

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

MONDAY, FEBRUARY 17, 2014

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

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

Members Absent: Everett Grantham, Mark Kuneman, Place VI Vacant

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

General Counsel: Michael Wynne, Wynne & Smith Law

Visitors: Frank Baker, City of Van Alstyne
Alex Belser, KTEN
Michael Hutchins, Herald Democrat
Kristen Savant, Norton Rose Fulbright

I. Call to Order

President Skelton called the meeting to order at 12:30 PM

II. Consider and act upon Officers for the 2014 calendar year

Board Member Yeatts recommended the Board maintain the current slate of officers with the General Manager as the Assistant Secretary. Board Member Stump provided the motion. The motion was seconded by Board Member Anderson and passed unanimously.

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. Board Member Yeatts 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 January 20, 2014 Meeting

V. * Consider and act upon approval of accrued liabilities for January 2014

VI. Citizens to be Heard

Mr. Satterwhite introduced the visitors (listed above).

VII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (Northwest Grayson County Water Control and Improvement District No. 1 Project)", including the adoption of a resolution authorizing the issuance of such bonds.

Mr. Satterwhite explained that this bond resolution is on behalf of the Northwest Grayson County Water Control and Improvement District No. 1 (the "District"). The District contacted the Authority and requested the Authority to pursue a direct purchase loan to fund several water projects. The direct purchase loan is for a 15 year term and can be closed on much sooner than other methods of financing. Mrs. Savant explained that this bond issue is the same as previous issues, except that it will be privately placed with Compass Bank.

Board Member Stump motioned to adopt a resolution authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (Northwest Grayson County Water Control and Improvement District No. 1 Project)". The motion was seconded by Board Member Anderson and passed unanimously.

VIII. Consider and act upon authorizing the advertisement of bids for the projects funded by the Northwest Grayson County Water Control and Improvement District No. 1 2014 bond series

Mr. Satterwhite explained that this posting is to request the Board's authorization for the staff to advertise the projects associated with the previously approved bond issue.

Board Member Anderson motioned to authorize the General Manager to advertise for projects associated with the Northwest Grayson County Water Control and Improvement District NO. 1 2014 bond series. The motion was seconded by vice President Johnson and passed unanimously.

IX. Consider all matters incident and related to the approval and execution of a Water Facilities Contract with the Northwest Grayson County Water Control and Improvement District No. 1, including the adoption of a resolution pertaining thereto

This item is for a Water Facilities Contract with the District. The previous agreement was associated with a bond series that has been closed. This new contract should expedite the bond issuance proceedings.

Vice President Johnson motioned to approve the execution of a Water Facilities Contract with the Northwest Grayson County Water Control and Improvement District No. 1, including the adoption of a resolution pertaining thereto. The motion was seconded by Board Member Yeatts and passed unanimously.

X. Consider and act upon Requests for Qualifications for engineering services and approval for the City of Van Alstyne to enter into a contract with McManus & Johnson Consulting Engineers for engineering services for the water projects associated with the GTUA/Van Alstyne DWSRF loan application (CGMA Water Line Connection Project)

The City of Van Alstyne is in need of some water projects to be constructed to connect with the CGMA water line. The City of Van Alstyne requested that the Authority pursue funding through the Texas Water Development Board (TWDB) DWSRF fund. This funding source requires that requests for qualifications be submitted for engineering, bond counsel and financial advisory services. The engineering contract is held by the City and approved by the Authority.

Board Member Anderson motioned to approve the City of Van Alstyne to enter into a contract with McManus & Johnson Consulting engineers for engineering services for the water projects associated with the GTUA/Van Alstyne DWSRF loan application (CGMA Water Line Connection Project). The motion was seconded by Board Member Stump and passed unanimously.

XI. Consider and act upon Requests for Qualifications for bond counsel services for the Van Alstyne DWSRF projects (CGMA Water Line Connection Project)

This is for the same project for bond counsel services. Mr. Satterwhite explained that Mrs. Bennett attended a TWDB seminar in January and learned that bond counsel and financial advisory services can be acted upon in an agreement that has a term of up to five years. The DWSRF funding includes EPA funding, and additional requirements must be met to utilize the funds.

Board Member Stump motioned to award bond counsel services to Norton Rose Fulbright for the Van Alstyne DWSRF projects (CGMA Water Line Connection Project). The motion was seconded by Board Member Anderson and passed unanimously.

XII. Consider and act upon Requests for Qualifications for financial advisory services for the Van Alstyne DWSRF projects (CGMA Water Line Connection Project).

This is for the same project for financial advisory services. Only one proposal was submitted by Specialized Public Finance.

Vice President Johnson motioned to award financial advisory services to Specialized Public Finance for the Van Alstyne DWSRF projects (CGMA Water Line Connection Project). The motion was seconded by Board Member Anderson and passed unanimously.

XIII. 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 DWSRF CGMA Water Line Connection Project)

This resolution is for the same project as the previous three items and would authorize the filing of an application for financial assistance from the TWDB. The bond series is a not to exceed amount of \$485,000. No construction funds are included in this bond. It is only for planning and engineering. The cost also includes right of way costs.

Board Member Stump motioned to approve the adoption of a resolution requesting financial participation from the TWDB; authorizing the filing of an application for financial participation and making certain findings in connection therewith (City of Van Alstyne DWSRF CGMA Water Line Connection Project). The motion was seconded by Board Member Anderson and passed unanimously.

XIV. Consider an act upon a resolution to amend an application for financial assistance from the State Infrastructure Bank; and authorizing the General Manager to act on behalf of the Greater Texoma Utility Authority in all matters related to the application.

This item would amend the application to the State Infrastructure Bank, which is related to the relocation of the 30-inch CGMA waterline. The previous application was for \$300,000 and the amended application is for \$340,000. The bids exceeded the engineer's estimate for construction. The \$340,000 will not cover all of the administrative costs, but the Authority should be able to wait for payment until the Texas Department of Transportation reimburses the expenses to relocate the waterline.

Board Member Anderson motioned to adopt a resolution amending an application for financial assistance from the State Infrastructure Bank and to authorize the General Manager to act on behalf of the Authority in all matters related to the application. The motion was seconded by Board Member Stump and passed unanimously.

XV. Consider and act upon awarding the contract for the City of Ector 2013 Water Tank Rehabilitation Project.

Bids were received on January 29th for the rehabilitation of the City of Ector's ground storage tank. The bond resolution was approved in August 2013. The alternate bid is for lead abatement, which the TWDB does not fund. The Authority has not worked with the company before, but the engineer felt comfortable recommending the award of contract to Central Tank Coatings, Inc.

Board Member Yeatts motioned to award the contract for the City of Ector 2013 Water Tank Rehabilitation Project to Central Tank Coatings, Inc. in the amount of \$83,600 base bid and \$4,500 for the alternate bid. The motion was seconded by Board Member Anderson and passed unanimously.

XVI. Consider and act upon Change Order No. 1 to the contract with Jerry Paul Higgins, Ltd. For the City of Sherman Wastewater Treatment Plant East Bar Screen Replacement Project

The Authority has been in the process of refurbishing the City of Sherman Wastewater Treatment Plant. The equipment contract was awarded to Vulcan Industries and then assigned to

Jerry Paul Higgins, Ltd. Initially the engineer believed that the existing power and control wires would be able to be reused. However, there are not enough control wires and the conduit is in worse condition than was thought. David Gattis, the consulting engineer, recommends approval of Change Order No. 1 for the additional amount of \$2,898.00. This is scheduled for the Sherman City Council agenda on March 3rd.

Vice President Johnson motioned to approve Change Order No 1 to the contract with Jerry Paul Higgins, Ltd. for the City of Sherman Wastewater Treatment Plant East Bar Screen Replacement Project. The motion was seconded by Board Member Yeatts and passed unanimously.

XVII. Consider and act upon Professional Services Agreement for General Manager Consulting Services

President Skelton explained that Mr. Chapman has been acting as the Consulting General Manager for the past five months and the transition has gone smoothly. The Authority runs smoothly due to the knowledge and connections of all the staff. This contract will allow the staff to utilize the services of Mr. Chapman after his retirement. Mr. Satterwhite agreed with President Skelton and stated that the staff believes they would benefit from Mr. Chapman's assistance and guidance in the future.

Mr. Wynne stated that the agreement includes a provision for professional liability insurance, which he feels is not necessary as he will be a contractor. Board Member Stump agreed. Board Member Stump stated that Mr. Chapman will not be eligible for worker's compensation coverage as an independent contractor.

Mr. Chapman expressed his belief and faith in Mr. Satterwhite. He offered his assistance in any way possible in the future. President Skelton thanked Mr. Chapman for his continued service and his availability after retirement.

Board Member Yeatts motioned to approve the Professional Services Agreement for General Manager Consulting Services. The motion was seconded by Board Member Anderson and passed unanimously.

XVIII. Receive General Manager's Report

Bids were received last month for both of the CGMA waterline projects. Both projects came in over budget with two different engineers. Contractors commented that work is more readily available, so prices are increasing again. The Melissa Line Lowering project was awarded to North Texas Contracting. The 30-inch waterline relocation was awarded to Canary Construction. Both projects should be substantially complete by May 1st.

The encasement of the Lake Texoma pipeline is complete and the line is back in service. The USGS performed an inspection and found Zebra Mussels. A report is expected soon with the results of the inspection. Divers were not able to inspect the screens during the previous shut

down, but could inspect as long as the pumps are temporarily shut down. This is expected to be done later this spring with short shut downs.

The North Texas Municipal Water District waterline from Howe to Wylie is complete. The blending facility in Wylie is still being constructed, but the line should be operational by late spring/early summer 2014.

Bids were received for the Sherman UV project. The consulting engineer, Freeman-Millican, Inc. is in the process of evaluating the bids. These bids are all unique because each system requires different levels of modification to the existing channel.

The first meeting of the Red River Boundary Commission was held in January 2014. A Memorandum of Understanding was issued without the assistance of the Authority. The Memorandum did not name the Authority and the Authority has requested that the Memorandum be amended to name the Authority specifically. This is in progress currently.


Lake Kiowa SUD has requested assistance from the Authority for issuing bonds and assisting with construction of projects. The contracts and bond application are expected to be provided at the March agenda.

The North Texas GCD is in the position to need to issue some enforcement actions. A major violation is \$250 for a first violation and 10% for late payments. Some well drillers are submitting invalid information, which will result in the need for enforcement.

XII. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:20 PM.

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Recording Secretary



Secretary-Treasurer