

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

MONDAY, MARCH 21, 2011

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

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

Members Absent: George Rowland

Staff: Jerry Chapman and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne
David Gattis, Freeman-Millican, Inc.
Mark Gibson, City of Sherman

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 Board Member Grantham and passed unanimously.

III. * Consider and act upon approval of Minutes of February 21, 2011 Meeting

IV. * Consider and act upon approval of accrued liabilities for February 2011

V. Citizens to be Heard

Mr. Chapman introduced the visitors and presented information on the Princeton waterline project to the Board. The City has been unable to obtain an easement to begin construction on the waterline project. This project is past the 60-day mark and the contractor is now free to withdraw his bid. He also provided information to the Board on two different shut downs for the Lake Texoma Pump Station. One shut down occurred last week and the other will occur later this week. These shut downs will enable Oncor Energy to modify some of the electrical at the sub-station and to allow an inspection of Phase I of the raw water line to determine the Zebra Mussel infestation level. The North Texas Municipal Water District (NTMWD) ceased pumping voluntarily in 2009. In order to resume pumping, they are required to clean the

line before and after use to try to prevent the Zebra Mussels from spreading to Lake Lavon. They are also required to either chemically treat or filter the water before they pump water. The NTMWD is experiencing low lake levels and a lack of rain. The Board discussed possible methods of Zebra Mussel treatment and control.

Mr. Chapman reported that the groundwater legislation is receiving attention in the legislature. Many cities submitted resolutions in opposition to Senate Bill 332, which relates to vested ownership of groundwater for landowners. He received notice today that those bills will be modified to provide a right for property owners to try to capture water, subject to the local groundwater districts.

VI. Wastewater Activities

Consider and act upon Change Order No. 3 to the contract with Lewis Contractors, Inc. for the Melissa Fitzhugh Branch Capital Improvement Plans project

This is a change order for the Melissa project. The City requested to add an additional line to accommodate future development. The City and engineer have recommended the approval on this change order. This project should close next month.

Vice President Johnson motioned to approve Change Order No. 3 to the contract with Lewis Contractors, Inc. for the Melissa Fitzhugh Branch Capital Improvement Plans. The motion was seconded by Board Member Sprowl and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Dickerson Construction Co., Inc. for the Sherman Relief Sewer C: King to Pacific project

This is a project that was undertaken for the City of Sherman near the railroad on the east side of Sherman. Dickerson Construction Co., Inc. has completed the work and close out documents have been provided by the engineer. The change order adjusts for final quantities. The City of Sherman approved this at their past meeting.

Board Member Sprowl motioned to approve Change Order No. 1 to the contract with Dickerson Construction Co., Inc. for the Sherman Relief Sewer C: King to Pacific project. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon a Resolution accepting the contract with Dickerson Construction Co., Inc. for the Sherman Relief Sewer C: King to Pacific project as complete.

This item was discussed previously under Wastewater Activities, Item VI-B.

Sprowl motioned to authorize the execution of a Resolution accepting the contract with Dickerson Construction Co., Inc. for the Sherman Relief Sewer C: King to Pacific project as complete. The motion was seconded by Johnson and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Tri-Con Services, LLC for the Sherman Hwy 75 North Sewer Contract "B" project

David Gattis, the consulting engineer for this project has submitted a letter recommending this change order, which changes the alignment of the sewer line at Loy Lake Road and added one bore. This is one of the sewer lines being installed on North Hwy 75 for the City of Sherman.

Board Member Yeatts motioned to approve Change Order No.1 to the contract with Tri-Con Services, LLC for the Sherman Hwy 75 North Sewer Contract "B" project. The motion was seconded by Board Member Kuneman and passed unanimously.

VII. Water Activities

Consider and act upon Change Order No. 3 to the contract with Lewis Contractors, Inc. for the Melissa Fitzhugh Branch Capital Improvement Plans project

Discussion and action on this was completed under Wastewater Activities, VI-A.

Consider and act upon Change Order No. 1 to the contract with Wilson Contractor Services, LLC for the Argyle WSC 12" Water Line Extension from Stonecrest Road to Harpole Road.

This project is being undertaken for the Argyle WSC in Denton County by Wilson Contractor Services, LLC. This project is being installed near the railroad, so it required a railroad permit. The railroad required an additional \$7,800 insurance. Funds are available to pay for the additional insurance.

Board Member Sprowl motioned to authorize Change Order No. 1 to the contract with Wilson Contractor Services, LLC for the Argyle WSC 12" Water Line Extension from Stonecrest Road to Harpole Road. The motion was seconded by Board Member Kirley and passed unanimously.

Receive update on \$7.235 commitment from the Water Infrastructure Fund (City of Gainesville)

Last year, the Board authorized a \$7.235 million project to expand the Water Treatment Plant and improve some distribution lines. With the budget crisis, the legislative budget board has not authorized the Texas Water Development Board (TWDB) to sell bonds to fund the Water Infrastructure Fund. The situation has not been resolved, so the Gainesville project may not be able to be funded out of the 2011 series. The TWDB staff contacted the Authority and offered \$4.1 million from the 2010 WIF series. This would provided approximately half of the funds requested for the project. This would allow the City to begin work on the Water Treatment Plan while waiting to see if the TWDB will be authorized to sell bonds to fund the 2011 WIF. The City requested the Authority proceed with accepting the \$4.1 million. The bond documents will be on the April agenda for review.

VIII. General Activities

Consider and act upon providing authorization to pursue modification to the Authority's legislation regarding change orders

The Authority is currently limited to change orders to contracts to 10% above the contract amount. This causes problems occasionally. In the past month, projects for Sherman and Pottsboro have been hampered by this restriction. Most water districts and cities have a 25% restriction. The Authority would like to have the same latitude as other entities. Asking permission to have a bill considered by the legislature on the local consent calendar to modify this restriction. Representative Phillips has agreed to support the bill in the House.

Vice President Johnson motioned to authorize the General Manager to pursue modifying the Authority's enabling legislation regarding change orders. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon establishing a meeting date for the Policy Committee

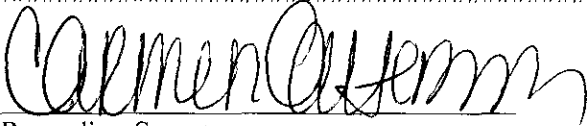
The Board established a Policy Committee last month of President Skelton and Board Members Hayes and Kirley. Mr. Chapman said the meeting should take approximately 1-1/2 hours. After brief discussion, the Committee agreed to meet at 1:30 PM on April 7, 2011.

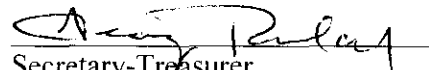
At this time, Mr. Chapman informed the Board that the groundwater activities are increasing rapidly. Tomorrow, the staff has a meeting with the North Texas Groundwater Conservation District (NTGCD) to beta test their well registration website. The registration period begins April 1st and runs through July 1st. This will mostly include existing non-exempt wells and all new wells being drilled in Collin, Cooke and Denton Counties. The NTGCD will not require any existing exempt wells to register. The NTGCD is approximately six months ahead of the Red River Groundwater Conservation District (RRGCD). Mr. Gattis serves on the RRGCD Board. The RRGCD Board is almost ready to adopt the temporary rules. The only opposition received at this time is from the turf farmers. They do not feel they should have to register or meter their wells. So far the Authority staff has not had to hire additional staff, but that may change depending on the work load that the well registration brings.

XI. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:08 p.m.

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Recording Secretary


Secretary-Treasurer