

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

**MONDAY, DECEMBER 19, 2011**

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

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

Members Absent: Duane Hayes, David Sprowl

Staff: Jerry Chapman, Carolyn Bennett and Carmen Catterson

Visitors: Mike Wynne, Wynne & Smith Law Firm  
Jonathan Cannon, Herald Democrat  
David Gattis, Freeman-Millican, Inc.

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I. Call to Order

President Skelton called the meeting to order at 12:32 PM

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 Grantham and passed unanimously.

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

IV. \* Consider and act upon approval of corrected accrued liabilities for October 2011 and accrued liabilities for November 2011

V. Citizens to be Heard

Mr. Chapman introduced the visitors.

VI. Wastewater Activities

Consider and act upon award of contract for Sherman Post Oak Creek WWTP Peak Flow Storage Improvements, Phase II

This project has been in progress for some time. Mr. Gattis, the consulting engineer, provided a recommendation to award the contract to Vessels Construction. Seven competitive bids were received with the low bid at \$313,275.40. This is approximately \$37,000 below the engineer's estimate. Vessels Construction has

completed several projects for the City of Sherman and the City is comfortable with awarding the contract to this contractor. The funds for this project are coming from the Sherman 2008 bond issue.

Board Member Kirley motioned to award the contract for the Sherman Post Oak Creek WWTP Peak Flow Storage Improvements, Phase II to Vessels Construction in the amount of \$313,275.40, contingent upon similar action being taken by the City of Sherman. The motion was seconded by Board Member Kuneman and passed unanimously.

Receive update on bids received for "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)"

The Authority took bids for the \$5,505,000 bond series being issued for the City of Sherman last week. Three bids were received with the low bid being submitted by Southwest Securities, Inc. at a rate of 3.584347%. Mr. Chapman signed the pricing certificate last week, as authorized by the Board at the November meeting. This is on the Sherman City Council agenda.

VII. Water Activities

Receive update on bids received for "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)"

Discussion on this item was under Item VI-B.

VIII. General Activities

\*Receive Monthly Financials

Consider and act upon rental adjustment.

The Authority leases the office building from the North Texas Regional Airport. The lease is on a two-year adjustment based on the Consumer Price Index. The increase this year is 5% and the calculations appear to be correct. Secretary/Treasurer Rowland expressed an opinion that the Consumer Price Index does not seem to be the best method for determining the lease amount. He stated that a real estate index would be much more applicable to this situation. He recommended that the staff review other possibilities for indexes before the lease agreement is available for renewal in 2013. President Skelton asked the staff to review the contract to determine if the Consumer Price Index is listed as the mechanism for rate adjustments. The office building is approximately 7,000 square feet.

Secretary/Treasurer Rowland motioned to approve the 2011-2013 rental agreement with the North Texas Regional Airport. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon election of officers for 2012 calendar year.

Board Member Yeatts reported that the Nominating Committee recommended re-electing the current slate of officers for the 2012 calendar year. Board Member Kuneman motioned to elect Don Skelton for President, Bill Johnson for Vice President and George Rowland for Secretary/Treasurer. The motion was seconded by Board Member Grantham and passed unanimously.

Discuss format of agenda packet.

Mr. Chapman explained that the staff is proposing to modify the agenda packet communication that is provided to the Board of Directors. The new format would be more compartmentalized and would include

a section for alternatives and considerations. Mr. Chapman stated that he felt the new format would provide more clarity for the Board. This would also enable the staff to expedite the agenda process to reduce the risk of items being left out of the agenda packet. Vice President Johnson requested the staff add a section titled "Action Requested."

Board member Kirley motioned to approve the new format. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon adjusting January meeting date.

Many cities and water districts have a fiscal year from October 1 through September 30. This causes a time constraint for the auditing firms. Once the audit is complete, the auditors like to visit with the staff to discuss the audit and to finalize the report, which usually takes approximately one week. The staff also likes the Board to be able to review the report before the meeting. The staff is requesting the Board consider adjusting the meeting to the fourth Monday in January to allow more time for review.

Board Member Grantham motioned to adjust the meeting to the fourth Monday in January 2012. The motion was seconded by Board Member Kirley and passed unanimously.

At this time, Mr. Chapman reported that the staff attended the public hearing in Krum on November 21<sup>st</sup>. No opposing persons attended the meeting, but the City of Denton filed a protest to the permit renewal application. This may be because Krum has a housing development that is being treated by the City of Denton and the City of Denton may have been afraid of losing the revenue. The situation is still pending, but Mr. Chapman does not feel the Texas Commission on Environmental Quality (TCEQ) will prevent Krum from building a new wastewater treatment plant. This will most likely delay the closing of the bonds.

The Authority is currently assisting the City of Van Alstyne with their water systems as well as operating the wastewater treatment plant, but more work remains. Mr. Chapman and Alan Moore, Operations Supervisor spent several hours today reviewing the plant and developing an estimate of work remaining to be done on the plant. The staff hopes this project to be the Compliance Supplemental Environmental Project to offset the current fines from the TCEQ. Philip Rodriguez has recently taken the position of City Manager for Van Alstyne. He has been very receptive to the Authority and very appreciative of the staff's work.

The staff is still providing support to the Red River GCD and the North Texas GCD. Well registrations for the North Texas GCD have been received for several months and meter readings will be submitted beginning in January 2012. The meter readings will be used to develop fees to support the GCD's activities. The Red River GCD has signed a contract with Alan Plummer & Associates to develop a web-based geodatabase.

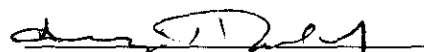
The contract on the Lake Texoma Raw Water Line is underway and the pigging operation should begin next week. Any Board members interested are invited to attend.

XI. Adjourn

Upon motion by President Skelton, seconded by Secretary/Treasurer Rowland and passed unanimously, the Board adjourned at 1:06 PM.

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Recording Secretary

  
Secretary-Treasurer