

CLEAR LAKE CITY WATER AUTHORITY

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

February 6, 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 Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on February 9, 2012 for the following purposes:

1. Approve or correct minutes of the January 12, 2012 Regular Meeting;
2. Approve or correct minutes of the January 24, 2012 Special Meeting;
3. Approve or correct minutes of the January 30, 2012 Special Meeting;
4. Comments from the floor (5 minute limitation);
5. Consider and act upon water, sewer and drainage service to Flowtrend at 11612 Space Center Blvd;
6. Consider and act upon approval of financial audit ending September 30, 2011;
7. Consider and act upon approval of amending the 2011-2012 Budget;
8. Consider adoption of Order Calling Directors Election;
9. Consider and act upon appointing Sanford, Kugle, Parker, Hagan, LLP as the agent for election matters;
10. Consider and act upon authorizing submission under Section 5, Voting Rights Act;
11. Consider approving the Potential Refunding of Authority obligations and authorize District consultants to take action related thereto, including approval of bond application to TCEQ;
12. Consider authorizing the preparation on the Engineering Report for the 2012 Revenue Refunding Bonds and the submission of the Bond Application to the TCEQ;
13. Consider Approving Engineering Report for the proposed Bond Issue #33 and authorize application to TCEQ;

14. Receive Tax Assessor/Collector Report ending January 31, 2012;
15. Consider and act upon Financial Report ending November 30, 2011;
16. Consider and act upon the Operating Disbursement's Report ending January 31, 2012;
17. Review and approve Pay Application No. 2 for El Camino Real Utility Adjustments;
18. Review and approve Pay Application No. 6 for Sanitary Sewer Phase 42 Rehabilitation;
19. Review and approve Pay Application No. 5 for Sanitary Sewer Phase 43 TV Inspection;
20. Review and approve Pay Application No. 4 for Sanitary Sewer Phase 44 Rehabilitation;
21. Review and approve Pay Application No. 1 for the Sanitary Sewer Phase 48 Rehabilitation;
22. Review and approve Change Order No. 1 for the Sanitary Sewer Phase 48 Rehabilitation;
23. Review and approve Pay Application No. 3 for Sanitary Sewer Phase 49 TV Inspection;
24. Review and approve Pay Application No. 4 and Final for the Robert T. Savely Water Reclamation Facility Aeration Blower Replacement Project;
25. Review and approve Pay Application No. 1 for the Water Plant #2 Recoating project;
26. Receive bids and award the construction contract for Sanitary Sewer Phase 51 Rehabilitation;
27. Authorize the advertisement for the construction bids for the Water Plant #4 Emergency Generator Site Improvements;
28. Authorize the advertisement for the construction bids for the Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications;
29. Authorize the advertisement for the construction bids for Lift Stations 1, 2, 3, 9, 14 & 15 Rehabilitation;
30. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
31. Consider and act upon approval of the Capital Projects Disbursements;
32. Receive and act upon Attorney's Report;
33. Consider and act upon the Investment Summary ending December 31, 2011;
34. Receive General Managers Report;

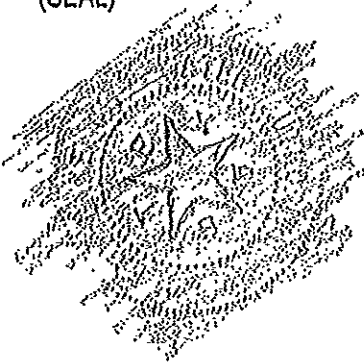
35. Old and New Business

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.

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James H. Byrd
General Manager
Clear Lake City Water Authority

(SEAL)



CLEAR LAKE CITY WATER AUTHORITY
 Board of Directors'
 Regular Meeting Minutes
 February 9, 2012

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 the 9th of February 2012. 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;
 Bill Rosenbaum, Engineer;
 Bill Schweinle, Attorney;
 Noel Barfoot, Auditor;
 Stephen Eustis, Financial Advisor;
 Julianne Kugle, Bond and Election Attorney.

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

1. Minutes of 01/12/2012
 Regular Meeting
 Approved

Reading of the minutes of the January 12, 2012 meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely the Board voted unanimously to approve the minutes of the January 12, 2012 meeting.

2. Minutes of 01/24/2012
 Special Minutes
 Approved

Reading of the minutes of the January 24, 2012 meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Johnson and seconded by Director Branch the Board voted unanimously to approve the minutes of the January 24, 2012 meeting.

3. Minutes of 01/30/2012
 Special Minutes
 Approved

Reading of the minutes of the January 30, 2012 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 of the January 30, 2012 meeting.

4. Comments from the
 Floor

None.

5. Water, Sewer, and Drainage to Flowtrend at 11512 Space Center
Approved

A request for water, sewer, and drainage service to Flowtrend at 11512 Space Center was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit B.)

By motion duly made by Director Savely and seconded by Director Johnson the Board voted unanimously to approve the request for water, sewer, and drainage service to Flowtrend, subject to Attorney Bill Schweinle's approval.
6. Financial Audit for Year Ending September 30, 2011
Approved

Mr. Noel Barfoot presented the financial audit for the year ending September 30, 2011 for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

Thereupon, by motion duly made by Director Branch and seconded by Director Savely the Board voted unanimously to approve the financial audit ending September 30, 2011.
7. 2011-2012 Budget Amendment
Deferred

Deferred.
8. Order Calling 2012 Director's Election
Approved

The Order Calling the Director's Election for May 12, 2012 was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve the Order Calling the May 2012 Director's Election.
9. Appoint Sanford, Kugle, Parker, Hagan LLP as Agent for Election
Approved

Appointment of Sanford, Kugle, Parker, Hagan LLP as the agent for the 2012 Director's Election was presented to the Board for approval.

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve appointing Sanford, Kugle, Parker, Hagan, LLP as Agent for Election.
10. Authorize Submission Under Section 5, Voting Rights Act
Approved

Submission under Section 5, Voting Rights Act was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson the Board voted unanimously to approve authorizing submission under Section 5, Voting Rights Act
11. Pursuit of potential Refunding of Authority Obligations and Approve Bond Application to TCEQ
Approved

Ms. Julianne Kugle and Mr. Stephen Eustis presented a potential Refunding of Authority Obligations and requested approval to submit an Application to the TCEQ. The refunding bonds would be issued from the 2009 issue and backed by debt-service tax. (Copy attached hereto as part of these minutes and identified as Exhibit F.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to pursue the potential Refunding of Authority Obligations and approve Bond Application to TCEQ.
12. Engineering Report for 2012 Refunding Bonds and Bond Application to TECQ
Approved

The Engineering Report for the 2012 Refunding Bonds and Bond Application to the TCEQ was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit G.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson the Board voted unanimously to approve the Engineering Report for the 2012 Refunding Bonds and Bond Application to the TCEQ.

- 13. Engineering Report for Proposed Bond Issue #33 and Application to TCEQ
Approved

The Engineering Report for the proposed Bond Issue #33 and Bond Application to the TCEQ was presented to the Board for approval. \$6.3 million is proposed for infrastructure rehabilitation. (Copy attached hereto as part of these minutes 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 Engineering Report for the proposed Bond Issue #33 and Bond Application to the TCEQ.

--Short Recess--

A short recess was taken to allow the Board of Directors to sign papers related to the above items.

- 14. Tax Collector Report

Ms. Cumming presented a report of taxes collected and taxes outstanding as of January 31, 2012 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit I.)

- 15. Financial Report
Approved

The Financial Report ending November 30, 2011 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 Financial Report ending November 30, 2011.

- 16. Operating Disbursements Report
Approved

The Operating Disbursements Report ending January 31, 2012 was presented for the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit K.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve the Operating Disbursements Report ending January 31, 2012.

- 17. Pay Application No. 2
El Camino Real Utility
Adjustments
Approved

Mr. Rosenbaum presented Pay Application No. 2 for El Camino Real Utility Adjustments 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 Johnson and seconded by Director Savely the Board voted unanimously to approve Pay Application No. 2 for CDC Unlimited, LLC. for \$3,870.00.

- 18. Pay Application No.6
for Sanitary Sewer
Phase 42 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 6 for Sanitary Sewer Phase 42 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 Johnson the Board voted unanimously to approve Pay Application No. 6 for Huff & Mitchell, Inc. for \$112,476.35.

- 19. Pay Application No.5
for Sanitary Sewer
Phase 43 TV Inspection
Approved

Mr. Rosenbaum presented Pay Application No. 5 for Sanitary Sewer Phase 43 TV Inspection 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 Johnson and seconded by Director Savely the Board voted unanimously to approve Pay Application No. 5 for Quality Pipe Services for \$36,922.29. It is noted that liquidated damages were assessed for a total payment reduction of \$3,900.

20. Pay Application No. 4 for Sanitary Sewer Phase 44 Rehabilitation Approved

Mr. Rosenbaum presented Pay Application No. 4 for Sanitary Sewer Phase 44 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes 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. 4 for Standard Cement Materials for \$38,182.50.

21. Pay Application No. 1 Sanitary Sewer Phase 48 Rehabilitation Approved

Mr. Rosenbaum presented Pay Application No. 1 for Sanitary Sewer Phase 48 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit P.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Savely the Board voted unanimously to approve Pay Application No. 1 for PM Construction & Rehab. for \$8,886.24.

22. Change Order No. 1 for Sanitary Sewer Phase 48 Rehabilitation Approved

Mr. Rosenbaum presented Pay Change Order No. 1 for Sanitary Sewer Phase 48 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit Q.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve Change Order No. 1 for PM Construction & Rehab. for \$4,050.00 and no additional calendar days requested.

23. Pay Application No. 3 for Sanitary Sewer Phase 49 TV Inspection Approved

Mr. Rosenbaum presented Pay Application No. 3 for Sanitary Sewer Phase 49 TV Inspection for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit R.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 3 for CleanServe, Inc. for \$33,543.54.

24. Pay Application No. 4 & Final for Robert T. Savely Water Reclamation Facility Aeration Blower Replacement Project Approved

Mr. Rosenbaum presented Pay Application No. 4 and Final for Robert T. Savely Water Reclamation Facility Aeration Blower Replacement Project for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit S.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson the Board voted unanimously to approve Pay Application No. 4 and Final for R&B Group, Inc. for \$39,333.10.

25. Pay Application No. 1 for Water Plant #2 Recoating Project Approved

Mr. Rosenbaum presented Pay Application No. 1 for Water Plant #2 Recoating Project for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit T.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson the Board voted unanimously to approve Pay Application No. 1 for M.K. Painting for \$14,400.00.

26. Award Construction Contract for Sanitary Sewer Phase 51 Rehabilitation
Approved
- Mr. Rosenbaum presented the bids received for Sanitary Sewer Phase 51 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit U.)
- Thereupon, by motion duly made by Director Johnson and seconded by Director Branch the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, PM Construction & Rehabilitation with a bid of \$150,018.55 and 35 calendar days.
27. Authorize Advertising Bids for Water Plant #4 Emergency Generator Site Improvements
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising bids for Water Plant #4 Emergency Generator Site Improvements, to be funded through Bond Issue #31.
- Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve advertising for bids for Water Plant #4 Emergency Generator Site Improvements.
28. Authorize Advertising Bids For Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising bids for Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications, to be funded through Bond Issue #31.
- Thereupon, by motion duly made by Director Branch and seconded by Director Johnson, the Board voted unanimously to approve advertising for bids for Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications.
29. Authorize Advertising Bids For Lift Stations 1, 2, 3, 9, 14 and 15 Rehabilitation
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising bids for Lift Stations 1, 2, 3, 9, 14 and 15 Rehabilitation, to be funded through Bond Issue #31.
- Thereupon, by motion duly made by Director Savely and seconded by Director Johnson, the Board voted unanimously to approve advertising for bids for Lift Stations 1, 2, 3, 9, 14 and 15 Rehabilitation.
30. 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 V.)
31. 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 W.)
- Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve the Capital Projects Report in the amount of \$405,001.91.
32. Attorney's Report
- Mr. Schweinle requested executive session to report on potential and pending litigation and for attorney consultation pursuant to Gov't Code §551.071, consultation with an attorney.
33. Investment Summary
Approved
- The Investment Summary ending December 31, 2011 was presented for the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit X.)
- Thereupon, by motion duly made by Director Branch and seconded by Director Johnson the Board voted unanimously to approve the Investment Summary ending December 31, 2011.

34. General Manager's Report

Mr. Byrd reported there are currently 3 concrete contractor crews working to get caught up on all of the concrete work.

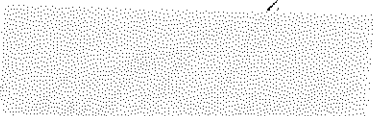

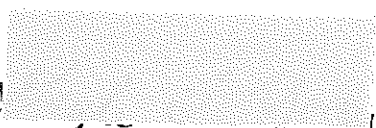
Mr. Byrd reported Phase 2 of the fire hydrant maintenance program is underway. Two-thirds have been tested and all hydrants have been color coded. WCID #156 hydrant testing is complete.

35. Old and New Business

Director Savely asked what the status is of the drainage swale bulldozer work being done on the Storm Water Detention Facility near Mr. Bundy's house. Mr. Byrd reported CLCWA is waiting for Centerpoint to trim a tree that has grown up into the power lines. Once the tree is trimmed, it will be removed and the bulldozer work will be completed.

36. Meeting Adjourned

President Yoder declared the meeting adjourned at 8:31 p.m.



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)