

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

MONDAY, MAY 21, 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, and Ray Nichols

Members Absent: Joe Henderson

Staff: Jerry Chapman, Alan Moore, Dwight Smith, Carolyn Bennett, and Carmen Catterson

Visitors: Michael Wynne, Nall, Pelley, and Wynne, LLP
David Gattis, Freeman-Millican, Inc.
Wayne Kuse, City of Sherman
Kevin Farley, City of Pottsboro
Chris Schmitt, Teague, Nall & Perkins

I. Call to Order

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

II. Administer Oath of Office to Ray Nichols: Administrative Assistant Bennett administered the oath of office to Board Member Nichols who will represent the City of Gainesville on the Board of Directors.

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. Vice President Johnson made a motion to approve the consent agenda. The motion was seconded by Board Member Kuneman and passed unanimously.

IV. * Consider and act upon approval of Minutes of April 16, 2007 Meeting

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

VI. Citizens to be Heard

No citizen comments were presented.

VII. Special Presentation

General Manager Chapman requested permission from the Board to honor three of the Authority staff members who have been employed for many years. Administrative Assistant Bennett was hired twenty years ago, in 1987. Her duties are extensive, and include record retention and management, submission of bond applications, environmental assessments, and assisting General Manager Chapman in other more complex activities. Operations Supervisor Alan Moore also began working for the Authority in 1987. He was originally hired for a one-year position, but has been employed by the Authority for twenty years. Mr. Moore is a very knowledgeable operator that maintains a Double A license (an A license in water operations and an A license in wastewater operations) and he has a degree in chemistry. He started out with the Authority by working at the newly renovated plant in Gainesville. He is now overseeing the Collin/Grayson Municipal Alliance (CGMA) Project. Operator Dwight Smith came to work for the Authority in 1997, ten years ago. He is a very accomplished operator and has performed excellent work for many of the cities associated with the Authority. General Manager Chapman provided a letter of recommendation from the Mayor of Trenton, expressing Mr. Smith's tendency to go above and beyond and do excellent work.

Vice President Johnson motioned for the recognition of outstanding service for the twenty years for Administrative Assistant Bennett and Operations Supervisor Moore and ten years for Mr. Smith. The motion was seconded by Board Member Grantham and passed unanimously.

VIII. Wastewater Activities

Receive reports on wastewater activities: The Authority staff has received most of the final approvals needed for the Anna/Melissa sewer line. The only one that is lacking is the Texas Water Development Board (TWDB) official approval.

Consider and act upon proposal for engineering services for City of Sherman wastewater improvement project: Chris Schmitt with Teague Nall & Perkins a new engineering firm working for the City of Sherman, provided a proposal for engineering services for the Ross Avenue sewer line. This is a rehabilitation project on the old part of town, another project for which the Authority is assisting the City in financing and construction.

Board Member Grantham motioned for the approval of the proposal for engineering services for the City of Sherman wastewater improvement project. The motion was seconded by Vice President Johnson and passed unanimously.

IX. Water Activities

Receive reports on water activities: A final inspection for one pipeline contractor for the CGMA water transmission line project has been completed. The remaining two waterline contracts will be inspected within the next two weeks. The pump station may not be completed

by the deadline in June. The contractor is not at fault because the large valves needed to complete construction have not been delivered on time despite the fact that they were ordered on time. If the valves are delivered on time, the June 17th deadline could possibly be met. The steel for the ground storage tanks is being unloaded this week.

On Thursday, General Manager Chapman met with Colonel Kurka in Tulsa, Oklahoma to discuss why the Reallocation Study has not been completed for water storage availability in Lake Texoma. Southwest Power Administration is contesting the settlement amounts. In addition, some water storage provisions in federal legislature could raise the price for water storage in Lake Texoma considerably. However, the Corps of Engineers has determined approximately 1,500 acre-feet of water storage remain in the original allocation. The sediment storage does not require as much space as originally predicted. The City of Pottsboro and Northwest Grayson WCID had previously indicated interest in additional water storage in Lake Texoma. Approximately 3,000 acre-feet for the City of Pottsboro and 2,000 acre-feet for Northwest Grayson WCID have been requested. The Authority staff will contact the City of Pottsboro and Northwest Grayson WCID to determine their interest in pursuing water storage from the current allocation and will pursue assistance from North Texas Municipal Water District and elected officials to finalize the Reallocation Study.

Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Dickerson Construction Company, Inc for the City of Bells, Texas U.S. Hwy 69 – U.S. Highway 82 Water Main Project as complete: The construction on this project began last year. The Authority staff has been trying to finalize the project for the last few months, but all of the necessary documentation has just been completed. The engineer has now submitted all of the necessary documentation and the project is ready for close out.

Vice President Johnson motioned for the approval of a Resolution accepting the contract with Dickerson Construction Company, Inc for the City of Bells, Texas U.S. Highway 69 – U.S. Highway 82 Water Main Project as complete. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon proposal for engineering services for City of Pottsboro waterline replacement project: Freese & Nichols, Inc submitted a proposal for engineering services to the Pottsboro City Council last week at \$276,400. These fees are higher than normal due to surveying costs, which were subcontracted out to MWBE firms. The waterline will replace an old line that failed Texas Commission on Environmental Quality (TCEQ) inspection previously as well as extend water north to Reeves Road and FM 120 North of Pottsboro.

Board Member Grantham motioned for the approval of the proposal for engineering services for the City of Pottsboro waterline replacement project. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Gin-Spen Construction Inc., for the CGMA water transmission line project: This change order may be modified, so General Manager Chapman requested it be tabled until next month.

It was the consensus of the Board that this item be tabled.

X. General Activities

*Receive monthly financial reports

Receive quarterly investment report: In the last quarter, the Authority invested approximately \$22 million dollars, mostly in short-term investments in TexPool and TexStar. The average yield for investments in both TexPool and TexStar was 5.29%.

Discuss June Meeting: The meeting has been re-scheduled for June 25th, one week later than the normal meeting date.

XI. Executive Session:

The Wilmeth 337 property has been settled at \$20,000 by verbal agreement. Mr. Wynne reported on current status of the White property. The trial date is set for September 24th. The owner of the Owens property stated that he filed an appeal, however nothing has occurred to date. Vice President Johnson questioned whether it would benefit the Authority to pursue a trial for the Owens property before property values rise any higher. General Manager Chapman verified that he would speak with the attorney in charge of the case, Mr. Isaacs, and report back to the Board.

A gas transmission company, Texas Enterprise Pipeline has approached the Authority staff regarding an easement crossing the CGMA line south of Howe. Another gas transmission company, Energy Transfer Fuel, L.P., approached the Authority staff requesting an easement across the CGMA line south of Van Alstyne. More information regarding these easements will be available in future meetings.

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.

#####

Recording Secretary

Secretary-Treasurer