

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

MONDAY, NOVEMBER 18, 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: Drew Satterwhite, Jerry Chapman, Carolyn Bennett and Carmen Catterson

General Counsel: Michael Wynne, Wynne & Smith Law

Visitors: Don Anderson, City of Gunter Mayor
Mark Gibson, City of Sherman
Kristen Savant, Norton Rose Fulbright
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. Secretary/Treasurer Rowland motioned to approve the consent agenda. The motion was seconded by Board Member Kuneman and passed unanimously.

III. * Consider and act upon approval of Minutes of October 21, 2013 Meetings

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

V. Citizens to be Heard

Mr. Chapman introduced the visitors (listed above).

VI. *Receive Monthly Financials

VII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013-A (City of Sherman Project)", including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority

Mr. Satterwhite explained that the City of Sherman identified approximately \$10 million in wastewater projects in their Capital Improvement Plan for the Authority to finance. Approximately \$3 million will be financed through a Bank Qualified sale. The Authority is able to sell up to \$10 million per year to qualify for Bank Qualified bonds. This will keep us under the limit. The Authority discussed this with the Authority's bond counsel, financial advisor and the City of Sherman and all parties agree that this will be the most economical method of financing the projects. The Board discussed the details of Bank Qualified bonds. This will save the City of Sherman approximately \$1.5 million over the life of the bonds. Mrs. Savant reviewed the bond resolution with the Board. The resolution is considered a parameter resolution, without all the pricing information. This is because the financial advisor will go out for bids to obtain the best pricing. The resolution establishes the parameters that the bids can be accepted. The pricing must occur within 180 days of approval; however, Garry Kimball, the Authority's financial advisor is expecting to take bids on December 11, 2013. The pricing would need to be approved by the City of Sherman on December 16, 2013.

Vice President Johnson motioned to approve a resolution authorizing the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013-A (City of Sherman Project)" and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority. The motion was seconded by Board Member Anderson and passed unanimously.

VIII. Consider and act upon authorization to advertise for bids for "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013-A (City of Sherman Project)"

By authorizing the General Manager to advertise for bids at this time, it will enable the staff to move forward more quickly than if each individual project needed authorization from the Board to advertise for bids. The individual projects bids will be provided to the Board for action and approval.

Board Member Stump motioned to authorize the General Manager to advertise for bids for projects funded by "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013-A (City of Sherman Project)". The motion was seconded by Board Member Anderson and passed unanimously.

IX. Consider 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 Sherman Project)

This is the remaining portion of the \$10 million in financing for the City of Sherman. This portion is eligible for financing by the Texas Water Development Board (TWDB). This will be in two parts – one for engineering and one for construction. Although there will be three bond issues total, the savings will offset the closing costs.

Board Member Yeatts motioned to approve a resolution requesting financial participation from the TWDB and authorizing the filing of an application for financial participation. The motion was seconded by Vice President Johnson and passed unanimously.

X. Consider all matters incident and related to approving and authorizing the execution of a Special Escrow Agreement in relation to the defeasance of the Authority's outstanding City of Gunter Contract Revenue Bonds and providing for the redemption of such bonds, including the adoption of a resolution pertaining thereto.

The Authority has been financing projects for the City of Gunter since the 1980s. Most of their debt has now been amortized. The City of Gunter currently has five issues with the Authority and would like to refinance the debt along with other Certificates of Obligation. Mrs. Savant explained that this resolution will authorize a Special Escrow Agreement for bonds held for the City of Gunter. The proceeds for the refinancing will go into the Special Escrow account and will finalize the accounts and eliminate the Authority's responsibility. After December 3, 2013, the Authority would provide notice to the bond holders.

Board Member Anderson motioned to approve and authorize the execution of a Special Escrow Agreement in relation to the defeasance of the Authority's outstanding City of Gunter Contract Revenue Bonds and providing for the redemption of such bonds. The motion was seconded by Board Member Stump and passed unanimously.

XI. Consider and act upon contractual agreement with the City of Gainesville for deposit of grant money from the Environmental Protection Agency to the "GTUA Construction Fund (City of Gainesville Project)" for the Gainesville Water Treatment Plant Improvements project.

This is an agreement with the City of Gainesville for deposit of funds from the Environmental Protection Agency (EPA) grant to the "GTUA Construction Fund (City of Gainesville Project)" for their Water Treatment Plant Improvements project. After the Authority issued bonds for the City of Gainesville's Water Treatment Plant Improvements project, the City of Gainesville received a grant from the EPA. This agreement will make sure that the funds are deposited into the account and that the Authority utilizes the funds only for the Water Treatment Plant Improvements project. The City hopes to use the funds remaining in the construction account after the Water Treatment Plant is finished to construct an Elevated Storage Tank.

Board Member Yeatts motioned to approve a contractual agreement with the City of Gainesville for deposit of grant money from the EPA to the "GTUA Construction Fund (City of Gainesville Project)" for the Gainesville Water Treatment Plant Improvements project. The motion was seconded by Vice President Johnson and passed unanimously.

XII. Consider and act upon Amendment 3 to Agreement between Owner and Engineer for Professional Services for the GTUA 30" Water Transmission Line Modification for the State Highway 121 Widening Project

The Texas Department of Transportation (TxDOT) is widening Hwy 121 in Melissa, so the Authority will have to relocate the 30" Water Transmission Line. Freeman-Millican, Inc. was the original engineer on the project. The cost for this project will be reimbursed by TxDOT, except for possibly the interest costs.

Vice President Johnson motioned to approve Amendment 3 to the Agreement between Owner and Engineer for Professional Services for the GTUA 30" Water Transmission Line Modification project. The motion was seconded by Board Member Anderson and passed unanimously.

XIII. Consider and act upon implementation of Stage 3 Water Management Strategies for Seasonal Landscape Watering of the Greater Texoma Utility Authority Water Conservation and Drought Contingency and Water Emergency Response Plan

The Collin-Grayson Municipal Alliance (CGMA) waterline provides water to the Cities of Anna, Melissa, Van Alstyne and Howe. The water is provided by the North Texas Municipal Water District (NTMWD). The Authority is required to pass any water management strategies provided by the NTMWD to the customers purchasing water. This is a continuation of Stage 3, which was entered in July 2013. This only applies to the cities that are currently taking water.

Board Member Kuneman motioned to approve implementation of Stage 3 Water Management Strategies for Seasonal Landscape Watering of the Greater Texoma Utility Authority Water Conservation and Drought Contingency and Water Emergency Response Plan. The motion was seconded by Board Member Anderson and passed unanimously.

XIV. Consider and act upon authorization to use Eminent Domain for Collin-Grayson Municipal Alliance Waterline Relocation project

In the area where the 30" waterline is being relocated, two easements will need to be acquired. The staff has already made a first contact and does not anticipate the need for eminent domain, but needs to remove all potential delays since the line needs to be operational before May 2014. TxDOT will reimburse the Authority for purchasing the additional easements. The staff is proposing to use the legal services of Wynne and Smith, LLC.

Board Member Anderson motioned to authorize the General Manager to use eminent domain for the CGMA waterline relocation project. The motion was seconded by Board Member Stump and passed unanimously.

XV. Consider and act upon adjustment to rental agreement with the North Texas Regional Airport for Greater Texoma Utility Authority administrative offices

Every odd year the North Texas Regional Airport provides an updated rental agreement. This includes a 3.99% increase, which is 1.01% less than the previous increase.

Vice President Johnson motioned to approve the adjusted rental agreement with the North Texas Regional Airport for the Authority administrative offices. The motion was seconded by Board Member Yeatts and passed unanimously.

XVI. Receive General Manager's Report

Last week the groundwater monitoring sampling was completed at the Dripping Springs Landfill. The landfill has been in post closure since 1993. The sampling must be completed every 4 years until the gas levels drop and the State considers them low enough to cease monitoring. The amount of gas being produced has reduced, but if the readings at the perimeter of the site are above 5% they are considered explosive and must be evacuated. The monitoring will need to be maintained until the levels reduce below 5%.

Mr. Satterwhite explained that he and Mr. Chapman have been in the process of evaluating the water storage contracts. The language in the contracts will probably need to be amended to reflect yield instead of storage. By modifying the contract it will reflect the possibility of the yield being modified by the US Army Corps of Engineers in the future. This will be brought to the Board for consideration and approval at a future meeting.

Mrs. Bennett reported that last March the Authority staff submitted several projects on behalf of Lake Kiowa SUD to the TWDB for consideration for financing. The TWDB invited Lake Kiowa SUD to submit an application for financing. Because these are Drinking Water SRF, the Authority has to advertise for bond counsel, financial advisor and engineer. This will be on the next agenda. The total project will be \$10 million, but it will be in multiple pieces since engineering and construction must be issued separately.

The Krum Wastewater Treatment Plan project bids will be received on Thursday, November 21st. A pre-bid conference will be held on November 19th.

The Lake Texoma Pump Station 6,000 hp pumps are being prepared to send back to the manufacturer in Houston. The NTMWD blending project is expected to begin at the end of spring 2014, so the pumps need to be operational before that time. By refurbishing the pumps, the warranty will be reestablished.

A few weeks ago, Mr. Satterwhite and Mr. Chapman visited Tulsa and the Corps of Engineers. The meeting was very beneficial for Mr. Satterwhite, as he was able to meet the key contacts.

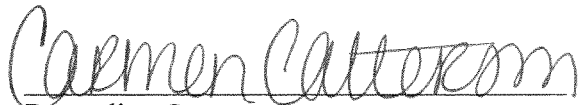
The next Region C meeting will be on December 2nd. Mr. Chapman will be resigning his position and recommending Mr. Satterwhite to take his position. The Lake Texoma Advisory Committee meeting will be on December 9th, where Mr. Chapman will also be resigning his position and recommending Mr. Satterwhite to serve in his place.

The Boundary Commission will be established by December 1st by the Governor. Mr. Chapman reviewed the possible candidates for the commission. The next step will be for the Oklahoma Legislature to establish a Boundary Commission to meet with the one established by Texas. The legislation established by Texas says that recommendations from the Texas Boundary Commission will be provided to the Governor by December 2014.

XII. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:16 PM.

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Recording Secretary


Secretary-Treasurer