

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

MONDAY, SEPTEMBER 19, 2011

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

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

Members Absent: David Sprowl

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

Visitors: Bert Garcia, Nall, Pelley & Wynne
Kristen Savant, Fulbright & Jaworski
Jonathan Cannon, Herald Democrat
Kevin Farley, City of Pottsboro
David Gattis, Freeman-Millican, Inc.
Mark Gibson, City of Sherman
David Howerton, City of Denison

I. Call to Order

President Skelton called the meeting to order at 12:30 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. Vice President Johnson 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 July 18, 2011 Meeting

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

V. Citizens to be Heard

Mr. Chapman introduced the visitors. Mr. Chapman also informed the Board that the Authority was visited by the Texas Water Development Board (TWDB) financial monitoring team. The

TWDB is checking with all of the larger users of TWDB funds in the State to verify ability to repay the debts. They made very favorable comments on the Authority's records and Mrs. Atkins reporting.

VI. Wastewater Activities

Consider and act upon Contract for Wastewater Services with the City of Van Alstyne

The Board did not have enough members present last month to reach quorum, so this item has been included on this agenda for consideration. The City of Van Alstyne has experienced problems with their wastewater treatment plant and requested the Authority assist in correcting the problems. The Authority staff requested an official document, which is included in the agenda packet. The Authority has been providing services to the City to correct the problems and the City has been very satisfied with the work done to date.

Board Member Kirley motioned to approve entering into a contract with Van Alstyne for wastewater services. The motion was seconded by Vice President Johnson and passed unanimously.

VII. Water Activities

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011A (City of Gainesville Project)", including the adoption of a resolution authorizing the issuance of such bonds.

This is the second in a series of bond issues being sold by the Authority on behalf of the City of Gainesville. This is from the Water Infrastructure Fund (WIF) program, which has extremely low interest rates. This is for \$2 million and will contribute toward the \$7.2 million needed to improve their water treatment plant and water distribution lines. Ms. Savant explained that this is the same language included in the April 2011 bond series issued for the City of Gainesville and the past three bond issues. The City will approve this on October 4th and Ms. Savant will then submit it to the TWDB and the Attorney General's offices for final approval.

Board Member Grantham motioned to approve all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011A (City of Gainesville Project)", including the adoption of a resolution authorizing the issuance of such bonds. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon authorization to advertise for bids for the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011A (City of Gainesville Project)"

The staff customarily requests the Board to authorize advertising for bids for projects to be funded from bond issues at the time of the bond sale so that projects can be advertised without any delay in the future.

Board Member Yeatts motioned to authorize the advertisement of bids associated with the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2011A (City of Gainesville Project)". The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon a “Water Storage Agreement between the Department of the Army and the Greater Texoma Utility Authority for Reallocated Water Storage Space in Lake Texoma, Oklahoma and Texas” (1,515 acre-feet).

This project has been underway since 2010. The Authority executed a water storage contract for 50,000 acre-feet in 2010. That water storage was made available to municipal and rural water providers in the area. However, no private water suppliers could participate in the water storage since it was paid for with tax-exempt bonds. The Corps of Engineers made 1,515 acre-feet of water storage available to the Authority from a sediment study. The Authority then made the water storage available to the Woodbine WSC and the Kiowa Homeowners Association. Once this contract is executed by the President, the staff will send the contract to the US Army Corps of Engineers for execution. The water storage will be funded by an agreement with the Corps of Engineer over a thirty-year period.

Vice President Johnson motioned to authorize the execution of a “Water Storage Agreement Between the Department of the Army and the Greater Texoma Utility Authority for Reallocated Water Storage Space in Lake Texoma, Oklahoma and Texas” (1,515 acre-feet). The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon Cost Share Agreement for Pump Station Modifications and Pipeline Improvements with the North Texas Municipal Water District.

This is a cost sharing agreement with the North Texas Municipal Water District (NTMWD) for improvements to the Lake Texoma Raw Water Pump Station and Pipe Line. The City of Sherman and Authority both agreed with participating in improving the pumps and the raw water line. Since that time, bids have been taken and updated costs have been determined. The total estimated cost was estimated at \$13.8 million with the Authority’s share being \$2.8 million. A substantial portion of the cost was included in a bond series last year. However, there was a \$700,000 component related to the Zebra Mussel issues that is not available in the current cost estimates. The City of Sherman will provide that in cash or by issuing an additional bond series. The line cannot be taken down until the temperatures are cooler, since the City of Sherman will have to rely on groundwater to sustain their water demand.

Board Member Hayes motioned to authorize the execution of a Cost Share Agreement for Pump Station and Pipeline Improvements with the North Texas Municipal Water District. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon a Resolution accepting as complete the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC 8” Water Line Relocation along FM 407 – Phase One project.

The 8” Water Line project was constructed by the Authority for the Argyle WSC. All close out documents have been received and the engineer has recommended close out.

Secretary/Treasurer Rowland motioned to approve a Resolution accepting the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC 8” Water Line Relocation along FM 407 – Phase One project as complete. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon Change Order No. 5 a Resolution accepting as complete the contract with Wilson Contractor Services, LLC for the Argyle WSC 12" Water Line Extension from Stonecrest Road to Harpole Road project.

This is another project constructed for the Argyle WSC. This close out will be contingent upon receipt of project acceptance from the Argyle WSC.

Vice President Johnson motioned to approve Change Order No. 5 and a Resolution accepting the contract with Wilson Contractor Services, LLC for the Argyle WSC 12" Water Line Extension from Stonecrest Road to Harpole project as complete, contingent upon receipt of all close out documents. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon Change Order No. 1 and a Resolution accepting as complete the contract with TNT Pipeline Corporation for the Sherman Hwy 75 North Sewer Contract "C".

This project was one of four contractors working on a series of sewer projects along Hwy 75 for the City of Sherman. Mr. Gattis reported that Change Order No. 1 adjusts the cost for final quantities. There were some financial problems with TNT Pipeline Corporation firm, but the bonding company continued to use the same company to finish the project.

Secretary/Treasurer Rowland motioned to approve Change Order No. 1 and a resolution accepting as complete the contract with TNT Pipeline Corporation for the Sherman Hwy 75 North Sewer Contract "C". The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon Engineering Services Agreement with Freese and Nichols, Inc. for Additional Waterlines (City of Pottsboro).

The City of Pottsboro requested the Authority construct additional waterlines with funds remaining from a previous bond issue. This will provide a third line under the railroad to provide additional water pressure on the north side of town. The City has agreed to supplement the contract amount to cover costs.

Board Member Yeatts motioned to approve an Engineering Services Agreement with Freese and Nichols, Inc. for additional waterlines for the City of Pottsboro. The motion was seconded by Vice President Johnson and passed unanimously.

Receive response to USACE regarding Zebra Mussel issue.

This is the response letter received from the US Army Corps of Engineers (USACE) regarding the 404 permit. The USACE had received requests from the US Fish & Wildlife Service to limit pumping. This is the response from the NTWD. Mr. Chapman briefly explained the process of cleaning the raw water line and then putting it back into service.

Consider and act upon Interagency Agreement with the North Texas Groundwater Conservation District.

The Authority is providing management services to the North Texas Groundwater Conservation District (NTGCD). The NTGCD has identified wells and now needs to hire an employee to verify well locations, production and metering. The District has purchased a vehicle for the employee to drive. One of the Board members, Philip Sanders, requested the Authority provide an Interagency Agreement to share the vehicle. This vehicle will be driven by an employee of the Authority. Mr. Garcia drafted a document, but Mr. Chapman requested that an Indemnity Clause be added and Mr. Garcia agreed.

Board Member Yeatts motioned to authorize an Interagency Agreement with an Indemnity Clause with the NTGCD. The motion was seconded by Vice President Johnson and passed unanimously.

VIII. General Activities

*Receive Monthly Financials

Consider and act upon amendment to budget for FY 2010-2011.

This is an amended budget for 2010-2011. This is requested each year in August. Mr. Chapman briefly reviewed the changes to the budget.

Board Member Yeatts motioned to approve the budget amendment for FY 2010-2011. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon budget for FY 2011-2012.

Mr. Chapman explained that this is the proposed budget for FY 2011-2012. A budget committee was appointed and met in August. Mr. Chapman briefly reviewed the budget with the Board.


Board Member Kirley motioned to approve the budget for FY 2011-2012. The motion was seconded by Board Member Kuneman and passed unanimously.

Mr. Chapman reported that the Gainesville project is nearly finished, so the inspection services performed by Mr. Moore will be complete. Mr. Chapman also briefly reported on the sand plant being constructed by EOG Resources, Inc. in western Cooke County near Saint Jo, Texas.

XI. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:31 PM.

#####


Recording Secretary


Secretary-Treasurer