

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

MONDAY, SEPTEMBER 17, 2012

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

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

Members Absent: Paul Kirley

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

Visitors: Mike Wynne, Wynne and Smith, LLC
Jonathan Cannon, Herald Democrat
Mark Gibson, City of Sherman
Kris Hair, KTEN News

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. Secretary/Treasurer Rowland motioned to approve the consent agenda. The motion was seconded by Vice President Johnson and passed unanimously.

III. * Consider and act upon approval of Minutes of August 20, 2012 Meeting

IV. * Consider and act upon approval of accrued liabilities for August 2012

V. Citizens to be Heard

Mr. Chapman introduced the visitors.

VI. Consider and discuss Operation and Maintenance Agreement with North Texas Municipal Water District for the Lake Texoma Pipeline

No action is being requested, but Mr. Chapman wanted to update the Board on the possible need to update the Operation & Maintenance (O&M) Agreement with the North Texas Municipal Water District (NTMWD). In 1985, the Authority entered into an agreement with the NTMWD for the construction of a pipeline from the Lake Texoma Pump Station. The Authority owns 20% of the capacity in the line to FM 691, the location of the City of Sherman Water Treatment Plant. The NTMWD has a pipeline that extends from FM 691 to Sister Grove Creek in Howe. Another waterline is being constructed from Sister Grove Creek to the NTMWD water treatment plant in

Wylie. This will allow the NTMWD to pump water from Lake Texoma directly into their water treatment plant in order to remove the Zebra Mussels.

The City of Sherman is planning to sell raw water to Panda Energy and has entered into an agreement with the NTMWD to purchase capacity in the line from FM 691 to the Panda Energy site south of FM 1417. A modification to the O&M Agreement was made to account for the capacity requested by Panda Energy.

A draft O&M Agreement will probably be available at the first of 2013 to include some changes requested by the City of Sherman and the Authority, as well as the NTMWD. The staff is also planning to review the agreement on an annual basis to account for any adjustments.

The raw water being sold to Panda Energy will mostly utilize the smaller pumps, but may need the larger pumps. The smaller pumps can provide 20-22 million gallons per day. The NTMWD will utilize both the smaller and the larger pumps to accommodate their additional waterline and their new balancing reservoir.

VII. Consider and act upon Change Order No. 1 to the contract with Sperling Construction for the Pottsboro Cardinal Lane Water Line Improvements project

The engineer has recommended a change order to the contract with Sperling Construction for the Pottsboro Cardinal Lane Water Line Improvements project. The railroad requested a lowering of the line beneath the railroad from 6 feet to 10 feet, which will result in an increase. However, fortunately, the contractor did not need to use a temporary line to serve the customers along Cardinal Lane, which resulted in a decrease. The combination of changes resulted in a net decrease of \$7,400. The City has already approved the change order.

Vice President Johnson motioned to approve Change Order No. 1 to the contract with Sperling Construction for the Pottsboro Cardinal Lane Water Line Improvements project. The motion was seconded by Board Member Kuneman and passed unanimously.

VIII. Discussion and authorization of contract services for groundwater districts for 2013

Mr. Chapman explained that this is a request for authorization to pursue the contracts with the groundwater districts, but a final contract will be provided toward the end of the year. Mr. Chapman explained the history of the creation of the groundwater districts in North Texas. The North Texas Groundwater Conservation District (NTGCD) in Collin, Cooke and Denton Counties and the Red River Groundwater Conservation District (RRGCD) in Fannin and Grayson Counties were created in 2009. Both districts approached the Authority and requested administrative assistance to operate their organizations. The groundwater districts contracted with the Authority in 2010. Both districts operate on a calendar year basis due to reporting requirements. The current contract will expire December 31, 2012. Mr. Chapman requested to negotiate with the districts to continue providing assistance, which has been beneficial to all parties. The agreement saves the districts funds to operate and provides the Authority with revenue to pay for operating costs.

Vice President Johnson motioned to authorize the negotiations of contract services with the NTGCD and RRGCD for 2013. The motion was seconded by Board Member Yeatts and passed unanimously.

Mr. Chapman explained that the contracts pay for services rendered per hour and for actual costs incurred. The staff is very conscientious regarding billing.

IX. *Receive Monthly Financials

X. Consider and act upon budget for fiscal year ending September 30, 2013

