

## CLEAR LAKE CITY WATER AUTHORITY

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

June 10, 2013

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

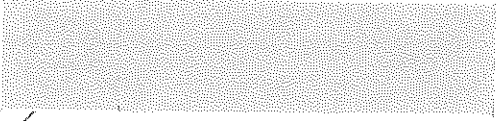
Notice is hereby given that the Board of the Clear Lake City Water Authority will convene in Regular Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on June 13, 2013 for the following purposes:

1. Approve or correct minutes of the May 9, 2013 Regular Meeting;
2. Comments from the floor (5 minute limitation);
3. Consider and act upon request for service to UT Professional Building located at 11476 Space Center Blvd.;
4. Consider and act upon a report presented by the conservancy and easement advisory group;
5. Consider accepting the proposed/preliminary SWA architectural plan for the detention area with the ability to amend it as necessary, as presented at the February 7, 2013 Board of Directors' meeting;
6. Consider and act upon approving the annual Consumer Confidence Report (CCR);
7. Consider and act upon reviewing bids and award sale of Series 2013 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds (the "Bonds");
  - A. Approve and authorize execution of the following in connection with the issuance of the Bonds:
  - B. Order Authorizing Issuance of the Bonds;
  - C. Resolution Approving Official Statement;
  - D. General Certificate;
  - E. Signature Identification and No-Litigation Certificate;
  - F. Tax Exemption Certificate;
  - G. Closing Certificate of President;
  - H. Bond Registrar, Paying Agency and Transfer Agency Agreement;
  - I. DTC Blanket Issue Letter of Representation;
  - J. Letters addressed to Attorney General of Texas and Sanford Kuhl Hagan Kugle Parker Kahn LLP regarding dating of the Signature Identification and No-Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
  - K. Rule 15c2-12 Certificate;
  - L. IRS Form 8038-G; and
  - M. Such other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.
8. Consider and act upon approving amended audit for fiscal year end September 30, 2012;

9. Consider and act upon approving amended budgets for fiscal year end September 30, 2012 and September 30, 2013;
10. Receive Tax Assessor/Collector Report ending May 31, 2013;
11. Consider and act upon Financial Report ending April 30, 2013;
12. Consider and act upon the Operating Disbursement's Report ending May 31, 2013;
13. Authorize the advertising for construction bids for Water System Phase 2 Rehabilitation;
14. Review and approve Change Order No. 1 for Water System Phase 3 Rehabilitation;
15. Review and approve Pay Application No. 1 for Water System Phase 3 Rehabilitation;
16. Review and approve Pay Application No. 5 for Water Plant No. 4 Interior and Exterior Recoating and Site Improvements;
17. Review and approve Pay Application No. 4 for Sanitary Sewer Phase 54 Manhole Rehabilitation;
18. Review and approve Change Order No. 1 for Sanitary Sewer Phase 55 Rehabilitation;
19. Review and approve Pay Application No. 3 for Sanitary Sewer Phase 56 TV Inspections;
20. Review and approve Change Order No. 1 for Lift Station No. 1 Rehabilitation;
21. Review and approve Pay Application No. 3 for Lift Station No. 1 Rehabilitation;
22. Review and approve Pay Application No. 5 & Final for Lift Station No. 2, 3, 9 & 14 Rehabilitation;
23. Review and approve Pay Application No. 1 & Final for Lift Station No. 4 Force Main Testing;
24. Review and approve Pay Application No. 3 for Lift Station No. 15 Rehabilitation;
25. Authorize the advertising for construction bids for Lift Station No. 27 Rehabilitation;
26. Review and approve Pay Application No. 3 for Storm Sewer Phase 23 Rehabilitation;
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 April 30, 2013;
31. Receive General Manager's Report;

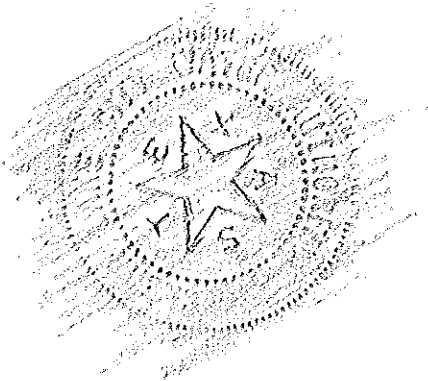
32. Old and New Business

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.



James H. Byrd  
General Manager  
Clear Lake City Water Authority

(SEAL)



**CLEAR LAKE CITY WATER AUTHORITY**

Board of Directors'  
Regular Meeting Minutes  
June 13, 2013

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 7:12 p.m. on June 13, 2013. Roll was called of the members:

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

All were present.

Also present were:

James Byrd, General Manager;  
Curtis Rodgers, Director of Utilities;  
Bill Rosenbaum, Engineer;  
William Schweinle, Attorney;  
Julianne Kugle, Attorney;  
Stephen Eustis, Financial Advisor.

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

1. Minutes of 05/09/13 Regular Meeting Approved  
Reading of the minutes of the May 9, 2013 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 V. Johnson, the Board voted unanimously to approve the minutes for the May 9, 2013 meeting.
  
2. Comments from the Floor  
None.
  
3. Water, Sewer, and Drainage Service to UT Professional Building at 11476 Space Center Blvd. Approved  
A request for water, sewer and drainage service for the development of UT Professional Building located at 11476 Space Center Blvd. was presented to the Board for review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit B.)  
  
By motion duly made by Director V. Johnson and seconded by Director Savely, the Board voted unanimously to approve the water, sewer and drainage service to UT Professional Building.

4. Report Presented by the Conservancy and Easement Advisory Group, A Land Trust Agent (LTA)

Mr. Frank Weary presented recommendations from the Conservancy and Easement Advisory Group. (Copy attached hereto as part of these minutes and identified as Exhibit C.) A Land Trust Agent (LTA) was recommended for the purpose to enforce the owner's Master Plan design and intent.

The "Friends Of" group is a nonprofit group responsible for raising funds for amenities and maintaining them. Any added amenities the "Friends Of" group wants would have to be in compliance with the approved Master Plan. Mr. Weary recommended having separate LTA from the "Friends Of" Group. "Friends Of" group is a temporary name until a future name is agreed upon.

LTA's have a legal pool for legal defense. The estimated cost up front to set up an LTA is \$30,000-50,000. There are four potential candidates, all participants of the legal fund. The recommendation from the "Friends Of" group is to have the Galveston Bay Foundation or the Bayou Land Conservancy as the primary LTA and then consider a backup agent. It was also recommended to set up a partnership with the Gulf Coast Bird Observatory on birding issues.

Another recommendation was presented to the Board to hire an attorney who specializes in this field and to also have the attorney file the 501(C)3 application.

The "Friends Of" group would like a contract between all parties to clearly define relationships, limitations, permissions, and approved activities. They are requesting to have a LTA and attorney before the next Board meeting. November 1<sup>st</sup> is their target date to sign off on the LTA and conservation easement contracts.
5. Proposed/Preliminary SWA Architectural Plan for the Detention Area Approved

The proposed/preliminary SWA architectural plan for the detention area with the ability to amend it as necessary, as presented at the February 7, 2013 Board of Directors' meeting, was brought to the Board for approval.

By motion duly made by Director Savely and seconded by Director Branch, the Board voted to approve the proposed preliminary SWA architectural plan with four voting in favor and Director V. Johnson voting opposed. Motion carried.
6. Consumer Confidence Report (CCR) Approved

The annual Consumer Confidence Report (CCR) for 2012 was presented to the Board for review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

By motion duly made by Director Branch and seconded by Director G. Johnson, the Board voted unanimously to approve the 2012 Consumer Confidence Report.
7. Review Bids and Award Sale of Series 2013 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds. Approved

Mr. Stephen Eustis presented the bids for the Series 2013 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds. The Authority rating is affirmed at AA-. Mr. Eustis recommended awarding the bid to Samco Capital Markets with the bid amount of 4.036729%. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

Thereupon, by motion duly made by Director Branch and seconded by Director Savely, the Board voted unanimously to approve the bid and award sale of the Series 2013 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds to Samco Capital Markets.
8. Amended Audit for Fiscal Year end 9/30/12 Approved

An amended Audit for fiscal year ending September 30, 2012 to reimburse the debt service account from the operating account was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit F.)

By motion duly made by Director Branch and seconded by Director G. Johnson, the Board voted unanimously to approve the amended Audit ending fiscal year September 30, 2012.

9. Amended Budgets for Fiscal Year Ending 9/30/12 and 9/30/13 Approved

Amended Budgets for fiscal years ending September 30, 2012 and September 30, 2013 were presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit G.)

By motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve the amended Budgets ending fiscal year September 30, 2012 and September 30, 2013.
10. Tax Collector Report Received

Ms. Cumming presented a report of taxes collected and taxes outstanding as of May 31, 2013 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit H.)
11. Financial Report Approved

The Financial Report ending April 30, 2013 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 Branch and seconded by Director G. Johnson, the Board voted unanimously to approve the Financial Report ending April 30, 2013.
12. Operating Disbursements Report Approved

The Operating Disbursements Report ending May 31, 2013 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 Branch and seconded by Director G. Johnson, the Board voted unanimously to approve the Operating Disbursements Report ending May 31, 2013.
13. Authorize Advertising for Construction Bids for Water System Phase 2 Rehabilitation Approved

Mr. Rosenbaum requested Board approval to authorize advertising construction bids for Water System Phase 2 Rehabilitation, to be funded through Bond Issue #31, with an estimated cost of \$238,000.

Thereupon, by motion duly made by Director Savely and seconded by Director V. Johnson, the Board voted unanimously to approve advertising construction bids for Water System Phase 2 Rehabilitation.
14. Change Order No. 1 for Water System Phase 3 Rehabilitation Approved

Mr. Rosenbaum presented Change Order No. 1 for Water System Phase 3 Rehabilitation 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 V. Johnson and seconded by Director Branch, the Board voted unanimously to approve Change Order No. 1 for Metro City Construction, LP with a reduction in price of \$-2,556.00.
15. Pay Application No. 1 for Water System Phase 3 Rehabilitation Approved

Mr. Rosenbaum presented Pay Application No. 1 for Water System Phase 3 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 Branch the Board voted unanimously to approve Pay Application No. 1 for Metro City Construction, LP for \$70,785.00.
16. Pay Application No. 5 for Water Plant No. 4 Interior and Exterior Recoating and Site Improvements Approved

Mr. Rosenbaum presented Pay Application No. 5 for Water Plant No. 4 Interior and Exterior Recoating and Site Improvements 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 5 for Blastco Texas, Inc. for \$35,595.00.

17. Pay Application No. 4 for Sanitary Sewer Phase 54 Manhole Rehabilitation  
Approved

Mr. Rosenbaum presented Pay Application No. 4 for Sanitary Sewer Phase 54 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 4 for CDC Unlimited, LLC for \$23,702.00.

18. Change Order No. 1 for Sanitary Sewer Phase 55 Rehabilitation  
Approved

Mr. Rosenbaum presented Change Order No. 1 for Sanitary Sewer Phase 55 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 G. Johnson the Board voted unanimously to approve Change Order No. 1 for PM Construction and Rehabilitation, LLC for \$8,000.00.

19. Pay Application No. 3 for Sanitary Sewer Phase 56 TV Inspections  
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Sanitary Sewer Phase 56 TV Inspections the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit P.)

Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve Pay Application No. 3 for National Works, Inc. for \$39,501.54.

20. Change Order No. 1 for Lift Station No. 1 Rehabilitation  
Approved

Mr. Rosenbaum presented Change Order No. 1 for Lift Station No. 1 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 G. Johnson, the Board voted unanimously to approve Change Order No. 1 for Project Management Group, LLC to add 12 additional calendar days for unexpected issues uncovered during the project.

21. Pay Application No. 3 for lift Station No 1 Rehabilitation  
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Lift Station No. 1 Rehabilitation 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 3 for Project Management Group for \$111,014.01.

22. Pay Application No. 5 for Lift Station No. 2, 3, 9 & 14 Rehabilitation  
Approved

Mr. Rosenbaum presented Pay Application No. 5 for Lift Station No. 2, 3, 9 & 14 Rehabilitation 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 Savely and seconded by Director G. Johnson, the Board voted unanimously to approve Pay Application No. 5 for T&C Construction, LTD for \$34,000.00.

23. Pay Application No. 1 & Final for Lift Station No. 4 Force Main Testing  
Approved

Mr. Rosenbaum presented Pay Application No. 1 & Final for Lift Station No. 4 Force Main Testing 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 Branch, the Board voted unanimously to approve Pay Application No. 1 & Final for R.L. Utilities, Inc. for \$27,400.00.

24. Pay Application No. 3 for Lift Station No. 15 Rehabilitation  
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Lift Station No. 15 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 Savely and seconded by Director G. Johnson, the Board voted unanimously to approve Pay Application No. 3 for T&C Construction, LTD for \$8,820.00.

25. Authorize Advertising for Construction Bids for Lift Station No. 27 Rehabilitation  
Approved

Mr. Rosenbaum requested Board approval to authorize advertising for construction bids for Lift Station No. 27 Rehabilitation to be funded through Bond Issue No. 33.

Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve advertising construction bids for Lift Station No. 27 Rehabilitation.

26. Pay Application No. 3 for Storm Sewer Phase 23 Rehabilitation  
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Storm Sewer Phase 23 Rehabilitation for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit V.)

Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve Pay Application No. 3 for R.L. Utilities, Inc. for \$47,875.50.

27. 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 W.) Mr. Rosenbaum also commented that since the Master Plan has been approved a meeting will be set up with Harris County Flood Control District.

28. 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 X.)

Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve the Capital Projects Report in the amount of \$539,765.49.

29. Attorney's Report

Mr. Schweinle reported that the regular Legislative session has ended. 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.

30. Investment Summary  
Approved

The Investment Summary ending April 30, 2013 was presented for the Board's approval. (Copy attached hereto as part of these minutes and identified as Exhibit Y.)

Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve the Investment Summary ending April 30, 2013.

31. General Manager's Report

Mr. Byrd reported to the Board a dump truck, crane truck, two pickup trucks and an air compressor were sold for a total of \$4,700.

Mr. Byrd reported the meter contract began May 1, 2013. There will be a meeting on Tuesday to discuss beginning of the project. All technical experts, CLCWA's computer consultant and software vendor will be attending the meeting.



Mr. Byrd reported the existing force main under Mud Lake passed testing.

Mr. Curtis Rodgers contacted a dirt broker and reported the prices have not changed from previous quote in 2012. Williams Brothers Construction does not need dirt at this time. The City of Webster and City of Seabrook have not replied yet.

Mr. Byrd stated the SEWPP will be paid \$360,868 out of the City of Houston Contingency Fund for the 2010 true up settlement.

Mr. Byrd reported the current electrical contract is in effect through 2014 with Constellation Energy. CLCWA will then be changing to Direct Energy. The cost will increase slightly from 5.111 to 5.548.

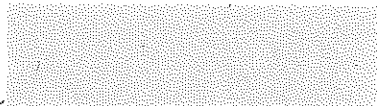
32. Old and New Business

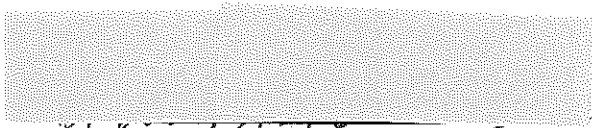
Director Savely requested the staff to verify flood insurance coverage.

Director V. Johnson has had some inquiries regarding a chain link fence around the generator at Lift Station No. 4 and stated the fence type does not meet the neighborhood deed restriction criteria. Mr. Byrd reported CLCWA is waiting on a contract from Mr. Schweinle.

33. Meeting Adjourned

President Yoder declared the regular meeting adjourned at 8:55 p.m.

  
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President, Board of Directors  
CLEAR LAKE CITY WATER AUTHORITY

  
\_\_\_\_\_  
Secretary, Board of Directors  
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)

DATE APPROVED: \_\_\_\_\_