

CLEAR LAKE CITY WATER AUTHORITY

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

October 5, 2012

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

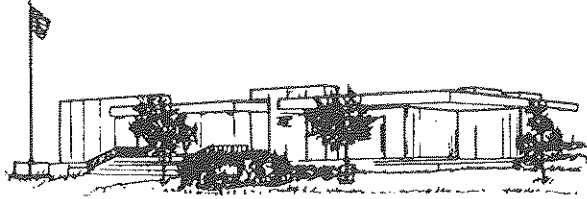
Notice is hereby given that the Board of the Clear Lake City Water Authority will convene in a Public Hearing Special Session open to the public at 900 Bay Area Boulevard within such Authority at 7:00 p.m. on October 11, 2012 for the following purposes:

1. Discuss and comment on the proposed 2011 Ad Valorem tax rate for CLCWA;
2. Discuss and comment on the proposed 2011 Ad Valorem tax rate for WCID #75.

James H. Byrd
General Manager
Clear Lake City Water Authority

(SEAL)





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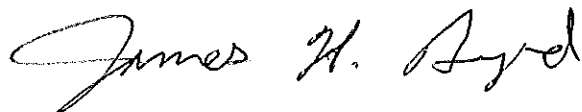
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

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 immediately after the Public Hearing at 7:00 p.m. on October 11, 2012 for the following purposes:

1. Approve or correct minutes of the September 13, 2012 Regular Meeting;
2. Approve or correct minutes of the September 20, 2012 Workshop Meeting;
3. Comments from the floor (5 minute limitation);
4. Consider and act upon adoption of proposed 2012 Ad Valorem tax rate for CLCWA;
5. Consider and act upon adoption of proposed 2012 Ad Valorem tax rate for WCID #75;
6. Discuss and act upon revision to Policy R&S-120, to increase deposit amount;
7. Consider and act upon revision to Policy DEV-111, Detention Pond Inspections;
8. Consider and act upon approval of Budget for 2012-2013 fiscal year;
9. Discuss and act upon automatic meters;
10. Receive Tax Assessor/Collector Report ending September 30, 2012;
11. Consider and act upon Financial Report ending August 31, 2012;
12. Consider and act upon the Operating Disbursement's Report ending September 30, 2012;
13. Review bids and award the construction contract for Water System Phase 1 Rehabilitation;
14. Review bids and award the construction contract for Lift Station No. 1 Rehabilitation;
15. Review and approve Pay Application No. 1 for Lift Stations No. 2, 3, 9 & 14 Modifications;
16. Review and approve Pay Application No. 5 for Robert T. Savely Water Reclamation Facility, Water Plant No. 3 and Lift Station No. 4 Electrical Modifications;

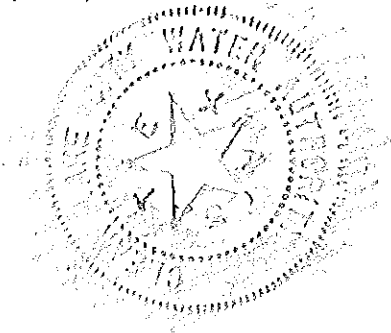
17. Review and approve Pay Application No. 1 & Final for the Sanitary Sewer Phase 53 TV Inspections;
18. Review bids and award the construction contract for the Sanitary Sewer Rehabilitation at 15003 Woodhaven Drive in Meadowgreen Section 3;
19. Review bids and award the construction contract for Storm Sewer Phase 22 Rehabilitation;
20. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
21. Consider and act upon approval of the Capital Projects Disbursements;
22. Receive and act upon Attorney's Report;
23. Consider and act upon the Investment Summary ending August 31, 2012;
24. Receive General Managers Report;
25. 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'
Special Session and Regular Meeting Minutes
October 11, 2012

Special Meeting The Board of Directors of the Clear Lake City Water Authority convened in special session open to the public at the regular meeting place in its office at 7:00 p.m. on the October 11, 2012 for a Public Hearing. 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. Gordon Johnson, Director.

All were present.

Also present were:

James Byrd, General Manager;
Bill Rosenbaum, Engineer;
William Schweinle Jr., Attorney;

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

1. Public Hearing The purpose of this Public Hearing is to comment and discuss the proposed Ad Valorem Tax Rates for CLCWA and WCID #75. CLCWA is proposing \$0.23 debt + \$0.05 maintenance and operating. WCID #75 is proposing \$0.47 debt + \$0.05 maintenance and operating. There were no public comments or questions.

2. Adjourned There being no further business to come before the Public Hearing, Board President Yoder declared the meeting adjourned at 7:03 p.m.

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 7:04 p.m. on the 11th of October, 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. Gordon Johnson, Director.

All were present.

Also present were:

James Byrd, General Manager;
Bill Rosenbaum, Engineer;
Bill Schweinle, Attorney;
Curtis Rodgers, Director of Utilities;

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

1. Minutes of 9/13/2012 Regular Meeting
Approved

Reading of the minutes of the September 13, 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 V. Johnson, the Board voted unanimously to approve the minutes for the September 20, 2012 meeting.
2. Minutes of 9/20/2012 Workshop Meeting
Approved

Reading of the minutes of the September 20, 2012 meeting was waived due to all Directors having received copies prior to the meeting.

Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted to approve the minutes for the September 20, 2012 meeting. President Yoder and Director V. Johnson abstained. Motion carries with three votes to approve.
3. Comments from the Floor

CLCWA Attorney Bill Schweinle provided a brief overview of the history regarding the Armandwilde development. President Yoder spoke next and said CLCWA is considering a master meter to try and get an idea of how much water is being lost from water line leaks. A back-flow preventer is being installed shortly. President Yoder stated CLCWA will continue to provide water, sewer, and drainage service just as it has been historically doing.

An unidentified resident asked is CLCWA has the power to take over the system according to the state codes, then why can't the taxes be lowered for poor infrastructure or CLCWA take it over? Bill Schweinle answered that CLCWA did not design, build, or inspect Armandwilde's infrastructure, and although CLCWA has the authority to take over, is not obligated to.

Director V. Johnson asked the group of residents who maintains the private streets? The residents stated that they do. Director V. Johnson said that this is a similar situation with the infrastructure.

HOA President Rocky Lai stated that Armandwilde is a victim of 3rd party defaults because the developer went bankrupt. He requested CLCWA's engineer to assess what retro repairs could be done to bring the system up to CLCWA's standard, so he can present the potential costs projection to the homeowners.

Ms. Dooley requested help in understanding what are the specific issues needing correction in order to bring it up to CLCWA's standards. Bill Schweinle said to send a written statement to CLCWA stating what Armandwilde specifically wants.
4. Adopt 2012 Ad Valorem tax rate for CLCWA
Approved

By motion duly made by Director Savely and seconded by Director Branch 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 assessed valuation for CLCWA. (Copy attached hereto as part of these minutes and identified as Exhibit B.)
5. Adopt Proposed 2012 Ad Valorem tax rate for WCID #75
Approved

By motion duly made by Director Savely and seconded by Director G. Johnson the Board voted unanimously to adopt a debt service rate of \$0.47 per \$100 of the assessed valuation and a maintenance tax of \$0.05 per assessed valuation for WCID #75. (Copy attached hereto as part of these minutes and identified as Exhibit C.)
6. Amend Policy R&S-120 Deposit Amount Increase
Deferred

After discussing with the Board and Staff, this item was deferred.

7. Amend Policy DEV-111
Detention Pond
Inspections
Deferred

After discussing with the Board and Staff, this item was deferred.

8. 2012-2013 Budget
Approved

The 2012-2013 fiscal year budget was presented to the board for 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 Savely the Board voted unanimously to approve the 2012-2013 fiscal year budget as presented.

9. Automatic Meters
Deferred

After a presentation by Richard Hardy with HD Supply and Rex Baxter with Neptune Meters, and a discussion with the Board, this item was deferred.

10. Tax Collector Report
Received

Ms. Cumming presented a report of taxes collected and taxes outstanding as of September 30, 2012 for the Board's review. (Copy attached hereto as part of these minutes and identified as Exhibit E.)

Ms. Cumming additionally reported two properties with delinquent taxes were up for Public Auction. 731 Voyager has 7 years delinquent taxes and will be auctioned off in the Harris County Constable Sale on 11/6/2012. Bio-fuel Equipment (Business Personal Property for Hunt Global) has been abandoned at 4700 New West and has 2 years of delinquent taxes. A Public Auction has been scheduled for October 24, 2012.

11. Financial Report
Approved

The Financial Report ending August 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 Savely and seconded by Director Branch, the Board voted unanimously to approve the Financial Report ending August 31, 2012.

12. Operating
Disbursements Report
Approved

The Operating Disbursements Report ending September 30, 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 Savely, the Board voted unanimously to approve the Operating Disbursements Report ending September 30, 2012.

13. Award Construction
Contract for Water
System Phase 1
Rehabilitation
Approved

Mr. Rosenbaum presented the bids received for Water System Phase 1 Rehabilitation 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 Savely the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, T. Construction, with a bid of \$57,274.00 and 30 calendar days.

14. Award Construction
Contract for Lift Station
No. 1 Rehabilitation
Approved

Mr. Rosenbaum presented the bids received 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 I.)

Thereupon, by motion duly made by Director Savely and seconded by Director Branch the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, PMG, LLC with a bid of \$243,077.00 and

145 calendar days.

15. Pay Application No. 1 for Lift Stations No. 2, 3, 9 & 14 Modifications Approved
Mr. Rosenbaum presented Pay Application No. 1 for Lift Stations No. 2, 3, 9 & 14 Modifications 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 1 to T&C Construction, LTD. for \$100,809.00.
16. Pay Application No. 5 for Robert T. Savely Water Reclamation Facility, Water Plant No. 3, and Lift Station No. 4 Electrical Modifications Approved
Mr. Rosenbaum presented Pay Application No. 5 for Robert T. Savely Water Reclamation Facility, Water Plant No. 3, and Lift Station No. 4 Electrical Modifications 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 Savely and seconded by Director Branch, the Board voted unanimously to approve Pay Application No. 5 to C. F. McDonald Electric for \$86,530.45.
17. Pay Application No. 1 for the Sanitary Sewer Phase 53 TV Inspections Approved
Mr. Rosenbaum presented Pay Application No. 1 for the Sanitary Sewer Phase 53 TV Inspections 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 1 to AAA Flexible Pipe Cleaning Co., Inc. for \$10,995.30.
18. Award Construction Contract for Sanitary Sewer Phase 52 Rehabilitation Approved
Mr. Rosenbaum presented the bids received for Sanitary Sewer Rehabilitation at 15003 Woodhorn Drive in Meadowgreen Section 3 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 Branch the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, R.L. Utilities, with a bid of \$9,750.00 + \$1,800.00 to install a liner in the manhole, for a total cost of \$11,550.00, and 15 calendar days.
19. Award Construction Contract for Storm Sewer Phase 22 Rehabilitation Approved
Mr. Rosenbaum presented the bids received for Storm Sewer Phase 22 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 Branch the Board voted unanimously to approve awarding the contract to the low bidder pursuant to the Engineer's recommendation, National Power Rodding Corp., with a bid of \$175,615.89 and 120 calendar days.
20. 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 O.)
Mr. Rosenbaum requested the Board consider authorization for advertising constructions bids for Water Plant 4 Recoating and Modifications, to be ratified at the November 2012 regular Board meeting.
Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve advertising construction bids for Water Plant 4 Recoating and Modifications, to be ratified at the November 2012 regular Board meeting.

21. 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 P.)
Thereupon, by motion duly made by Director G. Johnson and seconded by Director V. Johnson, the Board voted unanimously to approve the Capital Projects Report in the amount of \$661,665.41.
22. 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.
23. Investment Summary Approved
The Investment Summary ending August 31, 2012 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 V. Johnson and seconded by Director Branch the Board voted unanimously to approve the Investment Summary ending August 31, 2012.
24. General Manager's Report
Mr. Byrd updated the Board that he spoke with City of League City and they are not interested in dirt right now to fill the former HL&P site.
Mr. Byrd reported 426 Forest Lake Drive has been red tagged 3 times for an illegal discharge and they also had a long term water leak issue. The Taylor Lake Village City Inspector has been notified and the City Health Inspector and Mayor will be notified next.
1080 Clear Lake City Blvd., at the Abe's Cajun Market is requesting to be individually metered within the retail strip center. The Board agreed it is not going to start individually metering retail strip centers.
The Armandwilde backflow preventer (RPZ) is onsite and ready for installation. Bill Schweinle is working on the easement issue to cover the backflow preventer and meter location. Space Center Blvd. is an easement, not a right-of-way, which is unusual.
25. Old and New Business
Director Yoder thanked the CLCWA employees who did an excellent job fixing and cleaning up a water main break in front of her house.
There was no other old and new business.
26. Meeting Adjourned
President Yoder declared the regular meeting adjourned at 9:40 p.m.
After meeting in Executive Session, the Board reconvened at 11:10 p.m. in open session for the purpose of approving bonuses for various staff members.
President Yoder declared the meeting adjourned at 11:15 p.m.

President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY (SEAL)