

CLEAR LAKE CITY WATER AUTHORITY

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

March 5, 2012

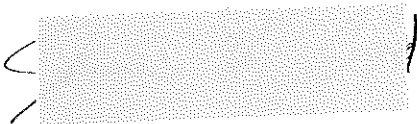
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

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 March 8, 2012 for the following purposes:

1. Approve or correct minutes of the February 9, 2012 Regular Meeting;
2. Ratify all agenda items taken by the Board relating to the Series 2012 refunding bonds including approval of the Preliminary Official Statement and resolution authorizing parameter sale;
3. Consider taking action relating to issuance of refunding bonds;
4. Approve or correct minutes from the February 29, 2012 Special Meeting;
5. Comments from the floor (5 minute limitation);
6. Consider and act on execution of Drainage Agreement with City of Houston;
7. Consider and act upon establishing policy DEV-111 for Detention Pond Enforcement;
8. Receive Tax Assessor/Collector Report ending February 29, 2012;
9. Consider and act upon Financial Report ending December 31, 2011;
10. Consider and act upon Financial Report ending January 31, 2012;
11. Consider and act upon the Operating Disbursement's Report ending February 29, 2012;
12. Review and approve Pay Application No. 3 for El Camino Real Utility Adjustments;
13. Review and approve Pay Application No. 7 and Final for Sanitary Sewer Phase 42 Rehabilitation;
14. Review and approve Pay Application No. 6 for Sanitary Sewer Phase 43 TV Inspection;
15. Review and approve Change Order No. 2 for Sanitary sewer Phase 48 Rehabilitation;
16. Review and approve Pay Application No. 4 for Sanitary Sewer Phase 49 TV Inspection;

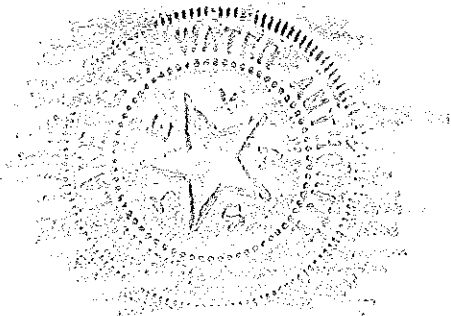
17. Review and approve Pay Application No. 1 & Final for SCADA Modifications to Aeration Blowers;
18. Receive bids and award the construction contract for the Water Plant #4 Emergency generator Site Improvements;
19. Receive bids and award the construction contract for the Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications;
20. Receive bids and award the construction contract for Lift Station 2, 3, 9, & 14;
21. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
22. Consider and act upon approval of the Capital Projects Disbursements;
23. Receive and act upon Attorney's Report;
24. Consider and act upon the Investment Summary ending January 31, 2011;
25. Receive General Managers Report;
26. 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/or 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
March 8, 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 8th of March 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.

Also present were:

James H. Byrd, General Manager;
Curtis Rodgers, Director of Utilities;
Bill Rosenbaum, Engineer;
Bill Schweinle, Attorney;
Julianne Kugle, Bond and Election Attorney;
Jan Bartholomew, Financial Advisor;

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

1. Minutes of 02/09/2012
Regular Meeting
Approved

Reading of the minutes of the February 9, 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 Ferguson the Board voted unanimously to approve the minutes of the February 9, 2012 meeting.

2. All Items from the
February 9, 2012
Meeting Relating to
series 2012 Refunding
Bonds
Approved

All action taken by the Board at the February 9, 2012 meeting relating to the Series 2012 refunding bonds was presented to the Board for ratification. This includes approval of the Preliminary Official Statement and Resolution Authorizing Parameter Sale.

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve ratifying the Preliminary Official Statement and the Resolution Authorizing Parameter Sale for the Series 2012 refunding bonds.

3. Bond Anticipation Note
(BAN) for Developer
Judgment Settlement

A Bond Anticipation Note (BAN) was presented the Board for approval. It has a six month term but callable with a ten day notice. The funding is from Central Bank at a 2.95% rate. It will be near \$4.0 million in total funding with the actual amount of \$3,987,832.55 going towards the Developers. The purpose of the BAN is to fund the judgments listed below:

<u>Subdivision/Amount</u>	<u>Developer</u>
Harbour Estates	Miter (Hernandez)
Taylor Lake Shores	Taylor Lake Ltd. (Newton)
Kirby Lake	Kirby Lake Ltd. (Beard)
Pine Brook Storm Sewers	Friendswood Development Company
Pine Brook Section 11, Phase 1	Friendswood Development Company
Pine Brook Section 11, Phase 2	Friendswood Development Company
Bay Oaks 15	Friendswood Development Company

Thereupon, by motion duly made by Director Johnson and seconded by Director Branch the Board voted unanimously to approve the Series 2012 BAN to fund the Developer Judgments. (Copy attached hereto as part of these minutes and identified as Exhibit B.)

4. Authorize CLCWA Staff to Open New Texpool Account
 A motion was made by Director Savely and seconded by Director Ferguson to authorize CLCWA staff to open a new Texpool account for the BAN funding. The Board voted unanimously to approve this motion and will be ratified at the next meeting.

5. Authorize Proceeding with New IRS Regulation on bond Post-Issuance Compliance
 Ms. Julianne Kugle presented a new IRS regulation on Bond Post-Issuance Compliance and presented an example policy with a proposal from an outside vendor. Under direction from the Board, Ms. Mary Ann Schatz will check with our current Bond Auditor, Bond Logistix, to see if they will draft this policy at little or no charge and to go with the less expensive company.

 A motion made by Director Savely and seconded by Director Branch to approve the policy and authorize staff to work with the lowest charging vendor. The Board voted unanimously to approve this motion and will be ratified at the next meeting.

6. Minutes of 02/29/2012 Special Minutes Approved
 Reading of the minutes of the February 29, 2012 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 of the February 29, 2012 meeting.

7. Comments from the Floor
 None.

8. Drainage Agreement with City of Houston Deferred
 Deferred.

9. Establish Policy DEV-111 for Detention Pond Enforcement Approved
 Mr. Curtis Rodgers presented policy DEV-111 for establishing Detention Pond Enforcement. (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 Johnson the Board voted unanimously to approve policy DEV-111 Detention Pond Enforcement.

10. Tax Collector Report
 Ms. Cumming presented a report of taxes collected and taxes outstanding as of February 29, 2012 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

11. Financial Report
Approved

The Financial Report ending December 31, 2011 was presented for the Board's approval. (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 Johnson the Board voted unanimously to approve the Financial Report ending December 31, 2011.

12. Financial Report
Approved

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

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

13. Operating
Disbursements Report
Approved

The Operating Disbursements Report ending February 29, 2012 was presented for the Board's 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 Ferguson the Board voted unanimously to approve the Operating Disbursements Report ending February 29, 2012.

14. Pay Application No. 3
El Camino Real Utility
Adjustments
Approved

Mr. Rosenbaum presented Pay Application No. 3 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 H.)

Thereupon, by motion duly made by Director Branch and seconded by Director Ferguson the Board voted unanimously to approve Pay Application No. 3 for CDC Unlimited, LLC. for \$945.00.

15. Pay Application No.7
for Sanitary Sewer
Phase 42 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 7 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 I.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 7 for Huff & Mitchell, Inc. for \$106,162.47.

16. Pay Application No.6
for Sanitary Sewer
Phase 43 TV Inspection
Approved

Mr. Rosenbaum presented Pay Application No. 6 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 J.)

Thereupon, by motion duly made by Director Johnson and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 6 for Quality Pipe Services for \$27,163.71. It is noted that liquidated damages were assessed for a total payment reduction of \$3,900.00.

17. Change Order No. 2 for
Sanitary Sewer Phase
48 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Change Order No. 2 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 K.)

Thereupon, by motion duly made by Director Branch and seconded by Director Savely the Board voted unanimously to approve Change Order No. 2 for PM Construction & Rehab L.P. for \$2,375.00 and 4 additional calendar days requested and approved.

18. Pay Application No. 4 for Sanitary Sewer Phase 49 TV Inspection Approved
- Mr. Rosenbaum presented Pay Application No. 4 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 L.)
- Thereupon, by motion duly made by Director Johnson and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 4 for CleanServe, Inc. for \$11,224.53.
19. Pay Application No. 1 & Final for SCADA Modifications to Aeration Blowers Approved
- Mr. Rosenbaum presented Pay Application No. 1 and Final for SCADA Modifications to Aeration Blowers 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 Branch and seconded by Director Johnson the Board voted unanimously to approve Pay Application No. 1 and Final for Prime Controls for \$12,200.00
20. Award Construction Contract for Water Plant No. 4 Emergency Generator Site Improvements Approved
- Mr. Rosenbaum presented the bids received for Water Plant No. 4 Emergency Generator Site Improvements for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit N.)
- After a lengthy discussion, by motion duly made by Director Savely and seconded by Director Branch the Board voted to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, W.W. Payton Corporation with a bid of \$425,000.00 and 90 calendar days. Director Johnson abstained from this vote. Motion passed with 4 approvals.
21. Award Construction Contract Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications Approved
- Mr. Rosenbaum presented the bids received for the Robert T. Savely Water Reclamation Facility, Lift Station No. 4 and Water Plant No. 3 Electrical Modifications 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 Branch and seconded by Director Ferguson the Board voted to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, C. F. McDonald Services with a bid of \$644,469.00 and 120 calendar days for Lift Station No. 4 and Water Plant No. 3, and 180 days for the Robert T. Savely Water Reclamation Facility.
22. Award Construction Contract for Lift Stations 2, 3, 9, and 14 Approved
- Mr. Rosenbaum presented the bids received for Lift Stations 2, 3, 9, and 14 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 Branch and seconded by Director Johnson the Board voted to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, T & C Construction with a bid of \$340,000.00 and 180 calendar days.
23. 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 Q.) Also included with his report is an annexation report for the 412 acre tract (El Dorado/Clear Lake City Blvd. area) for the Development Committee and Consultants to work with.
24. 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 R.)

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 \$296,514.70.

25. 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.

26. Investment Summary Approved

The Investment Summary ending January 31, 2012 was presented for the Board's 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 Ferguson the Board voted unanimously to approve the Investment Summary ending January 31, 2012.

27. General Manager's Report

Mr. Byrd reported Phase 2 of the fire hydrant maintenance program is complete.

The Rice University Surge Study is accessible on CLCWA's website.

Mr. Byrd asked Mr. Curtis Rodgers to report about the dirt broker, Al Tapia with Serco Construction Group. He presented a report for the Board to review and discuss at a later date.

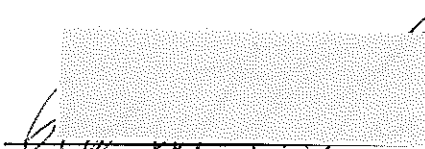
Mr. Byrd updated the Board on the drainage swale work on the Storm Water Detention Facility near Mr. Bundy's house. The concrete contractor made the cut out and CLCWA staff broke up and hauled away the concrete. The tree has been removed. CLCWA staff will be shooting grade. Big Boy Concrete will be doing the bulldozer work and pouring concrete. A letter was sent to the surrounding homeowners notifying them of the work taking place.

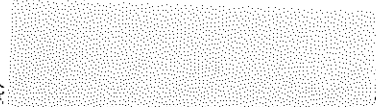
28. Old and New Business

None.

29. Meeting Adjourned

President Yoder declared the meeting adjourned at 8:27 p.m.


Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY


President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)