

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

MONDAY, SEPTEMBER 30, 2013

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

Members Present: Don Skelton, Bill Johnson, George Rowland, Jeannie Anderson, Everett Grantham, Mark Kuneman, Dave Stump, Clyde Yeatts

Members Absent: David Sprowl

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

General Counsel: Michael Wynne, Wynne & Smith Law

Visitors: Frank Baker, City of Van Alstyne
Nate Strauch, Herald Democrat

I. Call to Order

President Skelton called the 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. 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 August 19, 2013 and August 30, 2013 Meetings

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

V. Citizens to be Heard

Mr. Chapman introduced Mr. Nate Strauch; the new reporter for the Herald Democrat.

VI. Consider and act upon a Resolution of Appreciation for Richard Dowd

Mr. Chapman asked the Board to consider adopting the Resolution of Appreciation provided in the agenda packet for Mr. Dowd. Mr. Dowd was unable to attend the meeting. Mr. Chapman offered two options

to present the plaque to Mr. Dowd – the item could be posted on the agenda for the next month in the hopes that Mr. Dowd could attend the meeting or Mr. Chapman could deliver the plaque to Mr. Dowd at the next Anna City Council agenda. President Skelton expressed that Mr. Dowd was an active Board member and attended every meeting. President Skelton requested that Mr. Chapman provide the option to Mr. Dowd.

Board Member Anderson motioned to approve a Resolution of Appreciation for Richard Dowd. The motion was seconded by Board Member Yeatts and passed unanimously.

VII. Consider and act upon all matters incident and related to a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial participation from the Texas Water Development Board; authorizing the filing of an application for financial participation; and making certain findings in connection therewith (City of Van Alstyne project)

Mr. Chapman explained that this item will need no action. The application was submitted to the Texas Water Development Board (TWDB) with the understanding that if the City of Cleburne submitted an application they would receive the funding. Unfortunately for the City of Van Alstyne, the City of Cleburne did submit an application and received the remaining funds from the Water Infrastructure Fund.

VIII. Consider and act upon an Agreement for Water Production and Wastewater Services with the City of Savoy

This is an agreement for services for the City of Savoy. That City has experienced some problems with the Texas Commission on Environmental Quality (TCEQ) and needed assistance to get their wastewater plant back into their permitted parameters. The Authority has offered similar services to other cities and water supply corporations in the past and only seeks to be reimbursed for time spent and direct costs. The agreement was drafted years before by a previous general counsel and has been approved by current general counsel. Vice President Johnson asked if the Authority could handle the additional work with the existing staff and Mr. Chapman confirmed they could. Board Member Yeatts asked what parameters were established for Savoy's wastewater plant. Mr. Chapman responded that each permit is different and is designed specifically to Savoy's wastewater plant. President Skelton commented that the Authority performing these services would be very attractive to the City because they would know that their plant would be operated up to standards at a reasonable rate.

Board Member Yeatts motioned to enter into an Agreement for Water Production and Wastewater Services with the City of Savoy. The motion was seconded by Board Member Anderson and passed unanimously.

IX. Consider and act upon an Agreement for Water Production and Wastewater Services with the City of Ladonia

In this situation, the City of Ladonia's operator walked off the job, leaving the City out of compliance with the TCEQ. The City has already signed the agreement and returned it to the Authority for the Board's consideration.

Vice President Johnson motioned to enter into an Agreement for Water Production and Wastewater Services with the City of Ladonia. The motion was seconded by Board Member Stump and passed unanimously.

X. Consider and act upon Change Orders No. 1 and No. 1A to the contract with Vessels Construction for the Princeton Willow Lane Project

This is a change order for the City of Princeton waterline project along Willow Lane. The City had funds remaining from a previous GTUA bond issue and the City chose to use the money to replace some degraded waterlines along Willow Lane. In this situation, the City combined a waterline project with a paving contract. The change order reduces the paving costs as a result of a change from asphalt paving to concrete paving. The engineer for the paving contract, Tim Morris, submitted a change order. Because the Authority is not funding the paving contract, the change order is divided into two parts, which was approved by Randy Helmberger, the waterline engineer.

Board Member Stump motioned to approve Change Orders No. 1 and No. 1A to the contract with Vessels Construction for the Princeton Willow Lane Project. The motion was seconded by Board Member Yeatts and passed unanimously.

XI. Consider and act upon authorizing the General Manager to enter into an agreement with the Texas Department of Transportation for relocation of the Collin-Grayson Municipal Alliance 30-inch waterline

This is a request for authorization to enter into an agreement with the Texas Department of Transportation (TxDOT) to relocate part of the Collin-Grayson Municipal Alliance (CGMA) 30-inch waterline along SH 5 and SH 121. TxDOT is in the process of expanding SH 121 from a two-lane highway to a four-lane highway, which will result in a widening of the right of way and the utilities in that right of way being moved at their cost. The waterline is in a private easement, which means that TxDOT will pay for the relocation. This will require the Authority to submit a request to the State Infrastructure Bank for funding to move the waterline, which will then be reimbursed by TxDOT. This process is not unusual, and has been used by both Collin and Grayson Counties for similar projects.

The waterline will need to be moved between December and February in order for the line to be operational by peak demand in the spring and summer. Mike Wynne, general counsel has reviewed the agreement and feels that it adequately protects the Authority. The interest costs may not be reimbursable, and if not Mr. Chapman proposed that the interest costs be divided amongst the four participating cities.

Board Member Grantham motioned to authorize the General Manager to enter into an agreement with the TxDOT for relocation of the CGMA 30-inch waterline. The motion was seconded by Board Member Anderson and passed unanimously.

XII. Consider and act upon authorization to enter into an agreement with the State Infrastructure Bank to finance the costs of relocating the Collin-Grayson Municipal Alliance 30-inch waterline near SH 5 and SH 121 in Collin County

The resolution would provide authorization to enter into an agreement with the State Infrastructure Bank for \$300,000 to relocate the CGMA 30-inch waterline. The agreement would be for up to two years to allow time for TxDOT to reimburse the Authority for relocation costs.

Board Member Stump motioned to authorize an agreement with the State Infrastructure Bank to finance the costs of relocating the CGMA 30-inch waterline. The motion was seconded by Board Member Anderson and passed unanimously.

XIII. Consider and act upon a request from the Cities of Howe and Van Alstyne to use right of way acquired by the Greater Texoma Utility Authority for the Collin-Grayson Municipal Alliance waterline project for Christmas decorations.

The Cities of Howe and Van Alstyne requested to use the right of way purchased for the CGMA waterline project along Hwy 5 to host a Christmas decorating contest between the two cities. General Counsel recommended the cities execute a Hold Harmless Agreement.

Board Member Kuneman motioned to approve a request from the Cities of Howe and Van Alstyne to use right of way acquired by the Authority for the CGMA waterline project for Christmas decorations upon execution of a Hold Harmless Agreement. The motion was seconded by Board Member Anderson and passed unanimously.

XIV. Consider and act upon an Engagement Letter for independent audit services for FY 2012-2013

As September 30, 2013 is the last day of the fiscal year and the Authority must enter into an agreement for an audit to be undertaken. Schalk & Smith has performed the audit for the Authority for many years. The cost increased from \$26,900 to \$28,250 from last year, which was due to the need for a single audit and increased activity. The audit must be completed and submitted to the staff for review by the first week of January and to the Board at the January meeting for consideration. President Skelton recommended soliciting for proposals for audit firms next year. Mrs. Atkins stated that she has had no problems with Schalk & Smith. She expressed that they are easy to work with and provide quality work. The Board discussed the cost increase. The Board agreed to solicit for proposals the next year to make sure the cost and quality of the audit is maintained. Secretary/Treasurer Rowland commented that in his past with Austin College he worked with the big audit companies that hired new graduates and he had to help train them.

Board Member Anderson motioned to approve execution of an Engagement Letter for independent audit services for FY 2012-2013 from Schalk & Smith. The motion was seconded by Board Member Stump and passed unanimously.

President Skelton moved out of posted agenda order to Item XVII.

XVII. Executive Session.

Pursuant to Government Code Section 551.074, the Board adjourned into closed Executive Session at 1:18 PM to discuss the following:

Deliberate the appointment, employment, evaluation and duties of the General Manager

XVIII. 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.

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

XV. Consider and act upon budget for FY 2013-2014

Mr. Chapman reviewed the proposed budgeted amounts with the Board. The Board expressed appreciation for the breakdown of the budget.

Board Member Anderson motioned to provide a 3.5% merit raise to staff members. The motion was seconded by Board Member Stump and passed unanimously.

Secretary/Treasurer Rowland motioned to adopt the budget as presented with a 3.5% merit raise for the staff. The motion was seconded by Board Member Anderson and passed unanimously.

XVI. *Receive Monthly Financials

XIX. Receive General Manager's Report


Mr. Chapman explained that he feels more attention needs to be paid to groundwater issues. Last week the staff attended a Groundwater Management Area 8 meeting. The State is requiring that all groundwater conservation districts establish desired future conditions by 2016. The desired future conditions will have a large impact on groundwater use in the future.

Vice President Johnson asked about the potential for the Ralph Hall Reservoir being constructed. Mr. Chapman responded that the reservoir still needs to receive US Army Corps of Engineers approval and then funding. Proposition 6, which would authorize \$2 billion to be allocated for infrastructure projects, would also impact the likelihood of the reservoir being constructed. Flower Mound is opposing the construction of the reservoir, which will also require time to construct the reservoir. The Lower Bois d'Arc Reservoir is slated to be completed by 2020, which is very ambitious.

XX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:44 PM.

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Recording Secretary


Secretary-Treasurer