

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

MONDAY JULY 16, 2018

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

Members Present: Brad Morgan, Stanley Thomas, Scott Blackerby, Donald Johnston, Mark Kuneman, Matt Brown, Ken Brawley, and (new member) Anthony Richardson

Members Absent:

Staff: Drew Satterwhite, Carolyn Bennett, Debi Atkins, Tasha Hamilton, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith

Visitors: Brooke Blackerby
Cooper Morgan

I. Call to Order

Board President Morgan called the meeting to order at 12:30 p.m.

II. Pledge of Allegiance

Board President Morgan led the group in the Pledge of Allegiance.

III. Administer Oath of Office.

Anthony Richardson was administered the Oath of Office by Carolyn Bennet.

IV. Consent Agenda

Items marked with an asterisk () are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen request a specific item to be discussed and voted on separately.

V. * Consider and act upon approval of Minutes of June 18, 2018 Meeting.

VI. * Consider and act upon approval of accrued liabilities for June 2018.

Board Member Mark Kuneman made a motion to approve the consent agenda items. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

VII. Citizens to be Heard.

There were no citizens present requesting to speak before the Board.

VIII. Appointment of a Budget Committee.

Board President Brad Morgan appointed a Budget Committee consisting of Scott Blackerby, Mark Kuneman and Brad Morgan.

At this point Board President Brad Morgan addressed Item XIV- Discussion and possible action on Health Insurance Plans for the Authority

Board President Brad Morgan presented a brief insurance presentation of options for health insurance benefits for the Authority employees to the Board, which had been presented to the Insurance Committee (Brad Morgan, Matt Brown and Mark Kuneman) prior to the board meeting. Ken Brawley made the motion to select the three Blue Cross/Blue Shield options. Scott Blackerby seconded the motion. Motion passed unanimously.

At this point Board President Brad Morgan moved back to the normal order of the agenda.

IX. Consider all matters incident and related to approving and authorizing the execution of a Principal Forgiveness Agreement with the Texas Water Development Board and related Escrow Agreement, in connection with the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Paradise Project)", including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite provided background information to the Board. The City of Paradise requested assistance in obtaining funding to construct approximately 17,000' of 6" water line to extend water service out to growing areas of the City and also to provide service residents who do not currently have City water service.

At the June 2018 meeting, the Board authorized a bond resolution in the amount of \$935,000. This bond series is for a 30-year term in which we received a 2.53% interest rate. \$300,000 in principal forgiveness was received from the TWDB, which are funds which the City will not be required to repay. Overall, the TWDB estimates the City will save approximately \$587,000 over the life of the loan by utilizing this funding source.

The Board had a brief discussion, including that the first sentence in the agreement change the location from Denton County to Grayson County.

Scott Blackerby made the motion that the Board accept the agreement contingent upon the location in the first sentence being changed from Denton County to Grayson County. Board Member Matt Brown seconded the motion. Motion passed unanimously.

X. Consider and act upon authorizing the execution of a Contractual Agreement between the City of Paradise and the Greater Texoma Utility Authority.

General Manager Drew Satterwhite provided background information in addition to what was previously stated in Item IX. In addition to the \$1,235,000 obtained by the Authority, the Authority staff assisted the City with the application for \$300,000 in principal forgiveness that is being acquired directly by the City. This funding is for the purpose of modifying their elevated storage tank fill to feed from the top of the tank in order to reduce water age in the tower. Also included in this project would be disinfection facilities at the elevated storage tank site to re-disinfect the water before going into their system. In an effort to save the City money and to entice more contractors to bid, the engineer and Authority staff believe it would be beneficial to the City to combine the elevated storage tank project with the water line project.

In order for the Authority to legally enter into contract for a construction project, funds must be available to award the contract. In order to satisfy this requirement at the time of award of contract, the Authority staff has put together a Contractual Agreement. This agreement has been discussed with Bond Counsel.

The Contractual Agreement states that as the City receives their funds from the TWDB, they will distribute those to the Authority. The Authority will use the funds for payment of the construction project. This agreement is similar to the City of Sadler agreement for grant funds approved in 2016.

Board Member Matt Brown made the motion to authorize the execution of the agreement. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XI. Consider and act upon authorization for the General Manager to advertise for bids for projects financed by the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Paradise Project)".

The staff recommended that the Board approve the General Manager to advertise for bids on any projects that are to be financed with the GTUA/City of Paradise 2018 bond series.

Board Member Matt Brown made the motion to authorize the General Manager to advertise for bids. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XII. Consider and act upon Change Order No. 1, R1 to the contract with Wilson Contractor Services, LLC for Lake Kiowa Special Utility District ("SUD") Water System Improvements Phase 1A and 2 Water Main Replacements Project.

General Manager Drew Satterwhite provided background information to the Board regarding the Lake Kiowa SUD Water System Improvements Project, Phases 1A and 2.

At the February meeting, the Board authorized Change Order No. 1 which consisted of changing the type of taps for the service connections in order to maintain consistency throughout Lake

