

CLEAR LAKE CITY WATER AUTHORITY

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

September 10, 2012

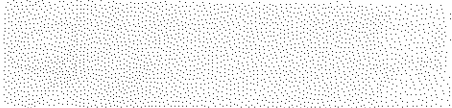
To: All Persons Interested in the Meeting of the Clear Lake City Water Authority Board of Directors:

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 September 13, 2012 for the following purposes:

1. Approve or correct minutes of the August 9, 2012 Regular Meeting;
2. Comments from the floor (5 minute limitation);
3. Consider and act upon retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP, Financial Advisors for 2011-2012 Fiscal Year;
4. Receive presentations from the Detention Area Advisory Group;
5. Consider and act upon amending the fiscal year 2011-2012 Budget;
6. Consider and act upon approval of the fiscal year 2012-2013 Budget;
7. Discuss and act upon automatic meters;
8. Consider and act upon adoption of proposed 2012 Ad Valorem tax rate for CLCWA;
9. Consider and act upon adoption of proposed 2012 Ad Valorem tax rate for WCID #75;
10. Receive Tax Assessor/Collector Report ending August 31, 2012;
11. Consider and act upon approval to write-off delinquent uncollectable water/sewer accounts;
12. Consider and act upon Financial Report ending July 31, 2012;
13. Consider and act upon the Operating Disbursement's Report ending August 31, 2012;
14. Review bids and award the construction contract for Water System Phase 1 Rehabilitation;
15. Authorize the execution of a Temporary Water Line Work Space Easement for Water System Phase 1 Rehabilitation;

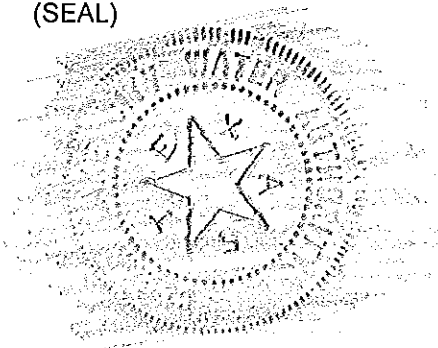
16. Review and approve Pay Application No. 4 for Robert T. Savely Water Reclamation Facility, Water Plant No. 3 and Lift Station No. 4 Electrical Modifications;
17. Review and approve Change Order No. 1 for Robert T. Savely Water Reclamation Facility, Water Plant No. 3 and Lift Station No. 4 Electrical Modifications;
18. Review and approve Pay Application No. 2 & Final for Sanitary Sewer Phase 51 Rehabilitation;
19. Review and approve Change Order No. 1 for Sanitary Sewer Phase 53 TV Inspections;
20. Authorize the advertising for construction bids for Lift Station No. 1 Rehabilitation;
21. Review and approve Pay Application No. 4 & Final for Storm Sewer Phase 20 Rehabilitation;
22. Authorize the advertising for construction bids for Storm Sewer Phase 22 Rehabilitation;
23. Review and act upon the Engineer's Report and any matters pertaining to construction contracts;
24. Consider and act upon approval of the Capital Projects Disbursements;
25. Receive and act upon Attorney's Report;
26. Consider and act upon the Investment Summary ending July 31, 2012;
27. Receive General Managers Report;
28. 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 13, 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 13th of September, 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 except Mr. Vince Johnson.

Also present were:

James Byrd, General Manager;
Bill Rosenbaum, Engineer;
Bill Schweinle, Attorney;
Curtis Rodgers, Director of Utilities;
Stephen Eustis, Financial Advisor
Noel Barfoot, Auditor

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

1. Minutes of 8/9/2012
Regular Meeting
Approved

Reading of the minutes of the August 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 G. Johnson, the Board voted to approve the minutes for the August 9, 2012 meeting.

2. Comments from the
Floor

Mr. Leo Symmank, a resident at 1002 Parksted, came to protest his water bill and request a re-evaluation and adjustment for the issue. The Board agreed to investigate further and get back with Mr. Symmank.

Ms. Kimberly Wichelhaus reported to the Board she was having issues getting the City of Houston to repair a collapsed catch basin in the street at her property, 14030 Jade Meadow Ct.. Dirt is being washed out of her yard and in to the storm sewer system. She was told by the City of Houston they will not fix anything in zip codes ending in 058, 059, 062. Mr. Balboa, the Assistant Water Superintendent, stated this is one of the worst catch basin collapses he has seen. Mr. Schweinle addressed Ms. Wichelhaus and said he has been in contact with the City of Houston recently and they have led him to believe repairs will resume soon in the Clear Lake area.

Ms. Stormy Cansler, who lives at the Armandwilde Townhomes, addressed the Board with her concerns that CLCWA would no longer serve the Armandwilde Townhomes. President Yoder said CLCWA was considering installing a master meter, but it would not change who provides service. Mr. Schweinle stated the master meter is to account for potential water loss due to the multiple line breaks on private lines. Since a private water system exists, inspections were not done by CLCWA personnel. Ms. Cansler declared she is putting the Board on notice that if changes are made to the system her rights are being violated. President Yoder again said there would not be a

change in the service provider and that the master meter was only an option, not a definite solution that was discussed at a meeting involving herself, the HOA manager Kathy Dooley, several Armandwilde HOA board members, CLCWA staff, and Armandwilde's plumber. Lee Dorris, who also lives at the Armandwilde Townhomes, addressed the board with similar concerns. The CLCWA Board is reviewing the situation with staff and consultants before any official decisions are made.

3. Retain McCall, Gibson, Swedlund, Barfoot PLLC LLP as Financial Auditors for the 2011-2012 Fiscal Year
Approved

Mr. Noel Barfoot from McCall, Gibson, Swedlund, Barfoot PLLC LLP presented an engagement letter for the 2011-2012 audit.

By motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve retaining McCall, Gibson, Swedlund, Barfoot PLLC LLP as the District's Financial Auditors for the 2011-2012 Fiscal Year. (Copy attached hereto as part of these minutes and identified as Exhibit B.)
4. Detention Area Advisory Group Presentation

Mr. Frank Weary and Mr. John Jacob presented a summary based on the Detention Area Advisory Committees reports. Mr. Jacob reviewed highlights from the proposals. Mr. Weary went over recommendations. Director Branch requested a workshop meeting for September 20, 2012 at 3:30 p.m. to discuss the committee reports with the Board and SWA.
5. Amend Fiscal Year 2011-2012 Budget
Approved

A request from the CLCWA staff was presented to amend the budget for the 2011-2012 Fiscal Year.

By motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve amending the budget 2011-2012 Fiscal Year. (Copy attached hereto as part of these minutes and identified as Exhibit C.)
6. Budget 2012-2013
Deferred.
7. Automatic Meters
Deferred.
8. Adopt Proposed 2012 Ad Valorem Tax Rate for CLCWA
Approved

Mr. Stephen Eustis presented a cash flow analysis illustrating the 2012 recommended tax rate for CLCWA. It is proposed that the tax rate remain the same at \$0.23 (for debt retirement) + \$0.05 (for maintenance and operations). (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 adopt the proposed 2012 Ad Valorem Tax Rate for CLCWA.
9. Adopt Proposed 2012 Ad Valorem Tax Rate for WCID #75
Approved

Mr. Stephen Eustis presented a cash flow analysis illustrating the 2012 recommended tax rate for WCID #75. A \$0.03 tax rate decrease is recommended. The new proposed rate is \$0.47 (for debt retirement) + \$0.05 (for maintenance and operations). (Copy attached hereto as part of these minutes and identified as Exhibit E.)

By motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to adopt the proposed 2012 Ad Valorem Tax Rate for WCID #75.
10. Tax Collector Report
Received

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

11. Write-off of Delinquent Uncollectable Water/Sewer Accounts Approved
Ms. Kelly presented a report of delinquent uncollectible water/sewer accounts for the Board's review and approval. (Copy attached hereto as part of these minutes and identified as Exhibit G.)
By motion duly made by Director Branch and seconded by Director Savely, the board voted unanimously to approve the write-offs in the amount of \$4,331.37.
12. Financial Report Approved
The Financial Report ending July 31, 2012 was presented for the Board's approval. (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 approve the Financial Report ending July 31, 2012.
13. Operating Disbursements Report Approved
The Operating Disbursements Report ending August 31, 2012 was presented for the Board's approval. (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 the Operating Disbursements Report ending August 31, 2012.
14. Award Construction Contract for Water System Phase 1 Rehabilitation Deferred.
15. Temporary Water Line Work Space Easement for Water System Phase 1 Rehabilitation Approved
Mr. Rosenbaum presented a request to execute a temporary water line work space easement 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 J.)
Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve the temporary water line work space easement for Water System Phase 1 Rehabilitation project.
16. Pay Application No. 4 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. 4 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 G. Johnson, the Board voted unanimously to approve Pay Application No. 4 to C. F. McDonald Electric for \$123,966.00.
17. Change Order No. 1 for Robert T. Savely Water Reclamation Facility Water Plant No. 3 and Lift Station No. 4 Electrical Modifications Approved
Mr. Rosenbaum presented Change Order No. 1 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 L.)
Thereupon, by motion duly made by Director Savely and seconded by Director G. Johnson, the Board voted unanimously to approve Change Order No. 1 to C. F. McDonald Electrical for \$2,890.00 and no additional calendar days requested.

18. Pay Application No.2 & Final for the Sanitary Sewer Phase 51 Rehabilitation
Approved
- Mr. Rosenbaum presented Pay Application No. 2 for & Final for the Sanitary Sewer Phase 51 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 Savely and seconded by G. Johnson, the Board voted unanimously to approve, subject to receiving consent of release by the surety company, Pay Application No. 2 & Final to PM Construction & Rehab., L.P. for \$15,332.86
19. Change Order No. 1 for Sanitary Sewer Phase 53 TV Inspections
Approved
- Mr. Rosenbaum presented Change Order No. 1 for 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 N.)
- Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve Change Order No. 1 to AAA Flexible Pipe Cleaning Co. Inc. for \$3,714.00.
20. Authorize Advertising for Construction Bids for Lift Station No. 1 Rehabilitation
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising construction bids for Lift Station No. 1 Rehabilitation 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 Lift Station No. 1 Rehabilitation.
21. Pay Application No.4 for Storm Sewer Phase 20 Rehabilitation
Approved
- Mr. Rosenbaum presented Pay Application No. 4 for Storm Sewer Phase 20 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 Savely and seconded by Director Branch, the Board voted unanimously to approve Pay Application No. 4 to National Power Rodding Corporation for \$21,008.37.
22. Authorize Advertising for Construction Bids for Storm Sewer Phase 22 Rehabilitation
Approved
- Mr. Rosenbaum requested Board approval to authorize advertising construction bids for Storm Sewer Phase 22 Rehabilitation to be funded through Bond Issue #33.
- Thereupon, by motion duly made by Director Savely and seconded by Director Branch, the Board voted unanimously to approve advertising construction bids Storm Sewer Phase 22 Rehabilitation.
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 P.)
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 Q.)
- 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 \$403,958.37.
25. Attorney's Report
- Mr. Schweinle has requested a meeting with the City of Houston regarding the Drainage Participation Agreement.
- Mr. Schweinle reported that Mr. John Greytok and CLCWA staff and consultants are working on the municipal payment situation.

26. Investment Summary Approved

The Investment Summary ending July 31, 2012 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 Branch and seconded by Director Savely the Board voted unanimously to approve the Investment Summary ending July 31, 2012.

27. General Manager's Report

Mr. Byrd reported he is setting up a meeting with the City of League City to offer fill dirt for the former HL&P site.

Mr. Byrd updated the Board on the Armandwilde Townhomes. Due to numerous leaks, the TCEQ enacted a mandatory boil water notice. Samples were taken during and after the incident. The boil water notice was rescinded and the TCEQ was notified after the leaks were fixed and the samples came back negative/not found. CLCWA Staff has been in contact with Ms. Dooley, the property manager, and she will contact us immediately in the future should any further issues develop.

28. Old and New Business

Director Savely brought up for discussion that the detention pond inspection policy seems to be harsh on non-profits. Several options were discussed and a revised policy will be presented at the next board meeting.

There was no other old and new business.

29. Meeting Adjourned

President Yoder declared the meeting adjourned at 9:40 p.m.

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Secretary, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

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President, Board of Directors
CLEAR LAKE CITY WATER AUTHORITY

(SEAL)

