

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

**MONDAY AUGUST 20, 2018**

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

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

Members Absent:

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

General Counsel: Mike Wynne, Wynne and Smith

Visitor: David Gattis, Freeman – Millican, Inc.

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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. 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.

IV. \* Consider and act upon approval of Minutes of July 16, 2018 Meeting.

V. \* Consider and act upon approval of accrued liabilities for July 2018.

VI. \*Receive Monthly Financial Information.

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

VII. Citizens to be Heard.

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

VIII. Receive Quarterly Investment Report.

Debi Atkins, the Authority's Finance Officer, reviewed the Quarterly investment Report with the Board.

IX. Consider and act upon Budget Amendment for FY 2017-2018.

General Manager Drew Satterwhite provided background information for the Board. The Board of Directors has been willing to consider amendments to the Authority's annual budget during the course of the fiscal year to adjust for circumstances that impact on revenue and expenses. In many cases, projects that were planned on a specific schedule may be delayed and therefore the funds may not be able to be expended as originally planned. Also, there are typically several adjustments to account for actual bond issuance amounts that we attempted to predict well in advance or know a defined project scope and interest rate.

The proposed budget amendment was reviewed by the Authority's budget committee on August 6<sup>th</sup>, 2018. The staff recommends the Board consider authorizing a budget amendment for FY 2017-2018.

Board Member Stanley Thomas made the motion to accept the Budget Amendment for 2017-2018. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

X. Consider and act upon an Engagement Letter for independent audit services for FY 2018-2019.

General Manager Drew Satterwhite provided background information for the Board. The Authority is required by its enabling legislation and the bond holders of securities issued by the Authority to provide an annual independent audit of its operations.

In mid-2017, Adami, Lindsey & Co., LLP informed the Authority staff that they would be unable to perform the Authority's 2017 audit due to a shortage of staff. After hearing of this circumstance, Authority staff immediately began developing a solicitation for audit proposals. The solicitation was sent out on July 13, 2017 and with a response deadline of August 8, 2017. We received two (2) proposals from 1) Hankins, Eastup, Deaton, Tonn and Seay, and 2) Schalk and Smith.

The Board authorized Hankins, Eastup, Deaton, Tonn and Seay be awarded the audit services agreement, if they agreed not to increase rates more than 2% each year. Hankins, Eastup, Deaton, Tonn and Seay agreed to hold the increase to 2% per year. The Audit Proposals were for a 5-year term and price proposed for this upcoming Audit is \$35,500, which is right at a 2% increase from last year rounded to the nearest \$10.

The staff recommended the Board authorize an engagement letter with Hankins, Eastup, Deaton, Tonn & Seay to perform the Authority's 2018-2019 Audit.

Board Member Stanley Thomas made the motion to authorize an engagement letter with Hankins, Eastup, Deaton, Tonn & Seay to perform the Authority's 2018-2019 Audit. Board Member Scott Blackerby seconded the motion. The motion passed unanimously.

XI. Consider and act upon Statement of Qualifications for engineering services for Bear Creek SUD Water System Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. The Bear Creek SUD staff approached the Authority to discuss the process of utilizing the Authority for financing water infrastructure projects. The Bear Creek SUD is planning to construct 1) a new ground storage tank and pump station to replace the existing facilities which are outdated and undersized, and 2) 6,200' and 2,200' of 12" and 16" pipeline to connect the new pump station to the system.

The Authority advertised for qualifications for engineering services associated with the project on behalf of the Bear Creek SUD, which were due on August 6, 2018. Only one Statement of Qualifications was received, which was from Kimley-Horn. The Bear Creek SUD has worked with Kimley-Horn before and therefore selected them to perform the services for the project. The Bear Creek SUD Board of Directors voted on August 14, 2018 to select Kimley-Horn & Associates as the project engineer for the water system improvements project.

Board Member Scott Blackerby made the motion to accept Kimley-Horn for the Bear Creek SUD Water System Improvements Project. Board Member Stanley Thomas seconded the motion. The motion passed unanimously.

XII. Consider and act upon Change Order No. 3 and a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Landmark Structures for the City of Sherman Southwest 1.5 M. G. Elevated Tank Project as complete.

General Manager Drew Satterwhite provided background information for the Board. The City of Sherman requested the Authority's assistance in obtaining funding through the Texas Water Development Board ("TWDB") Drinking Water State Revolving Fund Program ("DWSRF") to fund the construction of a new elevated water storage tank with accessories and electrical/SCADA work at the new tank site, as well as the existing Gallagher elevated storage tank. The elevated storage tank is a 1.5 million gallon tank on the southwest section of the City of Sherman's system. This elevated storage tank project will enable the City of Sherman to continue to grow in this section of the City as well as provide a redundancy to the pressure plane.

At the December 2015 meeting, the board authorized award of contract to Landmark Structures in the amount of \$2,352,000. Change Order No. 1 resulted in a decrease of \$36,715, resulting in a revised contract amount of \$2,315,285 to the contract with Landmark Structures. Change Order No. 2 increased the contract price by \$35,502.00, resulting in a revised contract amount of \$2,350,760.00.

Change Order No. 3 is for changing the type of light fixtures that were incorporated in the project. The contractor and engineer felt the prices for the original lights were unreasonable which resulted in the search for equivalent and cheaper fixtures. Change Order No. 3 would

