

CLEAR LAKE CITY WATER AUTHORITY

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

April 9, 2012

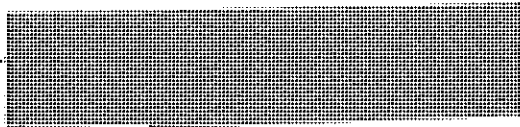
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

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 April 12, 2012 for the following purposes:

1. Approve or correct minutes of the March 8, 2012 Regular Meeting;
2. Comments from the floor (5 minute limitation);
3. Consider and act upon request for service to Garnett Motorcars/Tire Trends located at 11700 Space Center Blvd;
4. Consider and act upon cancellation of the May 2012 Director's Election;
5. Consider and act upon a policy approving COBRA Premium Payment Extension for employee health insurance;
6. Consider and act upon renewal of the CLCWA Employee Health Insurance Plan;
7. Consider and act upon a Settlement Agreement for Cost Sharing for the Southeast Water Purification Plant;
8. Consider and act upon City of Houston Drainage Fee Agreement (DFA);
9. Consider and act upon transferring bank accounts from Frost to Wells Fargo;
10. Ratify authorizing staff to open new TexPool account for the 2012 BAN;
11. Ratify approval of Tax Exempt Bond Post Issuance Compliance Policy;
12. Consider approving Preliminary Official Statement for Series 2012 Bonds (\$6.3m) and Series 2012A Refunding Bonds (\$4.305m);
13. Consider approving Amended Contract with Financial Advisor relating to issuance of Bond Anticipation Notes;

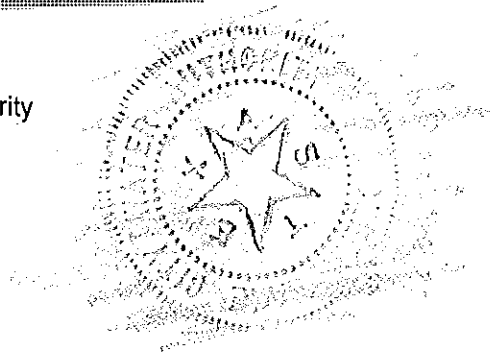
15. Receive Tax Assessor/Collector Report ending March 31, 2012;
16. Consider and act upon Financial Report ending February 29, 2012;
17. Consider and act upon the Operating Disbursement's Report ending March 31, 2012;
18. Review and approve Change Order No.1 for the Interior and Exterior Recoating of Grounds Storage Tanks No.1 & 2 at Water Plant No.2;
19. Review and approve Pay Application No.2 for the Interior and Exterior Recoating of Ground Storage Tanks No.1 & 2 at Water Plant No.2;
20. Review and approve Change Order No.1 for El Camino Real Utility Adjustments;
21. Review and approve Pay Application No.4 for El Camino Real Utility Adjustments;
22. Review and approve Pay Application No.7 & Final for Sanitary Sewer Phase 43 TV Inspections;
23. Review and approve Pay Application No.5 & Final for Sanitary Sewer Phase 44 Manhole Rehabilitation;
24. Review and approve Pay Application No.5 & Final for Sanitary Sewer Phase 49 TV Inspections;
25. Review and approve Pay Application No.1 for Storm Sewer Phase 21 TV Inspections;
26. Authorization to advertise construction bids for the Robert T. Savely Water Reclamation Facility Digester Blower Replacements;
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 February 29, 2012;
31. Receive General Managers 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
 April 12, 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 7:02 p.m. on the 12th of April 2012. Immediately preceding the start of the meeting a plaque was presented to the family of Director Ferguson, who passed away March 18, 2012, in honor of his dedication and service to CLCWA. 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;

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;
 Stephen Eustis, Financial Advisor;

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

1. Minutes of 3/8/2012
 Regular Meeting
 Approved

Reading of the minutes of the March 8, 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 Savely the Board voted unanimously to approve the minutes of the March 8, 2012 meeting.

2. Comments from the
 Floor

Chris Tibideaux, who is located on New Century Drive in Pasadena, owns commercial property in the Bayport Complex. Mr. Tibideaux claims his property is in a part of the City of Pasadena that pays taxes to CLCWA and requested rebates or refunds. Mr. Schweinle addressed the issue and said there is a provision for Pasadena household users to be reimbursed (within Village Grove and other nearby subdivisions) but commercial businesses in the City of Pasadena limits and Bayport Complex, who pay a fee in lieu of taxes, are not entitled to reimbursement of taxes paid to the CLCWA. Dennis Terry spoke up and stated he is working with Mr. Tibideaux to resolve this issue. Niday Funeral Home was mentioned also and Mr. Schweinle stated he would talk with them individually to find out how their specific situation might be different.

A CLCWA customer, Ms. Kim McQuilich had a complaint of high water bills, with previous bills averaging \$30 to now \$80. She stated there are no leaks on the property and said the staff was not cooperating. Ms. Shirley Kelly presented to the board a 3 year account history, results of reading the meter 3 days in a row, and explained to the board that a field customer service representative went to the residence, made customer contact and demonstrated how to read the meter. After addressing the customer's concerns, no further action was taken.

3. Water, Sewer, and Drainage to Garnett Motorcars/Tire Trends located at 11700 Space Center
Approved

A request for water, sewer, and drainage service to Garnett Motorcars/Tire Trends located at 11700 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 Branch the Board voted unanimously to approve the request for water, sewer, and drainage service to Garnett Motorcars/Tire Trends.

4. Cancellation of the 2010 Directors Election
Approved

A Certificate for Order Declaring Unopposed Candidates Elected to Office was presented for the Board's review and approval and a request to declare the May 2012 Director's Election to be canceled. (Copy attached hereto as part of these minutes and identified as Exhibit C.)

Thereupon, by motion duly made by Director Savely and seconded by Director Johnson the Board voted unanimously to approve the Order Declaring Unopposed Candidates Elected to Office and canceling the May 2012 Director's Election.

5. Establish Policy ADM-153 for a COBRA Premium Payment Extension for Employee Health Insurance
Approved

Mr. James Byrd presented policy ADM-153 for establishing an insurance premium payment extension for employees on COBRA insurance while still employed at CLCWA. Specific criteria to meet the extension requirement is specified in the policy. (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 policy ADM-153 COBRA Premium Payment Extension.

6. Renewal of CLCWA's Employee Health Insurance Plan
Approved

Mr. Andy Bell with GBS, Inc. presented the Authority's employee health insurance renewal for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

Following a lengthy discussion, by motion duly made by Director Savely to accept the recommendation of GBS to change to Blue Cross Blue Shield of Texas (BCBS), a fully-insured plan, for health and dental. The approved benefit plan is Proposal 1 (RM01). VSP is approved vision coverage and CLCWA would remain with Lincoln Financial for Life and Long-Term Disability Insurance. Director Branch seconded the motion and the Board voted unanimously to approve the insurance renewal.

7. Settlement Agreement for Cost Sharing at the Southeast Water Purification Plant
Approved

Mr. James Byrd presented a Settlement Agreement for the cost sharing dispute at the Southeast Water Purification Plant. (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 Johnson the Board voted unanimously to approve the Southeast Water Purification Plant Settlement Agreement.

8. City of Houston Drainage Fee Agreement
Approved

A Drainage Fee Agreement with the City of Houston 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 Savely and seconded by Director Johnson the Board voted unanimously to approve the Drainage Fee Agreement with the City of Houston.

9. Change Banks from Frost to Wells Fargo
Approved

A report comparing Frost Bank and Wells Fargo Bank was presented by Mr. James Byrd. Mr. Byrd recommended going with Wells Fargo after careful consideration of several different banks in the area. (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 Branch the Board voted unanimously to change banks from Frost to Wells Fargo.

- 10. Ratify Authorizing Staff to Open New Texpool Account for the 2012 BAN
Approved

A motion was presented at the March 8, 2012 meeting to approve authorizing CLCWA Staff to open a new Texpool account for the 2012 BAN.

Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve this ratification to authorize CLCWA Staff to open a new Texpool account for the 2012 BAN at the March 8, 2012 meeting.

- 11. Ratify Tax Exempt Bond Post Issuance Compliance Policy
Approved

A motion was presented at the March 8, 2012 meeting to approve the Tax Exempt Bond Post Issuance Compliance Policy. (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 Savely, the Board voted unanimously to approve this ratification to approve the Tax Exempt Post Issuance Compliance Policy at the March 8, 2012 meeting.

- 12. Preliminary Official Statement for Series 2012 Bonds (\$6.3m) and Series 2012A Refunding Bonds (\$4.305m)
Approved

A Preliminary Official Statement for Series 2012 Bonds (\$6.3m) and Series 2012A Refunding Bonds (\$4.305m) was presented to the Board for approval. (Copy attached hereto as part of these minutes and identified as Exhibit J.)

By motion duly made by Director Savely and seconded by Director Johnson the Board voted unanimously to approve the Preliminary Official Statement.

- 13. Amended Contract with Financial Advisor Relating to Issuance of Bond Anticipation Notes
Approved

An amended contract with the Financial Advisor reflecting a company name change was presented to the Board for approval. This is related to issuance of the Bond Anticipation Notes (BAN). (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 amended contract with the Financial Advisor.

- 14. Tax Collector Report

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

- 15. Financial Report
Approved

The Financial Report ending February 29, 2012 was presented for the Board's 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 Savely the Board voted unanimously to approve the Financial Report ending February 29, 2012.

- 16. Operating Disbursements Report
Approved

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

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

17. Change Order No. 1 for Interior and Exterior Recoating of Ground Storage Tanks No. 1 & 2 at Water Plant No. 2
Approved

Mr. Rosenbaum presented Change Order No. 1 for Interior and Exterior Recoating of Ground Storage Tanks No. 1 & 2 at Water Plant No. 2 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 Johnson and seconded by Director Branch the Board voted unanimously to approve Change Order No. 1 for M.K. Painting for \$13,575.00 and no additional calendar days requested.

18. Pay Application No.2 for Interior and Exterior Recoating of Ground Storage Tanks No. 1 & 2 at Water Plant No. 2
Approved

Mr. Rosenbaum presented Pay Application No. 2 for Interior and Exterior Recoating of Ground Storage Tanks No. 1 & 2 at Water Plant No. 2 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 Branch the Board voted unanimously to approve Pay Application No. 2 for M.K. Painting for \$31,140.00.

19. Change Order No. 1 for El Camino Real Utility Adjustments
Approved

Mr. Rosenbaum presented Change Order No. 1 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 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 CDC Unlimited, LLC. for \$4,280.00 and no additional calendar days requested.

20. Pay Application No. 4 El Camino Real Utility Adjustments
Approved

Mr. Rosenbaum presented Pay Application No. 4 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 R.)

Thereupon, by motion duly made by Director Branch and seconded by Director Johnson the Board voted unanimously to approve Pay Application No. 4 for CDC Unlimited, LLC. for \$1,305.00.

21. Pay Application No.7 & Final for Sanitary Sewer Phase 43 Rehabilitation
Approved

Deferred.

22. Pay Application No.5 & Final for Sanitary Sewer Phase 44 Manhole Rehabilitation
Approved

Mr. Rosenbaum presented Pay Application No. 5 & Final for Sanitary Sewer Phase 44 Manhole 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 Johnson the Board voted unanimously to approve Pay Application No. 5 & Final for Standard Cement Materials for \$22,247.00.

23. Pay Application No.5 & Final for Sanitary Sewer Phase 49 TV Inspections
Approved

Mr. Rosenbaum presented Pay Application No. 5 & Final for Sanitary Sewer Phase 49 TV Inspections 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. 5 & Final for CleanServe, Inc. for \$17,926.82.

24. Pay Application No. 1
Storm Sewer Phase 21
TV Inspections
Approved
- Mr. Rosenbaum presented Pay Application No. 1 for Storm Sewer Phase 21 TV Inspection 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 Branch the Board voted unanimously to approve Pay Application No. 1 for CleanServe, Inc. for \$34,005.29.
25. Authorize Advertising
for Construction Bids
for the Robert T. Savely
Water Reclamation
Facility Digester Blower
Replacements
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising construction bids for Robert T. Savely Water Reclamation Facility Digester Blower Replacements 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 construction bids for Robert T. Savely Water Reclamation Facility Digester Blower Replacements.
26. 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.)
27. 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 Savely, the Board voted unanimously to approve the Capital Projects Report in the amount of \$257,754.08.
28. Attorney's Report
- Mr. Schweinle reported on a preliminary meeting with Robin Green and the City of Pasadena to discuss renegotiating water and sewer service contracts. The City of Pasadena agreed to pay their portion of expense equal to their usage at 18% of Lift Station 4 expansion project.
- Mr. Schweinle reported that meetings with CLCWA staff, consultants and the Fidelis Tract (412 Acres) group are underway.
- Mr. Schweinle reported that he has been involved in discussions with a Bayport customer on Underwood regarding the Pasadena tax issue. He reported that he will continue to work with the staff on addressing the issue.
- Mr. Schweinle reminded the Board that they have 60 days to appoint a replacement for Director Ferguson for the remaining term according to Chapter 49 of the Texas Water Code.
- 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.
29. Investment Summary
Approved
- The Investment Summary ending February 29, 2012 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 Johnson the Board voted unanimously to approve the Investment Summary ending February 29, 2012.
30. General Manager's
Report
- Mr. Byrd reported that the electrical energy provider contract with Direct Energy (0.0675 rate) is expiring December 2012. The new 2-year contract starts in January 2013 with Constellation Energy (0.05113 rate).

31. Old and New Business

Director Savely reported he would like to look in to putting a dirt dike around the Wastewater Treatment Plant using the Stormwater Detention Area (former golf course) dirt and would like engineering consultant Bill Rosenbaum to draw up some preliminary plans. JSC is also looking in to this option.

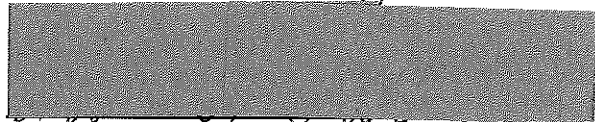
Director Johnson opened a discussion on a possible nominee for Director appointment and Director Savely added that he had several nominees also. After a discussion it was determined this issue would be deferred.

Director Johnson passed on that Mayor Powell thanked the CLCWA Staff for taking care of a Taylor Lake Village situation recently.

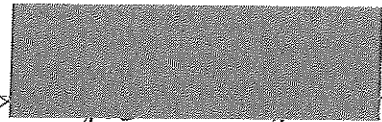
Director Branch discussed various items with the Stormwater Detention Area and a lengthy discussion ensued. Director Branch and Director Savely have been working with the Advisory Group to develop a working master plan and guidelines. Director Branch proposed a budget outline for \$1,025 for the Advisory Group to work with and stated receipts for reimbursement would go to General Manager James Byrd for processing. No objections were raised by the Board. Development requirements for various entities to retain an interest in the property were discussed, including Harris County Flood Control District, City of Houston, General Land Office, USGS, and Harris County.

32. Meeting Adjourned

President Yoder declared the meeting adjourned at 10:00 p.m.



Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY



President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)