

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

MONDAY, APRIL 16, 2007

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

Members Present: Donald Skelton, Bill Johnson, George Rowland, Mark Kuneman, Everett Grantham, Paul Kirley, Duane Hayes

Members Absent: Joe Henderson, David Wright

Staff: Jerry Chapman, Alan Moore, Carolyn Bennett, Carmen Catterson

Visitors: Michael Wynne, Nall, Pelley, and Wynne, LLP
David Gattis, Freeman-Millican, Inc.
Kristin Savant, Fulbright & Jaworski
Ron Sellman, City of Gainesville
Wayne Kuse, City of Sherman
David Howerton, City of Denison
Mark Pulliam, Tomlin Investments

I. Call to Order

President Skelton called the meeting to order at 12:31 p.m.

II. Administer Oath of Office to Ray Nichols: This item will be tabled until the May 21st meeting.

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. Secretary Rowland made a motion 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 March 19, 2007 Meeting

V. * Consider and act upon approval of accrued liabilities for March 2007

VI. Citizens to be Heard: General Manager Chapman introduced the visitors present and welcomed them.

VII. Wastewater Activities

Receive reports on wastewater activities: General Manager Chapman reminded the Board that the City of Pottsboro is currently renovating its wastewater treatment plant. Bids for the equipment to be installed at the facility will be solicited as soon as the engineer has obtained the approval of the Texas Water Development Board (TWDB). The Authority is currently waiting for direction from the City of Gunter regarding a bond possible application for improvements to their sewer system.

VIII. Water Activities

Receive reports on water activities: The bond issue for the City of Anna water transmission line project closed on April 10th. Mr. Tim Morris of Morris Engineers, the project engineer, reported plans and specifications are 80% complete. Mr. Alan Moore presented a slideshow of photographs of the Collin/Grayson Municipal Alliance (CGMA) progress to date. Mr. David Gattis, Freeman-Millican, Inc, the CGMA project engineer, explained that the CGMA project should be complete by June 2007. Some cities may not have completed the facilities that will give the cities water from the waterline except for the ability to receive water. General Manager Chapman explained that some cities might not be ready to accept water for up to two years. The Authority signed a contract with the City of McKinney to purchase water for as long as eighteen (18) months, up to 1 from a point of delivery on Highway 5. The water can be taken by free flow from the McKinney system or by use of a pump station. The flow from McKinney system is less expensive and more favorable due to the lower electricity costs. Initially the pumps are not anticipated to be used because gravity from the system will be sufficient to get water to the City of Melissa, the first city scheduled to take water. Anna cannot take water this summer because it is in the process of condemning the site for a ground storage tank, and the site will not be accessible until midsummer. Due to time restraints, by the time the ground storage tank and line are built and ready for use, Anna will be unable to take water before midsummer 2008. The City of Van Alstyne will be ready to take water when the City of Anna has these facilities completed.

No further updates regarding the Reallocation Study that is due in April or May of 2007 have been received. General Manager Chapman stated that he will contact the Tulsa district and confirm the status with Colonel Kurka. Depending on the response that is received from Colonel Kurka, action from the Board and elected officials may be required, due to the fact that this process has been ongoing for over three years.

In prior Board meetings, the Board has discussed the Texas Commission on Environmental Quality (TCEQ) Priority Groundwater Management Area (PGMA) Draft Report. This report was released in December 2006 containing thirteen Texas counties. Recently, General Manager Chapman reported that he met with groundwater providers in Cooke, Fannin, and Grayson counties to discuss the Draft Report. Each county has been concerned about having another regulatory agency. On April 12th groundwater providers from all three counties met with Mr. Kelly Mills from the TCEQ, author of the Draft Report, to discuss the Report and ask

questions. The comment period on the Report was extended until the end of April for consideration in the final report. Mr. Mike Land and Mr. Ron Sellman of the City of Gainesville prepared a thorough response for Cooke County and the City of Gainesville. In light of that response, the TCEQ may consider removing Cooke County from the report. Grayson County may also be removed from the report based on the large reduction in groundwater pumpage from 10 million gallons per day to 4.5 million gallons per day due to the introduction of surface water from Lake Texoma. Fannin County is different due to a lack of available surface water systems outside of Lake Bonham. However, North Texas Municipal Water District (NTMWD) is pursuing construction of a new lake, which can realistically be built in 20 years. Mr. Mills will redraft the report by May or June. After that, a series of steps will begin, depending on whether or not the three counties are included in the report. These include hearings and committee meetings. If the three counties are left in the report and the committees and hearings determine that a PGMA is required, a bill will be drafted for legislative session to establish the PGMA in the manner approved by the county(ies).

Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2007 (City of Pottsboro Project)" for the construction, acquisition and improvement of water supply facilities and necessary appurtenances for use by the City of Pottsboro and the payment of all costs incident and related to the construction, acquisition, and improvement and financing thereof; prescribing the form, terms, conditions and resolving other matters incident and related to the issuance, sale, and delivery of said bonds; including the pledge of certain revenues to pay the principal of and interest on such bonds; and resolving provisions incident and related to the subject and purpose of this resolution (Pottsboro \$1,745,000 water projects): General Manager Chapman reminded the Board that this is a \$1.745 million dollar commitment from the TWDB's Drinking Water State Revolving Fund (DWSRF), which is very attractive due to the below market interest rate. These funds will be utilized for construction of water system improvements in the City of Pottsboro. Ms. Kristin Savant of Fulbright & Jaworski explained that the Resolution is being presented with the same standards as with previous bond issues with the City of Pottsboro. The City is scheduled to consider an ordinance approving the bonds on April 17th at their city council meeting, then the Resolution will go to the Attorney General's office for approval. General Manager Chapman explained that this fund includes very favorable interest rates, which range from 2.55% to 3.2% with a 3% average lifetime interest rate.

Vice President Johnson motioned for the approval of a Resolution authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2007 (City of Pottsboro Project)" for \$1,745,000 in water projects system projects. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon authorization for General Manager to advertise for bids for the City of Pottsboro water projects: General Manager Chapman requested permission to advertise for bids for the City of Pottsboro water projects as soon as the engineering plans are completed. Secretary/Treasurer Rowland motioned for the approval of authorization to advertise for bids for the City of Pottsboro water projects. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon proposal for engineering services for City of Pottsboro waterline replacement project: General Manager Chapman requested that this item be deferred until the May agenda. The Authority staff did not have an opportunity to review the agreement.

Consider and act upon award of contract for Sherman US Hwy 82 Water Line: The City of Sherman has received bids on the water line for US Highway 82. The waterline will extend west on US Highway 82 to a point crossing State Hwy 289. The City has been planning to extend resources to this area, and has received a request for annexation of 82 acres. Bonds were issued last year for this and other water system improvement projects. Mr. Tim Morris, the project engineer, recommends the Board approve the bid submitted by Howard Construction Company. The Authority does not have previous experience with Howard Construction Company. The approval of the contract is contingent upon a similar action by the Sherman City Council at their April 16th meeting. Howard Construction Company has indicated their bid stands whether the water level is raised or lowered in the pond located in the project area.

Board Member Grantham motioned for the award of contract for Sherman US Highway 82 Water Line to Howard Construction Company in the amount of \$185,869.00. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Dickerson Contractors, Inc., for the City of Bells water transmission line project: This is a small Change Order for the water line constructed by Dickerson Construction Contractors for the City of Bells. This Change Order is primarily for payment of additional costs for repairs to a gravel driveway located at a mechanic's shop on Highway 69, for a total increase of \$483.80. Funds are available in the construction account. This project will hopefully be ready to close out next month.

Vice President Johnson motioned for the approval Change Order No. 1 to the contract with Dickerson Contractors, Inc. for the City of Bells water transmission line project. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon Change Order No. 2 to the contract with Four D Construction Inc., for the CGMA water transmission line project: Change Order No. 2 for Four D Construction, Inc., the contractor responsible for the 24" waterline of the CGMA pipeline, removes flushing, disinfection, sampling and testing of the pipeline from the contract, decreasing the total cost of the contract by \$12,000.00. The City of Melissa will be taking water as soon as the pump station is completed. The City of Anna, however, is not ready and the City of Van Alstyne will be ready when the City of Anna completes construction of their facilities. The City of Howe is also not prepared to point of delivery. This Change Order will close the valve at the North Melissa point of delivery to allow the remainder of the line to stay unused the rest of this year. Mr. Alan Moore, the Authority's Operation Supervisor, will be in charge of completing these tasks on the water line when the cities are ready to take water.

Board Member Grantham motioned for the approval of Change Order No. 2 to the contract with Four D Construction, Inc., for the CGMA water transmission line project. The motion was seconded by Vice President Johnson and passed unanimously.

IX. General Activities

Discuss June Meeting: President Skelton informed the Board that he will be out of town on the third week of June, so the date of the meeting will either need to be rescheduled or continued without his attendance. The Authority staff will contact the Board by email to confirm the date for the June meeting.

X Solid Waste Activities: After a two-year absence, the regular groundwater monitoring of the Dripping Springs Landfill has registered a recurrence of a volatile compound in one of the wells. DiAnn Davis, the Authority's groundwater analyst cannot explain the reoccurrence. In 2005, the compound reoccurred, possibly due to the drought condition present at that time. Ms. Davis recommended that the Authority resample the well, to verify the excess of the compound. This reoccurrence will likely keep the groundwater monitoring program on a semi-annual schedule until the results are negative for three years. Mr. Alan Moore verified that the reoccurrence is not a problem off-site, so it is unlikely to cause problems elsewhere.

XI. Executive Session:

General Manager Chapman informed the Board that the Authority is currently trying to obtain a hearing date on the White property. The Owens property negotiations are still underway. The Wilmeth 337 property in McKinney located across from the courthouse has been appealed.

The Board of Directors determined there was no need for a closed Executive Session and did not adjourn from the regular session.

XI. Regular Session

Consider and act upon items listed in Executive Session. (see explanation above)

XI. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:17 p.m.

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Recording Secretary

Secretary-Treasurer