

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

MONDAY, MAY 23, 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 and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne
Kristen Savant, Fulbright & Jaworski
Jonathan Cannon, Herald Democrat
Kevin Farley, City of Pottsboro
David Gattis, Freeman-Millican
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. Secretary/Treasurer Rowland motioned to approve the consent agenda. The motion was seconded by Board Member Kirley and passed unanimously.

III. * Consider and act upon approval of Minutes of April 18, 2011 Meeting

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

V. Citizens to be Heard

Mr. Chapman introduced the visitors.

VI. Wastewater Activities

Consider and act upon a Resolution authorizing the filing of an application for financial participation not to exceed \$4.4 million from the Texas Water Development Board for the City of Krum Wastewater Improvements Project

Last year, the City of Krum asked Mr. Chapman to visit with their City Council and outline possibilities for financing improvements to their wastewater treatment plant. The City has more than doubled their population in the past ten years and has exceeded their current plant's capacity. The Texas Commission on Environmental Quality (TCEQ) has instructed the City to build a new plant. Mr. Chapman provided options for funding and the City opted to use the Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF). This is a below market fund, which has additional requirements. One is that professional services must be solicited, including bond counsel, engineering and financial advisory services. The request for qualifications was submitted and responses were received on May 17, 2011. Five applications for engineering were received. The City met on Friday, May 20, 2011 at 7:00 AM and opted to use MLA Engineering Services as their primary engineer and Freese & Nichols as their secondary engineer. A resolution is being provided to the Board to select the engineer and bond counsel services. Another resolution authorizing the submission of the application for funding to the TWDB is also available for action.

Vice President Johnson motioned to approve a Resolution establishing Fulbright & Jaworski as bond counsel and MLA Engineering and Planning as the engineer for the Krum project and a Resolution authorizing the filing of an application for financial participation not to exceed \$4.4 million from the Texas Water Development Board for the City of Krum Wastewater Improvements Project. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider and act upon Change Order No. 2 to the contract with Tri-Con Services, Inc. for the Sherman Hwy 75 North Sewer Contract "B" project

Mr. Gattis explained that one previous change order was approved previously. This will be the final change order for an additional 320 square yards of corrosion protection for an increase of \$800.

Board Member Sprowl motioned to approve Change Order No. 2 to the contract with Tri-Con Services, Inc. for the Sherman Hwy 75 North Sewer Contract "B" project. The motion was seconded by Board Member Grantham and passed unanimously.

VII. Water Activities

Consider all matters incident and related to approving and authorizing the execution of a Special Escrow Agreement in relation to the defeasance of the Authority's outstanding Contract Revenue Bonds, Series 2002A (City of Van Alstyne Project) and Contract Revenue Bonds, Series 2002A (City of Van Alstyne Wastewater Project) and providing for the redemption of such bonds, including the adoption of a resolution pertaining thereto.

This is a refinancing of two bond issues for the City of Van Alstyne. Ms. Savant explained that this will allow the City to issue a general obligation bond and put the funds into an escrow account and then the Authority will not be obligated on that bond series. This will also allow the City to save on the cost of interest.

Vice President Johnson motioned to adopt a resolution authorizing the execution of a Special Escrow Agreement in relation to the defeasance of the Authority's outstanding Contract Revenue Bonds, Series 2002A (City of Van Alstyne Project) and Contract Revenue Bonds, Series 2002A (City of Van Alstyne Wastewater Project) and providing for the redemption of such bonds, including the adoption of a resolution pertaining thereto. The motion was seconded by Board Member Kirley and passed unanimously.

Consider and act upon authorization to pay 50% of the Authority's cost for the Lake Texoma Pump Station Improvements project

The improvements to the Lake Texoma Pump Station have been underway since 2010. The agreement with the North Texas Municipal Water District (NTMWD) has not requested funds at this time, but the agreement stated that the Authority would pay 50% of the Authority's respective share in January. Pay \$794,950 would be the approximate amount of the 50% share of the cost of improvements. The Zebra Mussel problem has delayed this project.

Secretary/Treasurer Rowland motioned to authorize payment of 50% of the Authority's cost for the Lake Texoma Pump Station Improvements project. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Change Order No. 2C and a Resolution accepting the contract with Sperling Construction for the Pottsboro Miscellaneous Water Improvements project as complete.

This is a final change order and close out for the Pottsboro water improvements project. The City of Pottsboro accepted the contract as complete at their previous meeting.

Vice President Johnson motioned to approve Change Order No. 2C and the Resolution accepting the contract with Sperling Construction for the Pottsboro Miscellaneous Water Improvements project as complete. The motion was seconded by Board Member Grantham and passed unanimously.

VIII. General Activities

* Receive Monthly Financials

Receive update on legislation

Mr. Ty Embry with the Lloyd Gosselink Firm is the attorney shepherding the modification to the Authority's legislation through the Legislature. The bill encountered difficulties when Senator Estes voted against the Chair of the Intergovernmental Committee's bill to add cameras to school buses. The bill was briefly sequestered, but was eventually passed out of the Committee and has been added to the Local Consent Calendar.

Mr. Chapman informed the Board of the Red River Groundwater Conservation District meeting being held at 4:00 PM at the Grayson County College Cruce Stark Auditorium this afternoon. The meeting will discuss the draft temporary rules. The past meeting had a large gathering of the public. The rules are still draft and will be modified. Mr. Chapman briefly discussed the regulations the District

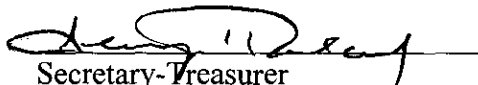
is required to follow and the goals they need to meet. He also discussed the water problems being experienced by the North Texas Groundwater Conservation District due to oil and gas exploration.

XI. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:07 PM.

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Recording Secretary


Secretary-Treasurer