

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

MONDAY, JUNE 17, 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, Mark Kuneman, David Sprowl, Clyde Yeatts

Members Absent: None

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

Visitors: Mike Wynne, Wynne and Smith, LLC
Clay Barnett, City of Sherman
Jonathan Cannon, Herald Democrat
Twila Crick, Bank of Texas
David Gattis, Freeman Millican, Inc.
Mark Gibson, City of Sherman
Steve Jones, Bank of Texas
Norman Ponder, Citizen

I. Call to Order

President Skelton called the special meeting to order at 12:31 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. Board Member Yeatts motioned to approve the consent agenda. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

III. * Consider and act upon approval of Minutes of May 13, 2013 Meeting

IV. * Consider and act upon approval of accrued liabilities for May 2013

At this time, President Skelton moved out of posted agenda order to Item XII.

XII. Citizens to be Heard

Mr. Chapman introduced the visitors.

President Skelton moved back to posted agenda order, beginning with Item V.

V. Consider and act upon award of contract for City of Sherman Equipment to Replace East Bar Screen at the Post Oak Creek Wastewater Treatment Plant project

This project is part of the continuing rehabilitation of the Sherman wastewater treatment plant. Mr. Gattis and Mr. Gibson attended the meeting to answer any questions. The installation of the equipment is currently being advertised and will be awarded at the July meeting. Mr. Gattis explained that there is a large difference between estimates. Vulcan Industries, Inc. has verified that they are comfortable with the bid price. This estimate is well within the budget.

Board Member Sprowl motioned to award the contract to Vulcan Industries, Inc. in the amount of \$159,327.00, contingent upon similar action being taken by the Sherman City Council. The motion was seconded by Vice President Johnson and passed unanimously.

At this time, President Skelton moved out of posted agenda order to Item XI.

XI. Consider and act upon Agreement for Treasury Services with Bank of Texas

The Board is authorized by statute to have multiple depositories. The Authority has used Bank of America as the primary depository for the last 25 years. Over the years, the banking standards have changed. Bank of America has not had a constant person to contact regarding the account for several years. Bank of Texas has been interested in serving as the primary depository for the Authority for several years. Bank of Texas currently serves as the Authority's Paying Agent and performs Safekeeping Responsibilities for the Authority. By utilizing the services offered by Bank of Texas, the Authority will save approximately \$350 per year, for an annual savings of \$4,200.

Mrs. Atkins explained that Bank of Texas will have two or three persons listed as contacts for the Authority to add accounts and provide customer service and support. They have currently been very responsive to any requests from the Authority. They also have a service where checks can be scanned in order to be deposited, which will save staff time and mileage costs. The Authority staff has been reviewing the possibility of changing for several years, but this is a major undertaking and the staff has not had time to handle the transfer. Bank of America has no local support staff. All requests and signatures must be handled through the Dallas office. The staff feels that it is time to pursue changing to Bank of Texas.

Vice President Johnson motioned to approve an Agreement for Treasury Services with Bank of Texas. The motion was seconded by Board Member Sprowl and passed unanimously.

President Skelton moved back to posted agenda order beginning with Item VI.

VI. Consider and act upon agreement between the Greater Texoma Utility Authority and the City of Princeton for the City of Princeton Paving and Utility Improvements along Willow Lane, College Street and Third Street project.

This project is part of a larger series of projects the Authority has been undertaking for the City of Princeton for the past several years. The part of town this project is located has received many complaints regarding street quality. The Authority can only pay for the cost of the waterline repair, not the paving. The City has funds from other sources that will be used to pay for the cost of the pavement portion. Mr. Wynne recommended that since it is one contract and the insurance and bonding is combined, the Authority enter

into an agreement with the City of Princeton for the City to provide the funds for the portion of the paving contract.

The agreement has been provided to the City for review and approval. The document specifies that the City will put \$771,299.68 in the construction account before the contract is awarded. The Authority cannot award the contract without sufficient funds in the construction account.

Board Member Yeatts motioned to approve the agreement between the Authority and the City of Princeton for the City of Princeton Paving and Utilities Improvements along Willow Lane, College Street and Third Street project, pending approval by the City of Princeton and review and approval of any changes recommended by the City of Princeton by Mr. Wynne. The motion was seconded by Vice President Johnson and passed unanimously.

VII. Consider and act upon award of contract for City of Princeton Paving and Utility Improvements along Willow Lane, College Street and Third Street project.

Since the agreement has been approved, pending review and approval by the City of Princeton and Mr. Wynne, the staff recommends the contract be awarded subject to the receipt of the executed agreement.

Board Member Yeatts motioned to award the contract to Vessels Construction in the amount of \$1,297,773.79, with \$771,296.68 being paid by the City of Princeton for the paving costs. The motion was seconded by Board Member Grantham and passed unanimously.

VIII. Consider and act upon letter agreement with Belmont 407 LLC for amendment of Argyle Water Supply Corporation Water Certificate of Necessity and Town of Northlake Water Certificate of Convenience and Necessity

A private company called Realty Capital Management requested the Authority to assist in modifying the Water Certificates of Convenience and Necessity (CCNs) held by the Argyle Water Supply Corporation and the Town of Northlake. Mr. Coltart with Realty Capital Management works for Hillwood Communities. Both Argyle WSC and the Town of Northlake have approved and support the modification of their CCNs. The Authority staff proposed a letter agreement with the hourly rates for the staff involved. This will prevent the two CCN holders from splitting the Hillwood Community property. The Authority cannot guarantee how quickly the Texas Commission on Environmental Quality (TCEQ) will respond since there are only three or four employees in the department. In September 2014, the CCN department will be moved to the Public Utilities Commission. The Authority was not requested to amend any Sewer CCNs.

Board Member Anderson motioned to approve a letter agreement with Belmont 407 LLC to amend the Argyle WSC and Town of Northlake Water CCNs. The motion was seconded by Vice President Johnson and passed unanimously.

IX. Consider and act upon Change Order No. 2 to the contract with A&M Construction & Utilities, Inc. for the Anna Water Well No. 2 Ground Storage Tank Rehabilitation Project.

This is a small change order to the contract for the Water Well No. 2 Ground Storage Tank Rehabilitation project for the City of Anna for \$400 to fix a small leak.

Board Member Anderson motioned to approve Change Order No. 2 to the contract with A&M Construction & Utilities, Inc. for the Anna Water Well No. 2 Ground Storage Tank Rehabilitation Project. The motion was seconded by Vice President Johnson and passed unanimously.

X. Consider and act upon initiation of Stage 3 of Water Conservation and Drought Contingency and Water Emergency Response Plan for treated water users.

Water laws in the State of Texas require any wholesale water providers to pass on to anyone they provide water to their water conservation requirements. Several years ago, the Authority worked on a project to supply surface water to Anna, Melissa, Van Alstyne and Howe from the North Texas Municipal Water District (NTMWD). All cities have a take or pay contract and are paying back the debt incurred to construct the waterline. The City of Anna has started to experience growth again equivalent to 2007 and feels they will need to take water from the surface water line in order to meet their needs.

The NTMWD initiated Stage 3 of their Water Conservation Plan on June 1, 2013, so the Authority is initiating Stage 3 of their Water Conservation Plan on July 1, 2013. The Authority has passed on the Stage 3 requirements from the NTMWD. All NTMWD customers are required to follow the plan, regardless of the amount of surface water being used. Some additional steps may need to be taken by the NTMWD this summer, unless the summer is cool and wet. Next summer may not be as strict since they will be able to receive water from Lake Texoma to supplement their water supply.

Board Member Dowd explained that the City of Anna has published notice in the newspaper about entering Stage 3 of the Water Conservation Plan, as well as publishing it on the website and discussing it at the City Council meetings. Board Member Dowd also presented information to the Rotary Club in Anna.

Vice President Johnson motioned to initiate Stage 3 of Water Conservation and Drought Contingency and Water Emergency Response Plan for treated water users. The motion was seconded by Board Member Sprowl and passed unanimously.

XIII. Receive legislative update

The Governor had until June 16th to sign the bills into law, veto them or allow them to become law without signature. Mr. Chapman did not have a complete list of bills, but expected to in July. HB 3212 relating to the Boundary Commission was signed into law by the Governor. This authorizes the Commission to be reconstituted on the Texas side. Oklahoma will need to pass legislation to reconstitute a Commission on the Oklahoma side. SB 2744 addressing the Zebra Mussel issue on a State level was also approved and signed into law. A more complete list will be provided next month.

XIV. *Receive Monthly Financials

XV. Consider and act upon health insurance proposals submitted for employees for 2013-2014

The staff approached Blue Cross Blue Shield (BCBS) for a proposal. Aetna and Humana have no providers in this area and had more limited coverage. The staff has recommended two different options. The first option provides a savings of \$41,483.52 to the Authority and staff. The benefits are better than the current benefits under United Healthcare. The stop-loss benefit would apply at \$2,000 at which time everything would be covered at 100%.

Board Member Dowd motioned to proceed to implement the recommendations provided by Mrs. Killian and Board Member Kuneman. The motion was seconded by Board Member Anderson and passed unanimously.

XVI. Executive Session

Pursuant to Government Code Section 551.074, the Board adjourned into closed Executive Session at 1:22 PM to discuss the following:

Deliberate the appointment, employment, evaluation and duties of an employee

XVII. Regular Session

The Board reconvened into regular session at 1:35 PM. President Skelton stated no action was taken on items discussed during the Executive Session.

XVIII. Receive General Manager's Report

The Gainesville projects have been undertaken and the equipment has been ordered. The City of Anna has requested that the surface water line be disinfected to be available for use as soon as possible. The entire remainder of the line to Howe will need to be disinfected in order to use the Howe ground storage tank for a surge tank. That should be accomplished in one or two weeks.

The 72-inch Lake Texoma Raw Water Line will need to be taken out of service in December 2013 in order to add support to the line to accommodate an additional railroad that will be constructed over the line. Part of the cost will be paid by the railroad and part will be covered by the Authority and the NTMWD.


The Texas Department of Transportation (TxDOT) is still planning to widen Hwy 121. The Authority has still not received any financial agreements since TxDOT will be required to pay for the cost of relocating the waterline at that location.

Groundwater activities are experiencing additional activity by the energy companies in Grayson County. More individual property owners are beginning to register their wells in order to make sure the groundwater district knows they exist.

XV. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:36 PM.

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Recording Secretary


Secretary-Treasurer