

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

MONDAY, MARCH 18, 2013

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

Members Present: Don Skelton, Bill Johnson, George Rowland, Jeannie Anderson, Dick Dowd, Everett Grantham, David Sprowl

Members Absent: Mark Kuneman, Clyde Yeatts

Staff: Jerry Chapman, Carolyn Bennett, Alan Moore and Carmen Catterson

Visitors: Mike Wynne, Wynne and Smith, LLC
Jonathan Cannon, Herald Democrat
Mark Gibson, City of Sherman
Duane Hayes

I. Call to Order

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

II. Consider and act upon a Resolution of Appreciation for Duane Hayes and present Plaques of Appreciation to former Board members

General Manager Chapman reported that Mr. Paul Kirley called earlier in the day to report he would not be present at the meeting due to family illness, but he would attempt to be present at the April meeting. Presentation of the Plaque of Appreciation to Mr. Kirley will be postponed until the April meeting.

Vice President Johnson motioned to adopt a Resolution of Appreciation for Duane Hayes and to present the Plaque of Appreciation to Mr. Hayes. The motion was seconded by Board Member Dowd and passed unanimously.

President Skelton presented the Plaque of Appreciation to Mr. Hayes. He expressed that the Board was grateful for Mr. Hayes' service on the Board and his participation on the budget committee, and other committees. Mr. Hayes stated that during his 13 year period of serving on community boards, this was his favorite organization to participate.

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 February 18, 2013 Meeting

V. * Consider and act upon approval of accrued liabilities for January 2013

VI. Citizens to be Heard

Mr. Chapman introduced the visitors.

VII. Consider and act upon Change Order No. 1 to the Anna Water Well No. 2 Ground Storage Tank Rehabilitation project

This is a minor change order, but requires approval. When the City was reviewing the specifications for the project, the City chose to reduce the size of the line. This change resulted in a deduction of \$530. The City is expected to provide a written approval of the change order.

Vice President Johnson motioned to approve Change Order No. 1 to the contract for the Anna Water Well No. 2 Ground Storage Tank Rehabilitation project. The motion was seconded by Board Member Dowd and passed unanimously.

VIII. Consider and act upon Award of Contract for the Gainesville Northwest Water Distribution System Improvements project

In 2011, the Authority issued bonds for water improvements to the City of Gainesville's water system. This contract will provide the northwest side of Gainesville with much needed distribution lines. The low bid was submitted by S & J Construction. The company received good recommendations from previous owners and had very good financial reports. This is on the Gainesville City Council agenda for March 19.

Vice President Johnson motioned to award the contract for the Gainesville Northwest Water Distribution System Improvements project to S & J Construction in the amount of \$3,006,641.39, contingent upon similar action being taken by the Gainesville City Council. The motion was seconded by Board Member Grantham and passed unanimously.

IX. Consider and act upon Award of Contract for the Gainesville Water Treatment Plant Expansion Improvements project.

This is a second project related to the previously approved project. This project will double the treatment capacity of the Gainesville Moss Lake Surface Water Treatment Plant. Part of the funding for this project will come from a grant from the Environmental Protection Agency (EPA). The grant required that each contractor solicit bids from minority owned businesses. The low bidder neglected to include all the required forms upon submission of their bid. The staff made sure that all information was provided in accordance with the grant guidelines. The EPA has approved the documents and the bid. However, the grant could be subject to sequestration. If the grant is not received, the City can pay for the project out of funds available out of the previously issued bond series.

Mr. Chapman explained that if the grant funds are received, the staff will be able to request the remaining funds from the bond proceeds from the Texas Water Development Board (TWDB) to add another project to the approved list of projects.

The City plans to use their wells as long as they are functioning. The City will use additional surface water supplies to supplement any reduction in groundwater. In addition to the increased storage from Moss Lake, the City plans in the future to use their water storage in Lake Texoma by purchasing treatment from the City of Sherman.

Seven additive items for the project were included in the bids. After review, the engineer has recommended only accepting some of the additives that are considered economical. The other additives will be proposed to be re-advertised after the work has begun.

Board Member Grantham motioned to award the contract for the Gainesville Water Treatment Plan Expansion Improvements project to Harrison, Walker & Harper in the amount of \$2,164,951.60, contingent upon similar action being taken by the Gainesville City Council. The motion was seconded by Board Member Anderson and passed unanimously.

X. Consider and act upon a resolution accepting the contract with THI Water Well for the Argyle WSC Station 8 Water Supply Well project as complete.

The Argyle WSC contracted with THI Water Well to construct a well. The project is complete and all close out documents have been provided by the project engineer. The TWDB has provided their acceptance, upon approval by the Authority. The Argyle WSC has already approved the contract.

Vice President Johnson motioned to adopt a Resolution accepting the contract with THI Water Well for the Argyle WSC Station 8 Water Supply Well as complete. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

XI. Consider and act upon Change Order No. 1 and a resolution accepting the contract with Vessels Construction for the Sherman Surface Water Distribution Pipeline East – Schedule “B” as complete

The City of Sherman has long been restricted by only having one transmission line from the water treatment plant to their distribution system. The line will travel east from the water treatment plant toward Hwy 75. All close out documents have been provided by the consulting engineer Tim Morris with Morris Engineers. A change order adjusting for final quantities has been provided. The close out is scheduled for consideration on the Sherman City Council agenda for March 18.

Secretary/Treasurer Rowland motioned to approve Change Order No. 1 and adopt a resolution accepting the contract with Vessels Construction for the Sherman Surface Water Distribution Pipeline East – Schedule “B” project as complete. The motion was seconded by Board Member Sprowl and passed unanimously.

XII. Consider and act upon a Resolution requesting financial participation from the Texas Water Development Board and authorizing the filing of an application for assistance for the City of Ector.

The City and their engineering representative visited the Authority recently and asked the Authority to pursue \$340,000 in water system improvements. The staff used the City’s audits to develop a pro forma and determined that a \$4 increase in water rates would be necessary to accommodate the improvements. The City agreed to raise their rates \$2 in October 2013 and \$2 in October 2014. This would authorize the Authority to file an application with the TWDB for funding for the City of Ector.

Board Member Anderson motioned to adopt a Resolution requesting financial participation from the TWDB and authorizing the filing of an application for assistance for the City of Ector. The motion was seconded by Board Member Dowd and passed unanimously.

XIII. Receive update on SB 1212 and HB 2744 entitled "An act relating to the applicability of certain provisions concerning the transfer of exotic species to certain transfers of water that supply populous areas"

This is a matter involving Zebra Mussels in Lake Texoma. Zebra Mussels were located in Lake Texoma in 2009. The issue was addressed on a federal level in 2012 with regard to US Fish and Wildlife Department. However, on a state level the Texas Parks and Wildlife Department has a responsibility to protect the waters of Texas. A recommendation was made to modify the Texas Parks and Wildlife Department code to address the issue of Zebra Mussels. The attorneys felt that this should be addressed legislatively so that it did not put the Texas Parks and Wildlife Department in a situation of not enforcing their code. The staff attempted to have this on the February agenda, but was not able to get it posted in all four required counties. The last date to file legislation was March 15th.

The bill was set for hearing at the same time as the board meeting. Mr. Rickman from the North Texas Municipal Water District will be testifying, as well as Senator Estes and Representative Phillips.

Board Member Dowd motioned to confirm the actions of the General Manager's actions to work with legislators to address Zebra Mussels at a State level. The motion was seconded by Vice President Johnson and passed unanimously.

XIV. Receive update on HB 3212 entitled "An act relating to the Red River Boundary Compact and the creation of the Red River Boundary Commission"

The Red River Boundary Commission was developed in the 1990s to address boundary issues between Texas and Oklahoma. They reached an agreement and entrusted the General Land Office to provide coordinates for the approved boundary. The boundary agreement was supposed to stay the same from a point in Cooke County to Little Shawnee Creek north of Denison. However, the General Land Office provided an invalid set of coordinates, causing the Lake Texoma Pump Station to be inside Oklahoma. After discussions with the City of Sherman, the City Manager indicated a great desire to see that corrected.

Moving the boundary will require action to be taken by both the State of Texas and State of Oklahoma. The reason for considering this at this time is because the Texas Legislature only meets every other year. The Oklahoma Legislature meets yearly. Representative Phillips had a greater understanding of the situation and expressed a willingness to carry the bill. HB 3212 provides for the process to begin on the Texas side.

The General Land Office of Texas has not been able to verify from where the coordinates were obtained. If the Boundary Commission is not developed, it could happen in the future. The last commission lasted more than 10 years.

The location of the pump station was determined for a reason. The location was chosen because it was on the Texas side and because the lake is 90 feet deep. Moving the pump station is not an option. The line of the boundary was supposed to be static in that location.

XV. Receive update on legislative water funding activities

XVI. *Receive Monthly Financials

XVII. Receive General Manager's Report

The Grayson-Collin Municipal Alliance (CGMA) waterline was constructed several years ago from Howe to Anna along Hwy 5. As the line crosses Hwy 121 south of Melissa, the Texas Department of Transportation (TxDOT) has expressed that they intend to expand the highway, so the line will need to be moved. The line in that location crosses under the highway. If that line needs to be moved or improved, it will be at the cost of the CGMA cities. However, the line along the highway is in an easement on private property. If that line needs to be moved, it will be at the cost of TxDOT.

The City of Anna has requested a new take-point along FM 455. A meeting will be held on the afternoon of March 19 to discuss the potential for tying in to the line at this location. This request has several technical issues, which will be addressed at the meeting.

The City of Krum has discussed additional engineering for their wastewater treatment plan project. The City is considering adjusting their disinfecting process. The changes will increase the engineering costs and will delay the project by 90 to 120 days.

Mr. Moore spoke with Mr. Christopher Churchill with the United States Geological Survey. Mr. Churchill inspected the line last week and found that the Zebra Mussels are still in the line and have increased by approximately 20 times in some location. The increase in Zebra Mussel activities is most likely due to the fact that current pumping is only for the City of Sherman when the water moves slowly the mussels are not scoured from the waterline.

Mr. Chapman provided a brief overview of legislation that has been filed this session. One of the most important bills would reallocate \$2 billion from the Rainy Day Fund into the State Water Infrastructure Fund of Texas (SWIFT). Another proposal would change the TWDB from a 6 member appointed board to a 3 member board composed of full-time employees. Ms. Bennett found a list of the priority projects developed by the TWDB. The list includes approximately \$2 billion in projects. The list did not include any projects in this area, which could be because this area has received funding in the last few years for projects for Sherman and Gainesville.

Ms. Bennett has completed the first step to applying for approximately \$30 million in funding. This includes projects for Lake Kiowa SUD, the City of Sherman and the City of Gainesville. Many of the projects are wastewater projects.

XVIII. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:35 PM.

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Recording Secretary


Secretary-Treasurer