

CLEAR LAKE CITY WATER AUTHORITY

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

September 9, 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 September 12, 2013 for the following purposes:

1. Approve or correct minutes of the August 8, 2013 Regular Meeting;
2. Approve or correct minutes of the August 13, 2013 Special Meeting;
3. Comments from the floor (5 minute limitation);
4. Consider and act upon request for service to U of H Clear Lake at 2700 Bay Area Blvd;
5. Consider and act upon approving a new Texpool bank account and Wells Fargo bank account for the \$21,000,000 Bond Sale for System Rehabilitation Projects;
6. Consider and act upon approving Petition Requesting Consent for the Fidelis/Trendmaker Tract Annexation;
7. Consider and act upon approving Utility Service Contract for the Fidelis/Trendmaker Tract with the City of Houston;
8. Consider and act upon approval of a letter to HCFCD requesting the conveyances of the drainage ditches involved with the golf course be assigned/transferred to CLCWA;
9. Consider and act upon policy DEV-115 for consultant fee structure;
10. Consider and act upon revising policy R&S-125 for returned checks and replacement check requests;
11. Consider and act upon retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP, Auditors for 2012-2013 Fiscal Year;
12. Consider and act upon approval of the fiscal year 2013-2014 Budget;
13. Consider and act upon approving Amended Notice to Purchaser and Sellers;
14. Consider and act upon adoption of proposed 2013 Ad Valorem tax rate for CLCWA;
15. Consider and act upon adoption of proposed 2013 Ad Valorem tax rate for WCID #75;

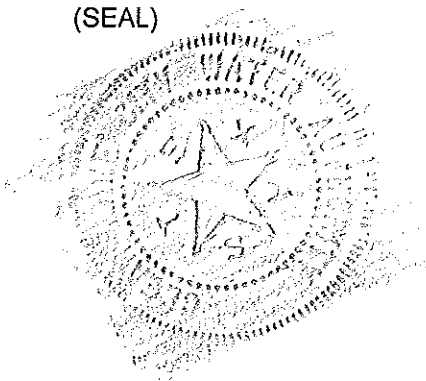
16. Receive Tax Assessor/Collector Report ending August 31, 2013;
17. Consider and act upon approval to write-off delinquent uncollectable water/sewer accounts;
18. Consider and act upon Financial Report ending July 31, 2013;
19. Consider and act upon the Operating Disbursement's Report ending August 31, 2013;
20. Review and approve Pay Application No. 3 for Sanitary Sewer Phase 55 Rehabilitation;
21. Review bids and award construction contract for Lift Station No. 15 Repairs;
22. Review bids and award construction contract for Lift Station No. 12 Rehabilitation;
23. Review and approve Pay Application No. 6 & Final for Storm Sewer Phase 23 Rehabilitation;
24. Authorize the advertising for construction bids for Sanitary Sewer Phase 58 TV Surveys;
25. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
26. Consider and act upon approval of the Capital Projects Disbursements;
27. Receive and act upon Attorney's Report;
28. Consider and act upon the Investment Summary ending July 31, 2013;
29. Consider and act upon revising Exploration Green Conservancy's Mission Statement;
30. Receive General Manager's Report;
31. 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
September 12, 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 7:00 p.m. on September 12, 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 except Mr. Robert Savely.

Also present were:

Mr. James Byrd, General Manager;
Mr. Curtis Rodgers, Director of Utilities;
Mr. Bill Rosenbaum, Engineer;
Mr. William Schweinle, Attorney;
Mr. Stephen Eustis, Financial Consultant;
Ms. Julianne Kugle, Bond Attorney;
Mr. Noel Barfoot, Financial Auditor.

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

Director Gordon Johnson was appointed secretary in lieu of Director Savely's absence.

1. Minutes of 08/08/13 Regular Meeting Approved
Reading of the minutes of the August 8, 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 G. Johnson, the Board voted unanimously to approve the minutes for the August 8, 2013 meeting.

2. Minutes of 08/13/13 Special Meeting Approved
Reading of the minutes of the August 13, 2013 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 G. Johnson, the Board voted unanimously to approve the minutes for the August 13, 2013 meeting.

3. Comments from the Floor
None.

4. Water, Sewer and Drainage Service to U of H Clear Lake at 2700 Bay Area Blvd.
Approved

A request for water, sewer and drainage service for U of H Clear Lake located at 2700 Bay Area Blvd. was presented to the Board for review and approval. (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 V. Johnson, three of the Board voted in favor, and Mr. G. Johnson abstained. The motion carried to approve the water, sewer and drainage request for U of H Clear Lake.

5. New TexPool Bank Account and New Wells Fargo Bank Account for the \$21.0M Bond Sale for System Rehabilitation Projects
Approved

A request to open a new bank account at TexPool and Wells Fargo Bank for the \$21.0M Bond Sale for System Rehabilitation Projects was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

Thereupon, by motion duly made by Director V. Johnson and seconded by Director Branch, the Board voted unanimously to approve the new TexPool and Wells Fargo bank accounts for the \$21.0M Bond Sale for System Rehabilitation Projects.

6. Petition Requesting Consent for the Fidelis/Trendmaker Tract Annexation
Approved

A Petition Requesting Consent for the Fidelis/Trendmaker Tract Annexation was presented to the Board for review and approval. The total tract is 411 acres, with 150 acres situated outside of CLCWA. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

Thereupon, by motion duly made by Director V. Johnson and seconded by Director G. Johnson, the Board voted unanimously to approve Petition Requesting Consent for the Fidelis/Trendmaker Tract Annexation.

7. Approval for Utility Service Contract for the Fidelis/Trendmaker Tract with the City of Houston
Approved

A request for the approval of the Utility Service Contract for the Fidelis/Trendmaker Tract with the City of Houston was presented to the Board. (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 V. Johnson, the Board voted unanimously to approve the request of the Utility Service Contract for the Fidelis/Trendmaker Tract with the City of Houston.

8. Approval for a Letter to HCFCD requesting the Conveyances of the Golf Course Drainage Ditches to CLCWA
Denied

A request for approval of a letter to HCFCD requesting the conveyances of the drainage ditches involved with the golf course to be assigned/transferred to CLCWA was presented to the Board. (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 G. Johnson, with two in favor and two opposing the motion, the motion failed.

9. Policy DEV-115 for Consultant Fee Structure
Approved

Policy DEV-115 for consultant fee structure 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 G. Johnson, the Board voted unanimously to approve Policy DEV-115.

10. Policy R&S-125 for Returned Checks and Replacement Check Requests
Approved

Policy R&S-125 for returned checks and replacement check requests was presented to the Board for 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 V. Johnson, the Board voted unanimously to approve Policy R&S-125.

11. Retain McCall, Gibson, Swedlund, Barfoot PLLC LLP as Financial Auditors for the 2012-2013 Fiscal Year
Approved

Mr. Noel Barfoot from McCall, Gibson, Swedlund, Barfoot PLLC LLP presented an engagement letter for the 2012-2013 audit. (Copy attached hereto as part of these minutes and identified as Exhibit I.)

By motion duly made by Director Branch and seconded by Director G. Johnson, the Board voted unanimously to approve retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP as the District's Financial Auditors for the 2012-2013 Fiscal Year.

12. 2013-2014 Budget
Approved

The 2013-2014 fiscal year budget was presented to the Board for approval. There was lengthy discussion with Mr. Andy Bell, CLCWA's health insurance broker, regarding concerns with the employee's health insurance. An increase to 9% for the employee's retirement contribution fund was proposed. (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 2013-2014 fiscal year budget, which included the employee's retirement increase.

13. Amended Notice to Purchasers and Sellers
Approved

An Amended Notice to Purchasers and Sellers was presented to the Board for 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 G. Johnson, the Board voted unanimously to approve the amended Notice to Purchasers and Sellers.

14. Adopt 2013 Ad Valorem Tax Rate for CLCWA
Approved

By motion duly made by Director Branch and seconded by Director V. Johnson, the Board voted unanimously to adopt a debt service rate of \$0.23 per \$100 of the assessed valuation and a maintenance tax of \$0.05 per \$100 of the assessed valuation for CLCWA. (Copy attached hereto as part of these minutes and identified as Exhibit L.)

15. Adopt 2013 Ad Valorem Tax Rate for WCID #75
Approved

By motion duly made by Director Branch and seconded by Director V. Johnson, the Board voted unanimously to adopt a debt service rate of \$0.46 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 M.)

16. Tax Collector Report Received

Ms. Cumming presented a report of taxes collected and taxes outstanding as of August 31, 2013 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit N.)

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

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

By motion duly made by Director G. Johnson and seconded by Director Branch, the Board voted unanimously to approve the write-offs in the amount of \$16,249.07.

18. Financial Report
Approved

The Financial Report ending July 31, 2013 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 G. Johnson, the Board voted unanimously to approve the Financial Report ending July 31, 2013.

19. Operating Disbursements Report Approved
The Operating Disbursements Report ending August 31, 2013 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 G. Johnson, the Board voted unanimously to approve the Operating Disbursements Report ending August 31, 2013.
20. Pay Application No. 3 for Sanitary Sewer Phase 55 Rehabilitation Approved
Mr. Rosenbaum presented Pay Application No. 3 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 R.)
Thereupon, by motion duly made by Director V. Johnson and seconded by Director Branch, the Board voted unanimously to approve Pay Application No. 3 for PM Construction & Rehab, LLC for \$244,331.05.
21. Award Construction Contract for Lift Station No. 15 Repairs Approved
Mr. Rosenbaum presented bids received for Lift Station No. 15 Repairs 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 V. 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, R. L. Utilities Inc. with a bid of \$8,890.00, plus \$720.00 per batch for possible additional grout if needed. The Engineer's estimated total job amount is \$10,000.
22. Award Construction Contract for Lift Station No. 12 Rehabilitation Approved
Mr. Rosenbaum presented bids received for Lift Station No. 12 Rehabilitation 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 Branch and seconded by Director V. Johnson, the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, TarTob Commercial Services, LLC with a bid of \$161,690.00 and 150 calendar days.
23. Pay Application No. 6 & Final for Storm Sewer Phase 23 Rehabilitation Approved
Mr. Rosenbaum presented Pay Application No. 6 & Final 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 U.)
Thereupon, by motion duly made by Director Branch and seconded by Director G. Johnson, the Board voted unanimously to approve Pay Application No. 6 & Final for R. L. Utilities, Inc. for \$40,466.00.
24. Authorize Advertising for Construction Bids for Sanitary Sewer Phase 58 TV Surveys Approved
Mr. Rosenbaum requested Board approval to authorize advertising for construction bids for Sanitary Sewer Phase 58 TV Surveys to be funded through Bond Issue #33.
Thereupon, by motion duly made by Director Branch and seconded by Director G. Johnson, the Board voted unanimously to approve advertising construction bids for Sanitary Sewer Phase 58 TV Surveys.
25. 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.)
26. 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 Branch and seconded by Director V. Johnson, the Board voted unanimously to approve the Capital Projects Report in the amount of \$622,281.20.

27. 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.

28. Investment Summary
Approved

The Investment Summary ending July 31, 2013 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 V. Johnson, the Board voted unanimously to approve the Investment Summary ending July 31, 2013.

29. Amendment to
Exploration Green
Conservancy's Mission
Statement
Approved

An amendment to Exploration Green Conservancy's Mission Statement was presented to the Board for review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit Y.)

Thereupon, by motion duly made by Director Branch and seconded by Director V. Johnson, the Board voted unanimously to approve the amended Exploration Green Conservancy's Mission Statement.

30. General Manager's
Report

Mr. Byrd reported to the Board that National Metering Service is still expected to start on September 16, 2013. There are 30 meters on hold and waiting for meter box tops to arrive.

Mr. Byrd updated the Board regarding the tree farm fence. The corner posts are up on and CLCWA's crew will start building the fence soon. Notices to surrounding residents will be going out tomorrow.

Mr. Byrd reported that NRG invoices have been received which included the \$800,000 buy down, a \$75,000 charge to bore under road, and the lease payments dating back to August.

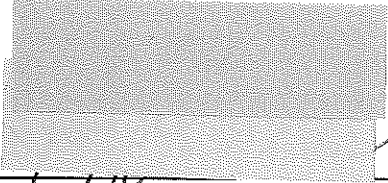
Mr. Byrd reported to the Board that a letter was sent to Mr. Kevin Munz with the Clearpoint Crossing development regarding the repair work needed on the detention pond. The walls have caved-in and the trees/bushes are overgrown. He has been given a 90 day notice to complete the repairs, or a fine of \$200 per day will be implemented until the repairs are completed. Any future projects in the area that would utilize the current detention pond will not be approved since they will not meet CLCWA's detention requirements.

31. Old and New Business

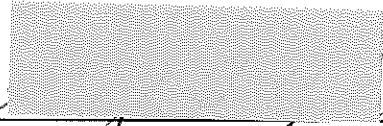
Mr. Branch informed the Board that he received a letter from the City of Houston's Keep Houston Beautiful program, recognizing CLCWA's efforts for the Exploration Green Detention Facility.

32. Meeting Adjourned

President Yoder declared the regular meeting adjourned at 9:08 p.m.

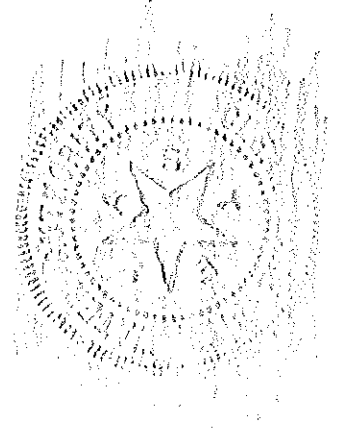


Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)



DATE APPROVED: October 10, 2013