

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

MONDAY, JANUARY 23, 2012

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

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

Members Absent: Mark Kuneman, David Sprowl

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

Visitors: Jonathan Cannon, Herald Democrat
Tom Schalk, Schalk & Smith
Judy Smith, Schalk & Smith

I. Administer Oaths of Office

Ms. Catterson administered the Oaths of Office to President Skelton, Vice President Johnson, Secretary/Treasurer Rowland, and Board Member Kirley.

II. Call to Order

President Skelton called the meeting to order at 12:34 PM

III. 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 Vice President Johnson and passed unanimously.

IV. * Consider and act upon approval of Minutes of December 19, 2011 Meeting

V. * Consider and act upon approval of accrued liabilities for December 2011

VI. Citizens to be Heard

Mr. Chapman introduced the visitors.

VII. Consider and act upon audit for fiscal year ending September 30, 2011

Mr. Schalk and Ms. Smith appeared to present the audit to the Board. Mr. Schalk explained that the Independent Auditor's report is on page 1 and received the highest recommendation with no problems. He

reviewed the capital assets, the long-term debt and the net income of the Authority. He expressed that the Authority's records are clean with no problems.

Board Member Kirley motioned to approve the audit for fiscal year ending September 30, 2011. The motion was seconded by Vice President Johnson and passed unanimously.

The Board thanked Mrs. Atkins for her exceptional work over the years. The Board discussed the Comprehensive Annual Financial Report that will be submitted to the Government Finance Officers Association in March.

VIII. Consider all matters incident and related to amending Resolution No. 999 authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009 (City of Princeton Project)" to expand the project description, including the adoption of a resolution pertaining thereto.

In 2009, the Authority issued approximately \$5 million in debt on behalf of the City of Princeton for water projects that needed to be constructed. The City received low bids and had approximately \$1 million left in the construction fund. However, the bond documents need to be revised since the list of projects did not include additional projects for the City to construct. The City provided a list of projects and Kristen Savant, the Authority's bond counsel provided a resolution to revise the bond resolution to add those projects.

Board Member Yeatts motioned to approve all matters relating to amending Resolution No. 999 authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009 (City of Princeton Project)," including adopting a resolution pertaining thereto. The motion was seconded by Vice President Johnson and passed unanimously.

IX. Consider and discuss Zebra Mussel Seasonal Pumping Conditions from the Corps of Engineers

Mr. Chapman explained that this is an update on the Seasonal Pumping Conditions provided by the Corps of Engineers related to the Zebra Mussels. The pumps have been installed at the Pump Station and the line has been repaired. The pigging station has been installed. However, no action has been taken to pig the line due to the conditions provided by the Corps of Engineers in December 2011. In 2009, Zebra Mussels were located in Lake Texoma and the North Texas Municipal Water District (NTMWD) voluntarily ceased pumping to prevent the transmission of the mussels to the Upper Trinity Basin. In January 2011, a letter was sent to the Authority and the NTMWD with conditions to begin pumping. The NTMWD began discussing a seasonal pumping plan, which would allow them to pump when the water was 55 degrees or lower. The Corps of Engineers began identifying other conditions they desired, including cleaning the line, treating the residual water in the line, adding thermal treatments to the line and other specifications. However, two conditions were included that were not acceptable to the Authority or the NTMWD. Mr. Chapman and NTMWD staff met with the Colonel in the Tulsa District last week and Colonel Teague agreed to modify the two conditions slightly. The line is currently out of service until the NTMWD receives authority from the Corps of Engineers to resume pumping.

The NTMWD has begun the engineering design of a new 46-mile pipeline from the terminus of the 72-inch waterline south to their Lake Lavon water treatment plant. The land acquisition is underway currently and the project should be complete by August 2013. Lake Texoma provides approximately 28% of the NTMWD water supply and unless radical changes occur in the next few months, Lake Chapman will be completely pumped dry. The NTMWD will be entering Stage 4 of their Drought Contingency Plan in June, which calls for no outside watering. The Board discussed the pigging operation and the estimated amount of time that will be necessary.

X. Consider and act upon Texas Water Conservation Association Risk Management Fund Election

The Texas Water Conservation Association Risk Management Fund (TWCARMF) provided a ballot for three positions that need to be elected.

Vice President Johnson motioned to authorize the President to vote for the nominees provided by the TWCARMF. The motion was seconded by Board Member Yeatts and passed unanimously.

XI. *Receive Monthly Financials

XII. Receive Quarterly Investment Report

Mr. Chapman reviewed the Investment Report with the Board. The investment pools are at 0.081% and 0.085%. In 2011, the staff was able to purchase CDs with interest rates of approximately 1.25%. Several investment pool options are available at rates of approximately 0.6% for three-year terms.


XIII. Receive General Manager's Report

Mr. Chapman reported that the staff is still providing support for both groundwater districts. Lots of activity is expected in Collin County due to the water restrictions. President Skelton asked if the Collin-Grayson Municipal Alliance waterline is in use, and Mr. Chapman responded that the line was shut down for the winter, but will most likely be recharged for the spring. The line currently utilizes water from NTMWD, but could be modified to take water from Lake Texoma.


XIV. Adjourn

Upon motion by President Skelton, seconded by Secretary/Treasurer Rowland and passed unanimously, the Board adjourned at 1:22 PM.

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Recording Secretary
Secretary/Treasurer



Secretary-Treasurer
Recording Secretary