitary Sewer Phase 59 Manhole Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 6 for Sanitary Sewer Phase 59 Manhole Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes 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 Standard Cement Materials, Inc., for \$9,139.70.

- 20. Authorize Advertising for Construction Bids for Sanitary Sewer Phase 63 TV Inspections
Approved

Mr. Rosenbaum requested Board approval to authorize the solicitation of construction bids for Sanitary Sewer Phase 63 TV Inspections. This project is included in Bond Issue #35.

Thereupon, by motion duly made by Director Morrow and seconded by Director Branch, the Board voted unanimously to approve advertising for construction bids for Sanitary Sewer Phase 63 TV Inspections.

- 21. Authorize Advertising for Construction Bids for Sanitary Sewer Phase 64 Manhole Rehabilitation

Mr. Rosenbaum requested Board approval to authorize the solicitation of construction bids for Sanitary Sewer Phase 64 Manhole Rehabilitation. This project is included in Bond Issue #35.

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve advertising for construction bids for Sanitary Sewer Phase 64 Manhole Rehabilitation.

- 22. Engineer's Report

Mr. Rosenbaum presented a written status of projects for the Board's review and discussion. (Copy attached hereto as part of these minutes and identified as Exhibit O.)

- 23. Capital Projects Disbursements
Approved

The Capital Projects Disbursements Report was presented for the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit P.)

Thereupon, by motion duly made by Director Branch and seconded by Director Savely, the Board voted unanimously to approve the Capital Projects Report in the amount of \$471,585.82.

- 24. Attorney's Report

Mr. Schweinle has nothing to report on.

- 25. Investment Summary
Approved

The Investment Summary ending July 31, 2014 was presented for the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit Q.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve the Investment Summary ending July 31, 2014.

- 26. General Manager's Report

Mr. Byrd updated the Board on the zinc violation at the WWTP. The WER (Water Effect Ratio) Study has started. The TCEQ assessed CLCWA a fine for the first two violations, totaling just under \$11,000. Mr. Byrd would like to write a letter to the enforcement coordinator to discuss handing the WER, and explain the case and past history, and the Board agreed.

In Meadowgreen, within an easement that runs between two houses, a main water line leak has been discovered. The main line is under the chimney of the house. A surveyor has been called to have the easement verified.

Mr. Byrd reported to the Board that two plant operator trainee employees were suspended 40 hours for violating required collection sample procedures. The TCEQ has been notified.

Mr. Byrd asked the Board about how to proceed with an issue that has come up with the Clear Lake High School rebuild. CLCWA's policy is to pay for the first two consultant plan reviews, and then the other party is responsible for future review charges incurred. The Board agreed that since the mistakes were made by the contractor, not the school district, that subsequent reviews would be the responsibility of the contractor.

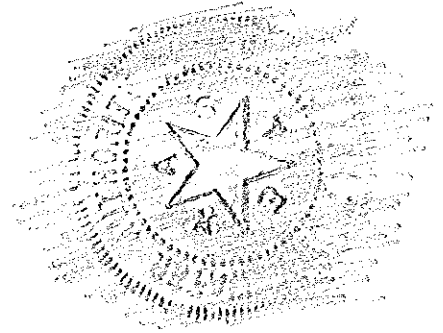
27. Old and New Business None.

28. Meeting Adjourned President Yoder declared the regular meeting adjourned at 9:48 p.m.

President, Board of Directors/
CLEAR LAKE CITY WATER AUTHORITY

~~_____
Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY~~

(SEAL)



DATE APPROVED: October 9, 2014