

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

MONDAY, APRIL 21, 2014

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

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

Members Absent: Don Skelton, Place VI Vacant

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

General Counsel: Michael Wynne, Wynne & Smith Law

Visitors: Mitzyn De La Rosa, Congressman Ralph Hall's office
Mark Gibson, City of Sherman
Michael Hutchins, Herald Democrat
Kristen Savant, Norton Rose Fulbright

I. Call to Order

Vice President Johnson 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. Vice President Johnson 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 Board Member Anderson and passed unanimously.

III. * Consider and act upon approval of Minutes of March 17, 2014 Meeting

IV. * Consider and act upon approval of accrued liabilities for March 2014

V. Citizens to be Heard

Mr. Satterwhite introduced the visitors (listed above).

VI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (City of Krum Project)", including the adoption of a resolution authorizing the issuance of such bonds.

In 2013, the Authority sold bonds for the construction of a new wastewater treatment plant. The project bid in December 2013 and came in well over the budgeted amount. The bids were all competitive and from responsible contractors. The City of Krum recommended the Authority move forward and award the project as bid with additional funding. The Board authorized the sale of additional funds from the Texas Water Development Board (TWDB) Clean Water State Revolving Fund. Mrs. Savant provided an overview of the bond series. This bond issue will not have a reserve fund because it will be secured with both water and sewer revenues and tax revenues. The City is scheduled to approve the bond issue on Tuesday, April 22nd.

Board Member Kuneman motioned to adopt a resolution authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (City of Krum Project)". The motion was seconded by Board Member Anderson and passed unanimously.

VII. Consider and act upon awarding the contract for the City of Krum 2013 Wastewater Treatment Plant project

This is a request for the Board to authorize the award of the contract for the Krum wastewater treatment plant upon the sale of the bonds previously approved. The contractor has held his bid prices for more than five months.

Board Member Anderson motioned to award the contract for the City of Krum 2013 Wastewater Treatment Plant project to Gracon Construction in the amount of \$3,748,000, contingent upon the sale of the Krum 2014 bond series. The motion was seconded by Board Member Stump and passed unanimously.

VIII. Consider and act upon a resolution accepting the contract with Jerry Paul Higgins, Ltd. for the Sherman Post Oak Wastewater Treatment Plant East Bar Screen Replacement project as complete

Jerry Paul Higgins, Ltd. was contracted to replace the East Bar Screen at the Sherman Wastewater Treatment Plant. A final change order was approved at the February 2014 meeting. The project is complete and all parties are satisfied. Mr. Gibson indicated the City of Sherman is satisfied.

Board Member Yeatts motioned to adopt a resolution accepting the contract with Jerry Paul Higgins, Ltd., for the Sherman Post Oak Wastewater Treatment Plant East Bar Screen Replacement project as complete, contingent upon similar action being taken by the City of Sherman. The motion was seconded by Board Member Stump and passed unanimously.

IX. Consider and act upon awarding the contract for the Northwest Grayson County Water Control and Improvement District No. 1 Water Supply Well No 3 project

The Northwest Grayson County Water Control and Improvements District No. 1 (NWGWCD#1) contacted the Authority in 2013 with a request to secure financing and construct improvements to their water distribution system. The well is the first component. A ground storage tank and distribution lines will be the second component. THI, Inc. submitted the low bid for the water well. The contract price may change depending on the depth of the well.

Board Member Stump motioned to award the contract for the NWGWCID#1 Water Supply Well No. 3 to THI, Inc. in the amount of \$447,816. The motion was seconded by Board Member Anderson and passed unanimously.

X. Consider and act upon a resolution adopting a Water Conservation and Water Resource and Emergency Management Plan to promote the responsible use of water and to provide for penalties and/or the disconnection of water service for noncompliance with the provisions of the Water Conservation and Water Resource and Emergency Management Plan

The Texas Commission on Environmental Quality (TCEQ) and TWDB require that the Authority adopt the plan by May 1, 2014. The Authority's contract with the North Texas Municipal Water District (NTWMD) requires the Authority to adopt the same plan. The Collin-Grayson Municipal Alliance (CGMA) contract requires any cities taking treated water from the NTMWD to adopt the same plan. The big changes in this plan is moving from a four-stage plan to a three-stage plan. After the Authority adopts the plan, the TWDB and TCEQ will review the plan. The Board discussed the impact the plan will have on member cities.

Board Member Anderson motioned to execute a resolution adopting a Water Conservation and Water Resource and Emergency Management Plan to promote the responsible use of water and to provide for penalties and/or the disconnection of water service for noncompliance with the provisions of the Water Conservation and Water Resource and Emergency Management Plan. The motion was seconded by Board Member Stump and passed unanimously.

XI. Consider and act upon a resolution relating to the Greater Texoma Utility Authority retirement fund

The Authority retirement fund requires that an administrator be appointed. Mr. Chapman was the previous administrator. The staff met and internally elected Debi Atkins, the Authority's Finance Officer as administrator.

Board Member Kuneman motioned to adopt a resolution relating to the Greater Texoma Utility Authority retirement fund. The motion was seconded by Board Member Grantham and passed unanimously.

XII. Consider and act upon a resolution relating to fiscal management and investment activities contained in Board Policy No. 20.07 designating investment officers

In March 2010, the Board adopted a resolution designating Mr. Chapman and Mrs. Atkins as investment officers. The resolution for consideration includes the positions instead of the names of the investment officers.

Board Member Anderson motioned to adopt a resolution relating to fiscal management and investment activities contained in Board Policy No. 20.07 designating investment officers. The motion was seconded by Board Member Stump and passed unanimously.

XIII. Receive Quarterly Investment Report

As of March 31st, the Authority has an investment position of \$32.4 million. Interest rates are still very low.

XIV. Receive General Manager's Report

Mr. Satterwhite reported that last month the State Infrastructure Bank contacted the Authority with a closing date of April 28th, which is only three days from the substantial completion date. The staff discussed this with the Cities of Anna and Melissa, who agreed to pay the money up front and wait for Texas Department of Transportation (TxDOT) refunding to save interest rates.

The Ector elevated and ground storage tank rehabilitation contract was awarded. The contractor expects to be complete within two months.

Region C and Region D have been in conflict over the Marvin Nichols Reservoir. The reservoir is in the Region C Water Plan as a strategy and is in the Region D Water Plan as a conflict. The Executive Administrator of the TWDB has prepared a letter of recommendation to have Region C to adopt the plan as is and to have Region D remove the conflict. This should be resolved by the end of the year.

The Authority issued \$5 million in bonds for the City of Princeton in 2009. There is approximately \$300,000 remaining in the construction fund. The City is considering utilizing the funds to purchase water meters.

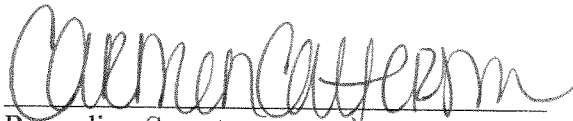
On Friday, April 18th, the Northern Trinity Groundwater Conservation District in Tarrant County contacted the Authority regarding the possibility of the Authority providing consulting services. These services would be similar to what is provided to the North Texas GCD and the Red River GCD. The staff has requested additional information on the operation of the Northern Trinity GCD before agreeing to provide an estimate of services. The groundwater districts have provided a source of revenue for the Authority during the period of low interest rates.

Board Member Stump asked about the current status of the boundary issue. Mr. Satterwhite responded that Texas has established a Boundary Commission, but no further action has been taken at this time. Oklahoma has political issues that need to be addressed locally before they can be addressed between the states.

XII. Adjourn

Upon motion by Vice President Johnson, seconded by Secretary/Treasurer Rowland and passed unanimously, the Board adjourned at 1:02 PM.

#####


Recording Secretary


Secretary-Treasurer