

## CLEAR LAKE CITY WATER AUTHORITY

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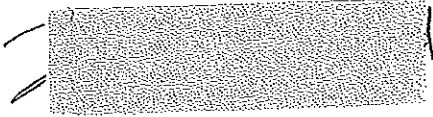
February 24, 2012

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 Special Session open to the public at 900 Bay Area Boulevard within such Authority at 2:00 p.m. on February 29, 2012 for the following purposes:

1. Hear Report from Financial Advisor;
2. Consider approving Preliminary Official Statement relating to the Series 2012 Refunding Bonds;
3. Consider Approving Resolution Regarding Delegation of Authority and all other documents, certificates and actions necessary to accomplish the sale and closing of the Bonds.

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.

  
James H. Byrd  
General Manager  
Clear Lake City Water Authority

(SEAL)



**CLEAR LAKE CITY WATER AUTHORITY**  
Board of Directors'  
Special Meeting Minutes  
February 29, 2012

Regular Meeting

The Board of Directors of the Clear Lake City Water Authority convened in special session open to the public at the regular meeting place in its office at 2:00 p.m. on the 29<sup>th</sup> of February 2012. Order was called at 2:14 p.m. to start the meeting. Roll was called of the members:

Quorum Present

Ms. Gayle I. Yoder, President;  
Mr. John Branch, Vice President;  
Mr. Robert T. Savely, Secretary;  
Mr. Vince Johnson, Director;  
Mr. John Ferguson, Director;

All were present except Mr. John Ferguson.

Also present were:

James H. Byrd, General Manager;  
Jan Bartholomew, Financial Advisor;  
Julianne Kugle, Bond and Election Attorney

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

1. Financial Advisor Report

Ms. Jan Bartholomew presented the Financial Advisor Report to the Board. (Copy attached hereto as part of these minutes and identified as Exhibit B.)

2. Preliminary Official Statement relating to the Series 2012 Refunding Bonds Approved

Ms. Jan Bartholomew presented and reviewed with the Board a draft of the Preliminary Official Statement and answered questions regarding the same. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

The Board discussed the proposed issuance of the Refunding Bonds. Upon motion made by Director Savely, and seconded by Director Johnson, and after a full discussion, the Board voted unanimously to approving the Preliminary Official Statement and authorizing distribution thereof, and to proceed with the issuance of the Series 2012 Refunding Bonds, subject to the terms outlined below.

3. Resolution Regarding Delegation of Authority and All Other Documents, Certificated and Actions Necessary to Accomplish the Sale and Closing of the Bonds.

Ms. Kugle advised the Board that in instances where the terms to refund bonds are not final, Section 1207.007 of the Texas Government Code provides that a political subdivision such as the District may delegate to a member of the Board the authority to select specific maturities of bonds to be refunded and to effect the sale of the refunding bonds provided that the Board (i) authorizes the maximum principal amount of refunding bonds that may be issued and the maximum rate of interest to be borne by the refunding bonds; (ii) identifies the potential bonds that may be refunded; and (iii) recites the public purpose for which the refunding bonds are to be issued. The Board then discussed the parameters of said authority. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

Upon motion by Director Johnson, seconded by Director Savely, and after full discussion, the Board voted unanimously to (i) approve the issuance of the Refunding Bonds so long as the District achieves a net present value savings, expressed as a percent of the principal amount of the bonds being refunded, of at least 3.00%, (ii)

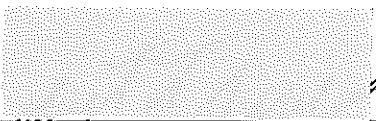
delegate to President Yoder or, in her absence, any other officer of the Board, the authority to select the specific maturities of a portion of the outstanding Series 2003A, Series 2003B, Series 2005, and Series 2006 Bonds, to be refunded and to effect the sale of the Refunding Bonds, including the execution of documents related to the refunding bond sale, including, but not limited to, the Bond Purchase Agreement, and (iii) approve the Resolution Regarding Delegation of Authority for the Sale of Unlimited Tax Contract Refunding Bonds, Series 2012 as submitted.

Ms. Jan Bartholomew recommended proceeding with the lowest bidder and appointing Bank of America as the underwriter for issuance of the Bonds.

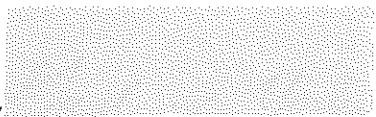
Upon motion by Director Branch, seconded by Director Savely, the Board voted unanimously to approve appointing Bank of America as underwriter for the Series 2012 Refunding Bonds.

4. Meeting Adjourned

President Yoder declared the meeting adjourned at 2:30 p.m.

  
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Secretary, Board of Directors  
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)

  
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President, Board of Directors  
CLEAR LAKE CITY WATER AUTHORITY