

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
GREATER TEXOMA UTILITY AUTHORITY**

MONDAY, JANUARY 17, 2011

**AT THE ADMINISTRATIVE OFFICES
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: Don Skelton, Bill Johnson, George Rowland, Everett Grantham, Paul Kirley, Mark Kuneman, David Sprowl, Clyde Yeatts

Members Absent: Duane Hayes

Staff: Jerry Chapman, Debi Atkins, Carolyn Bennett, and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne
Jonathan Cannon, Herald Democrat
Kevin Farley, City of Pottsboro
Tom Schalk, Schalk & Smith
Judy Smith, Schalk & Smith

I. Call to Order

President Skelton called the meeting to order at 12:32 p.m.

II. Consent Agenda

The items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion with the consent agenda. President Skelton asked the Board if there were any items they wished to have removed from the consent agenda for discussion. There were no items requested by the Board of Directors to be removed from the consent agenda for discussion. Board Member Sprowl motioned to approve the consent agenda. The motion was seconded by Vice President Johnson and passed unanimously.

III. * Consider and act upon approval of Minutes of December 20, 2010 Meeting

IV. * Consider and act upon approval of accrued liabilities for December 2010

V. Citizens to be Heard

General Manager Chapman introduced visitors Kevin Farley with the City of Pottsboro, Tom Schalk and Judy Smith with Schalk & Smith auditors and Jonathan Cannon with the Herald Democrat.

At this time, President Skelton moved out of agenda order to General Activities, Item VII-B, Receive Independent Audit for Fiscal Year Ending September 30, 2010.

Receive Independent Audit for Fiscal year Ending September 30, 2010

Mr. Chapman apologized for the late time in providing the audit to the Board. The staff did not receive the audit until 4:00 p.m. on Friday afternoon. The audit for the 2010 fiscal year contained three refunding and was considerably more complex than usual. At this time, Mr. Schalk reviewed the audit with the Board. The auditors were able to provide a clear and unqualified audit, which is the highest rating that can be provided. No problems were located in internal control or the accounts. The Authority is fiscally sound and the records are clean. Mr. Chapman reported that he and Mrs. Atkins reviewed the information on Friday. The Authority is required to file the audit with the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB).

Board Member Sprowl motioned to approve the audit for Fiscal Year Ending September 30, 2010. The motion was seconded by Board Member Grantham and passed unanimously.

At this time, President Skelton moved back into the posted agenda order.

VI. Water Activities

Consider and act upon a Resolution of the Board of Directors of the Greater Texoma Utility Authority authorizing the filing of an Amendment to Water Use Permit No. 4301, as amended.

This is an amendment to the Authority's Water Right Permit No. 4301. In 2010, the Authority successfully acquired 50,000 acre-feet of water storage from Lake Texoma. That storage was funded through the Water Infrastructure Fund at 1.89%. Unfortunately, some water providers were not eligible to participate in tax-exempt financing. This included Kiowa Homeowners Association and Woodbine Water Supply Corporation (WSC). The US Army Corps of Engineers contacted the Authority and reported they had an additional 1,515 acre-feet of water storage in Lake Texoma available and asked if there was interest in the water. The Authority discussed this with the two water providers and they requested the Authority pursue the water storage.

A resolution is included for the amendment of the water rights permit. This is not a major amendment. The staff consulted with Tom Gooch with Freese & Nichols and Martin Rochelle, a water attorney in Austin and they agree the permit amendment should be fairly quick and easy. Jan Hotubbee a water supply specialist with the US Army Corps of Engineers promised to provide a contract for the water storage to the Authority in January. This water storage will be financed through the US Army Corps of Engineers at approximately a 4% interest rate.

The water providers expect to access the water one of two ways. One would be the City of Sherman treats the water and then pumps the water to the purchasing entity for a fee. The other would be a joint water treatment plant and distribution line for the users along the Hwy 377 corridor. Currently, the Sherman water lines go as far west as Hwy 289, which is approximately one third of the distance to Whitesboro. Both entities are being very proactive in acquiring water storage at this time.

Vice President Johnson motioned to approve a Resolution authorizing the filing of an Amendment to Water Use Permit No. 4301, as amended. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon an award of contract for the Argyle WSC 12" Waterline Extension from Stonecrest to Harpole Rd.

This is a project for the Argyle WSC in Denton County. The bids were taken on Tuesday and the engineer did not have time to provide the bid tabulation and recommendation for award before the agenda packet was mailed. The low bid was submitted by Wilson Contractor Services, LLC in the amount of \$388,587.00. They have been awarded previous contracts for the Authority including the encasement of the 24" waterline in Collin County recently. The engineer, Kerry Maroney, Jr. with Biggs & Mathews is recommending the award of contract to Wilson Contractor Services, LLC.

Secretary/Treasurer Rowland motioned to award the contract for the Argyle WSC 12" Waterline Extension from Stonecrest to Harpole Rd project to Wilson Contractor Services, LLC in the amount of \$388,587.00, contingent upon similar action being taken by the Argyle WSC Board of Directors. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon a Resolution accepting the contract with Champion Utility Construction, LLC for the Pottsboro Miscellaneous Waterline Improvements Alternates A&B project as complete.

This project was built for the City of Pottsboro. The engineer on the project has recommended the project be accepted and closed out.

Vice President Johnson motioned to accept the contract with Champion Utility Construction, LLC for the Pottsboro Miscellaneous Waterline Improvements Alternates A&B project as complete, contingent upon the receipt of all close out documents. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Sperling Construction for the Pottsboro Miscellaneous Waterline Improvements project.

This contract is being constructed by Sperling Construction. They have encountered some delays and are requesting a 37 day extension to the contract. The City of Pottsboro has no problem with the delay.

Board Member Yeatts motioned to authorize the execution of Change Order No. 1 to the contract with Sperling Construction for the Pottsboro Miscellaneous Waterline Improvements project to adjust the completion date to February 15, 2011. The motion was seconded by Board Member Kuneman and passed unanimously.

VII. General Activities

Receive Quarterly Investment Report

This is a periodic investment report that is provided to the Board. On the last page, it shows investment summaries. The staff has found better yield by investing \$240,000 in local banks. The return is higher than the pools. On Friday, Mr. Chapman found a bank that will help the Authority participate in a CD program to invest in local banks to keep it below the \$250,000 limit.

Consider and act upon request for General Manager to respond to SEC rule requiring appointed state and local officials to register as municipal advisors.

This next Securities Exchange Commission (SEC) rule is a matter that follows the law of unintended consequences. Last year, Congress enacted legislation that includes any appointed state and local

officials in the requirement to register as municipal advisors. The staff spoke with Fulbright & Jaworski and Specialized Public Finance, Inc. Mr. Chapman requested the Board to authorize him to draft a letter with the assistance of Fulbright Jaworski and Specialized Public Finance, Inc. to express to the SEC the need to repeal this requirement.

President Skelton motioned to authorize the General Manager to respond to the SEC rule requiring appointed state and local officials to register as municipal advisors. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon request for a temporary remote computer connection.

As all of you know, Mrs. Atkins will need to take approximately six weeks of medical leave and the staff would find it beneficial to install a remote computer terminal at Mrs. Atkins residence. This would allow Mrs. Atkins to access e-mail and financial records while on leave.

Board Member Kuneman motioned to authorize the temporary remote computer connection. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon appointment of officers for 2011 calendar year.


At the previous Board meeting, President Skelton established a nominating committee of Board Members Kirley, Sprowl and Yeatts. Board Member Yeatts reported the Committee's recommendation that the existing Officers be reappointed to serve for another year.


Board Member Grantham motioned to reappoint the existing slate of Officers for the 2009 calendar year. The motion was seconded by Vice President Johnson and passed unanimously. The Officers for the 2009 calendar year are: Donald Skelton, President; Bill Johnson, Vice President; George Rowland, Secretary-Treasurer; and Jerry Chapman, Assistant Secretary.

VIII. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:09 p.m.

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Recording Secretary


Secretary-Treasurer