

**ADDENDUM TO AGENDA
GREATER TEXOMA UTILITY AUTHORITY
BOARD OF DIRECTORS MEETING
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
12:30 P.M., MONDAY, NOVEMBER 20, 2017**

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 20th day of November, 2017, at 12:30 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered and acted upon, including the expenditure of funds:

Agenda:

- XVII. Consider all matters incident and related to declaring expectation to reimburse expenditures with proceeds of future debt, including the adoption of a resolution pertaining thereto.

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Greater Texoma Utility Authority Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT VELMA STARKS AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 16, 2017

SUBJECT: AGENDA ITEM NO. XVII

CONSIDER ALL MATTERS INCIDENT AND RELATED TO DECLARING EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO

ISSUE

Consider and act upon a reimbursement resolution on behalf of the City of Princeton for improvements to the City's water system.

BACKGROUND

The City of Princeton staff approached the Authority staff requesting assistance in financing and constructing improvements to the City's water system, including a 4.0 MG ground storage tank, yard piping, pump station, electrical/SCADA/instrumentation, plumbing/HVAC, meters and all appurtenances necessary for the projects. The City of Princeton is growing rapidly and the need has arisen for them to upgrade their existing water delivery infrastructure to continue to meet their demands.

At the July 2017 meeting, the Board authorized the submission of an application on behalf of the City of Princeton for financial assistance to the Texas Water Development Board's ("TWDB") Drinking Water State Revolving Fund ("DWSRF").

Hard costs on a construction project are considered to be items such as land, materials and construction labor. If any of these costs are incurred ahead of the bond closing with the intention of reimbursing the expense, federal law requires that a reimbursement resolution be adopted by the governing body which would allow the Authority to reimburse the City for hard costs up to 60 days prior to adoption of the reimbursement resolution.

BACKGROUND

The City of Princeton purchased a property on October 11, 2017. This is the property on which we are planning to construct the new pump station and ground storage tank. In order for the City to be reimbursed for these costs by the upcoming bond issue, the adoption of reimbursement resolution will be necessary.

STAFF RECOMMENDATIONS

The staff recommends that the Board authorize the adoption of a reimbursement resolution on behalf of the City of Princeton in order for the City to be reimbursed for their land purchase associated with the ground storage tank and pump station project.

ATTACHMENTS

A resolution is attached.



GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

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PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

A RESOLUTION declaring expectation to reimburse expenditures with proceeds of future debt in relation to projects for the benefit of the City of Princeton.

WHEREAS, the Greater Texoma Utility Authority (the "Issuer") intends to issue debt for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Princeton, Texas, including the acquisition of land therefor, and the payment of all costs incident and related to the construction, acquisition, and improvement and financing thereof (collectively, the "Projects"); and;

WHEREAS, the City of Princeton, Texas (the "City") is to advance funds for the payment of the Projects; and

WHEREAS, the Issuer currently desires and expects to reimburse the City for the advancement of the funds for the Projects with proceeds of such debt; and

WHEREAS, under Treas. Reg. §1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations the Issuer must declare its expectation to make such reimbursement; and

WHEREAS, the Issuer desires to preserve its ability to reimburse the expenditures of the City with proceeds of tax-exempt obligations;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY THAT:

SECTION 1: The Issuer reasonably expects to reimburse capital expenditures with respect to the Projects with the proceeds of debt hereafter to be issued by the Issuer, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Projects is \$16,710,000.

SECTION 2: Following the issuance of the tax-exempt obligations and reimbursement of such capital expenditures by the Issuer, the Issuer will reimburse the City for the advancement of funds for the payment thereof.

PASSED AND ADOPTED, this November 20, 2017.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Authority Seal)