

CLEAR LAKE CITY WATER AUTHORITY

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

December 6, 2010

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 December 9, 2010 for the following purposes:

1. Approve or correct minutes of the November 11, 2010 Regular Meeting;
2. Amend minutes of the October 14, 2010 Regular Meeting;
3. Comments from the floor (5 minute limitation);
4. Ratify November 11, 2010 minutes item #6 regarding a motion to approve authorizing Curtis Rodgers and removing Germaine Brown for Frost Bank's collateral pledge agreement;
5. Consider and act upon granting Monument Pipeline an easement across the North Metering Station driveway, located at 3000 Genoa Red Bluff;
6. Consider and act upon a contract amendment for WCID #156 to meet TCEQ's regulation;
7. Discuss and Consider Approving Bond Application #31 for Approval by the Texas Commission on Environmental Quality and Issuance of Bonds;
8. Consider Approving Order Authorizing Application for Approval of Bond Issue by the Texas Commission on Environmental Quality;
9. Receive Tax Assessor/Collector Report;
10. Consider and act upon Financial Report ending September 30, 2010;
11. Consider and act upon approval of Operating Disbursement's Report ending November 30, 2010;
12. Review and approve Change Order No. 1 for Sanitary Sewer Phase 40 TV Inspection;
13. Review and approve Pay Application No. 1 for Sanitary Sewer Phase 40 TV Inspection;
14. Review and approve Pay Application No. 6 & Final for Sanitary Sewer Phase 46 Rehabilitation;
15. Review and approve Change Order No. 1 for Sanitary Sewer Phase 47 Manhole Rehabilitation;

16. Review and approve Pay Application No. 3 for Sanitary Sewer Phase 47 Manhole Rehabilitation;
17. Review and approve Pay Application No. 8 for Lift Station No. 1-15 & 22 SCADA System Improvements;
18. Review and approve Pay Application No. 3 for Lift Station No. 22 Rehabilitation;
19. Review and approve Pay Application No. 5 for Storm Sewer Phase 15 Rehabilitation;
20. Review and approve Change Order No. 1 for Storm Sewer Phase 16 Manhole Rehabilitation;
21. Review and approve Pay Application No. 2 for Storm Sewer Phase 16 Rehabilitation;
22. Review construction bids and award the contract for the El Camino Aerial Water Line/AT&T crossing over Ditch D;
23. Authorize the advertizing for construction bids for Sanitary Sewer Phase 41 Rehabilitation
24. Review and act upon Engineer's Report and any matters pertaining to construction contracts;
25. Consider and act upon Capital Projects Disbursements;
26. Receive and act upon Attorney's Report;
27. Consider and act upon Investment Summary ending October 31, 2010;
28. Receive General Managers Report;
29. 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

(SEAL)

CLEAR LAKE CITY WATER AUTHORITY

Board of Directors'
Regular Meeting Minutes
December 9, 2010

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 December 2010 and the 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;

Also present were:

Bill Rosenbaum, Engineer;
Bill Schweinle, Attorney
Julianne Kugle, Attorney
Jan Bartholomew, Financial Advisor

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

1. Minutes of 11/11/2010
Regular Meeting
Approved

Reading of the minutes of the 11/11/2010 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 11/11/2010 meeting.

2. Amend Minutes
Regular Meeting
10/14/2010
Approved

Changes were made to the 10/14/2010 minutes on a few entries to clarify or correct information. On entry #4 language was clarified to distinguish between Old Kirby Road and Kirby Road. Entry #20 was corrected to read City of Pasadena instead of El Carey. Entry #21 removed Pete Olson's name, which was incorrectly stated.

Thereupon, by motion duly made by Director Ferguson and seconded by Director Branch the Board voted unanimously to approve the amended minutes of the 10/14/2010 meeting.

3. Comments from the
Floor

None.

4. Ratify Item #20 from
November 11, 2010
minutes approving
Frost Bank's Collateral
Pledge Authorized
Contacts
Approved

A change to add and delete authorized representatives for Frost Bank's Collateral Pledge Agreement was presented to the Board for approval. Approval of the agreement authorizes adding Curtis Rodgers and removing Germaine Brown. There was a bank error adding Jennifer Morrow, she was already listed on the current agreement with James Byrd.

By motion duly made by Director Branch and seconded by Director Ferguson, the Board voted unanimously to approve the agreement for Frost Bank to add Curtis Rodgers and remove Germaine Brown.

5. Monument Pipeline Easement Across North Metering Station Driveway, 3000 Genoa Red Bluff
Approved

Monument Pipeline requested an easement across the North Metering Station for a gas line to run under the driveway at 3000 Genoa Red Bluff. The line had to be moved for the Genoa Red Bluff road expansion. Monument Pipeline offered \$569.25 for the acreage, which is equivalent to the City of Houston's offer. (Copy attached hereto as part of these minutes and identified as Exhibit B.)

By motion duly made by Director Branch and seconded by Director Ferguson, the Board voted unanimously to approve the easement request at 3000 Genoa Red Bluff, North Metering Station.

6. WCID #156 Contract Amendment
Approved

The TCEQ is requesting an additional clause in WCID #156's contract stating CLCWA will supply a minimum pumpage of 0.6 GPM per connection to meet TCEQ regulations. Mr. Bill Schweinle, as legal counsel for CLCWA advised that an addendum should be written and attached to the contract after both parties agree and sign.

By motion duly made by Director Branch and seconded by Director Ferguson, the Board voted unanimously to approve the WCID #156 contract amendment.

7. Bond Application No. 31
Approved

Bond Application No. 31 was presented for the Board's review and approval. Following a short discussion, by motion made by Director Branch and seconded by Director Johnson the Board voted unanimously to Approve Bond Application No. 31. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

8. Order Approving Bond Application No. 31 to be Submitted to TCEQ
Approved

The Order Approving Bond Application to be submitted to the Texas Commission on Environmental Quality (TCEQ) was presented for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit D.)

By motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve the Order Approving Bond Application No. 31 to be submitted to the TCEQ.

9. Tax Collector Report

Ms. Cumming presented a report of taxes collected and taxes outstanding as of November 30, 2010 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

10. Financial Report
Approved

The Financial Report ending September 30, 2010 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 Savely and seconded by Director Ferguson the Board voted unanimously to approve the Financial Report ending September 30, 2010.

11. Operating Disbursements
Approved

The Operating Disbursements Report ending November 30, 2010 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 Johnson the Board voted unanimously to approve the Operating Disbursements Report ending November 30, 2010.

12. Change Order No. 1 for Sanitary Sewer Phase 40 TV Inspection
Approved

Mr. Rosenbaum presented Change Order No. 1 for Sanitary Sewer Phase 40 TV Inspection 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 Johnson and seconded by Director

Savely the Board voted unanimously to approve Change Order No. 1 for CleanServe Inc. in the amount of \$500.00.

13. Pay Application No.1
for Sanitary Sewer
Phase 40 TV Inspection
Approved

Mr. Rosenbaum presented Pay Application No.1 for Sanitary Sewer Phase 40 TV Inspection 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 Ferguson the Board voted unanimously to approve Pay Application No. 1 for CleanServe, Inc. in the amount of \$3,796.20.

14. Pay Application No. 6 &
Final for Snaitary
Sewer Phase 46
Rehabilitation
Deferred

This item was deferred.

15. Change Order No. 1 for
Sanitary Sewer Phase
47 Manhole
Rehabilitation
Approved

Mr. Rosenbaum presented Change Order No. 1 for Sanitary Sewer Phase 47 Manhole Rehabilitation 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 Savely and seconded by Director Ferguson the Board voted unanimously to approve Change Order No. 1 for CDC Unlimited, LLC. in the amount of \$14,010.00 with 30 additional days.

16. Pay Application No. 3
for Sanitary Sewer
Phase 47 Manhole
Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Sanitary Sewer Phase 47 Manhole 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 Johnson and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 3 for CDC Unlimited, LLC. in the amount of \$6,057.00.

17. Pay Application No.8
for Lift Station No. 1-15
& 22 SCADA System
Improvements
Approved

Mr. Rosenbaum presented Pay Application No. 8 for Lift Station No. 1-15 & 22 SCADA System Improvements 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 Ferguson and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 8 for Trac-N-Troll, Inc. in the amount of \$25,797.50.

18. Pay Application No.3
for Lift Station No. 22
Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 3 for Lift Station No. 22 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 Ferguson and seconded by Director Savely the Board voted unanimously to approve Pay Application No. 3 for G&N Enterprises in the amount of \$45,009.00.

19. Pay Application No.5
for Storm Sewer Phase
15 Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 5 Storm Sewer Phase 15 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 Ferguson and seconded by Director Branch the Board voted unanimously to approve Pay Application No. 5 for R.L. Utilities in the amount of \$21,405.60.

20. Change Order No.1 for Storm Sewer Phase 16 Manhole Rehabilitation Approved
- Mr. Rosenbaum presented Change No.1 for Storm Sewer Phase 16 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 Ferguson and seconded by Director Branch the Board voted unanimously to approve Change Order No. 1 for R.L. Utilities in the amount of \$12,700.00 and 7 additional calendar days.
21. Pay Application No. 2 for Storm Sewer Phase 16 Rehabilitation Approved
- Mr. Rosenbaum presented Pay Application No. 2 for Storm Sewer Phase 16 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 Savely and seconded by Director Ferguson the Board voted unanimously to approve Pay Application No. 2 for R.L. Utilities in the amount of \$103,369.50.
22. Award Contract for El Camino Aerial Water Line/AT&T Crossing over Ditch D Approved
- Mr. Rosenbaum presented the bids received for El Camino Aerial Water Line/AT&T Crossing over Ditch D 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 Branch and seconded by Director Savely the Board voted unanimously to approve award the contract to the low bidder pursuant to the engineer's recommendation, Lone Star Road Construction, with a bid of \$356,500.00 and 60 calendar days.
23. Authorize Advertising for Sanitary Sewer Phase 41 Rehabilitation Approved
- Mr. Rosenbaum requested Board approval to authorize advertising for Sanitary Sewer Phase 41 Rehabilitation. Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve the advertising for bids for Sanitary Sewer Phase 41 Rehabilitation.
24. 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 R.)
25. 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 S.)
- Thereupon, by motion duly made by Director Savely and seconded by Director Ferguson, the Board voted unanimously to approve the Capital Projects Report in the amount of \$365,316.35 (revised to deduct #14 which was deferred).
26. Attorney's Report
- Mr. Schweinle requested an executive session to discuss potential and existing litigation.
27. Investment Summary Approved
- The Investment Summary ending October 31, 2010 was presented for the Board's 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 the Investment Summary ending October 31, 2010.
28. General Manager's Report
- Mr. Byrd reported there were two copper wire thefts at Lift Station #26, 11950 1/2 Space Center Blvd. The first theft occurred on 11/12/2010 and was replaced with copper wire. Also, extra modifications were made to make the wire harder to access. The second theft occurred on 12/8/2010 and the copper wire was replaced with

aluminum wire. A claim of just over \$10,000 was filed with CLCWA's insurance.

Mr. Byrd reported that the SEWPP plant budget committee for the City of Houston met. There is an approximate 11% increase in its water rate, which CLCWA budgeted for. There was an approximate \$1.7 million Operations and Maintenance expenditure that the City of Houston took out of the contingency fund. Currently, 2008-2009 and 2009-2010 true-ups are in the process and City of Houston will provide that information when it is available.

Mr. Byrd reported he had a preliminary meeting with NRG which is an emergency auxiliary generator energy provider. He will send copies of the contracts to our engineer, legal consultant, and Board of Directors to see if this is a feasible option.


29. Old and New Business

Mr. Savely reported he attended the Clear Lake Super-neighborhood meeting. Pot holes, medians, esplanades were mostly discussed, and very little about City of Houston Proposition 1.

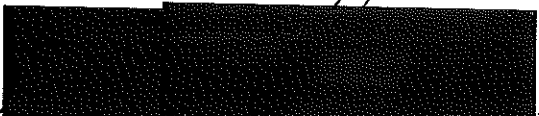
Mr. Branch reported that the initial Rice University Study has been completed and when Rice University finishes uploading the address database on their website CLCWA can link it to the webpage. Also, Rice University has received additional funding to further the study and integrate information in to a central system linking together weather stations, additional data, and other university's research.

30. Meeting Adjourned

President Yoder declared the meeting adjourned at 9:11 p.m.



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)