

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

MONDAY, JULY 16, 2007

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

Members Present: Donald Skelton, Bill Johnson, Everett Grantham, Duane Hayes, Joe Henderson, Paul Kirley, Ray Nichols, and George Rowland

Members Absent: Mark Kuneman

Staff: Jerry Chapman, Carolyn Bennett, Debi Atkins, and Carmen Catterson

Visitors: Michael Wynne, Nall, Pelley, and Wynne, LLP
Denise Smith, City of Pottsboro

I. Call to Order

President Skelton called the meeting to order at 12:32 p.m.

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

General Manager Chapman clarified the statement he made at the previous meeting regarding the cost of the valve repairs at Lake Texoma. The entire project will cost approximately \$25-30 thousand and the Authority's share will be approximately \$6,000 of the total cost.

III. * Consider and act upon approval of Minutes of June 25, 2007 Meeting:

IV. * Consider and act upon approval of accrued liabilities for June 2007:

V. Citizens to be Heard

General Manager Chapman introduced visitor Denise Smith from the City of Pottsboro.

VI. Wastewater Activities

Receive reports on wastewater activities: General Manager Chapman explained to the Board that Attachment B in the agenda packet relates to the addendum to the agenda. The City of Van

Alstyne is in the process of closing the old wastewater treatment plant. The plant will be closed in place and will include covering the sludge with fresh soil and smoothing the soil to match surrounding contours. Van Alstyne will also close any unused facilities at the plant to eliminate the need for purchasing some easements for buffer zones on the north and east sides, since buffer zone easements are only required around active facilities.

Double Diamond Utilities recently purchased land on west side of 377 in Gordonville and applied for a permit from the Texas Commission on Environmental Quality (TCEQ) to build a wastewater treatment plant. This property, however, lies within Northwest Grayson WCID #1's wastewater Certificate of Convenience and Necessity (CCN). A public meeting will be held to discuss the discharge. The discharge from a wastewater treatment plant could impact the location of a surface water treatment facility for Northwest Grayson WCID #1 for their future use. More information from the TCEQ should be available soon.

Consider and act upon equipment purchases for Pottsboro wastewater treatment plant: Using funds left over from a previous bond issue, the City of Pottsboro is in the process of purchasing equipment to improve production of the wastewater treatment plant. Bids were received on July 3rd. Mr. Leonard Ripley, the wastewater consultant with Freese & Nichols, will be the project engineer. Bids were received on two separate projects. The first is for a new headworks, a mechanical component of a plant used to remove solid particles. Huber Technology submitted the low bid for the headworks and the bar screen, which removes grit. Gormann-Rupp submitted the low bid for the return activated sludge pumps. No bids were received for the electrical installation. The Authority staff will re-solicit for bids. The staff has contacted four local electric contractors and asked them to submit proposals for the electrical work to be performed as soon as practical.

Board Member Henderson motioned to approve the equipment purchases for the Pottsboro wastewater treatment plant. This is contingent upon approval of a similar action item by Pottsboro city council. The motion was seconded by Vice President Johnson and passed unanimously.

VII. Water Activities

Receive reports on water activities: The contractors for the Collin/Grayson Municipal Alliance (CGMA) project are still waiting to close. Red River Construction, the contractor in charge of building Bloomdale Pump Station, cannot close for two reasons. Despite ordering the custom valves on time, the contractor has had difficulty receiving the valves from the manufacturer. However, the valves are expected to be delivered this week. If the valves are received this week, they can be installed and tested by next week. This contractor is also responsible for installing the City of Anna's meter vault, but the weather conditions have been delayed the contractor from installing the meter vault. Fox Contractors, the contractors responsible for installing the 30" water line from the Bloomdale Pump Station north to Melissa, has been having difficulty completing their contract because the site is located on the bottom land on the Trinity River north of McKinney. The location and the recent heavy rainfall have caused the site to be flooded. The contractors cannot test the cathodic pressure on lines until the water recedes.

Four D Construction, the contractor in charge of installing the 24" water line north of Melissa to the Grayson County line, cannot close because they need to construct the 20" water line to the City of Anna's meter vault. Mr. David Gattis, the project engineer, is still negotiating a change order

with Gin-Spen, Inc., the contractors responsible for installing the 20-24" water line from the Grayson County line to Howe. The change order is for an adjustment to several items in the contract. One item involves disinfection. Mr. Gattis is negotiating the change order and expects to make a recommendation at the August Board meeting.

The City of Sherman FM 1417/SH 56 water line relocation project is near completion. All that remains is to acquire an easement near Woodman Circle Home. The work is finished, but cannot be closed until all required documents have been received. Bids were received for the Lockhart Street water line project in Sherman on July 12th. These results will be available for the August meeting.

Colonel Funkhouser, the new Tulsa District commander, visited Grayson County on July 5th to discuss the flooding situation with regard to Lake Texoma. He discussed the situation from the Corps of Engineers view point and explained what steps they could and could not take. Mr. Tim Hayes, a manager at Highpoint Marina, estimated their losses in the millions and said that he had already laid off 55 employees due to the flooding. Colonel Funkhouser anticipated that the water level in Lake Texoma would be down to 619 feet by late-August.

Consider and act upon Change Order No. 3 to the contract with Four D Construction, Inc. for the Collin/Grayson Municipal Alliance waterline project: Change Order No. 3 to the contract with Four D Construction, Inc. is the direct result of City of Anna's meter vault location. The location will require more water line than was allotted at the beginning of the project. This change order will be charged to the City of Anna.

Vice President Johnson motioned for the approval of Change Order No. 3 to the contract with Four D Construction, Inc. for the Collin/Grayson Municipal Alliance waterline project in the amount of \$4,750.00. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon Change Order No. 4 to the contract with Red River Construction, Inc. for the Collin/Grayson Municipal Alliance waterline project: Change Order No. 4 to the contract with Red River Construction, Inc. is also related to the City of Anna meter vault location. Before the City acquired the current site, the contractor was told to excavate an area west of the DART railroad. However, the location is now on the east side of the railroad. The change order includes additional costs for bringing the contractor back to excavate a new site. This change order is also at cost to the City of Anna.

Board Member Grantham motioned for the approval of Change Order No. 4 to the contract with Red River Construction, Inc. for the Collin/Grayson Municipal Alliance waterline project in the amount of \$7,458.00. The motion was seconded by Board Member Henderson and passed unanimously.

Consider and act upon proposal for engineering services for Argyle Water Supply Corporation waterline improvement project: Argyle Water Supply Corporation is located in southern Denton County. Last fall, General Manager Chapman met with Mr. Randall Davis, the general manager of Argyle WSC to discuss assisting in upgrading the water distribution system. The area that Argyle WSC serves is rapidly growing, leaving their current system deficient. This project will include a \$5,155,000 bond series to be sold to the Texas Water Development Board (TWDB). Mr. Kerry Maroney with Biggs and Matthews will be the project engineer. TWDB has this item on their July agenda to act upon the bond series.

Board Member Henderson motioned for the approval of engineering services for Argyle Water Supply Corporation waterline improvement project to Biggs & Matthews, Inc. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon award of contract to Howard Construction, Co. for the City of Sherman Texoma Parkway waterline project: On July 3rd, the Authority accepted bids for the Texoma Parkway water line project. One contractor was late to the bid opening due to traffic and inclement weather. The representative from Howard Construction approved waiting to open the bid for thirty minutes, giving the second bidder time to arrive. Howard Construction submitted the low bid in the amount of \$266,434.00.

Board Member Henderson motioned for the award of contract to Howard Construction, Co. for the City of Sherman Texoma Parkway waterline project. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon a request for water storage from Lake Texoma for Northwest Grayson WCID and the City of Pottsboro: The request for water storage from Lake Texoma from the City of Pottsboro and Northwest Grayson WCID #1 was referred to committee composed of Vice President Johnson and Board Members Kirley and Henderson last month. The committee met on July 6th with representatives from both organizations. The dilemma became that the District and the City were requesting more water than was available. Northwest Grayson approved deferring the water to the City of Pottsboro. Pottsboro wants the water so they can renegotiate the water rates they pay the City of Denison. Mr. Larry Cruise, however, stated in a letter to the City of Pottsboro that Denison was not interested in lowering the rate that Pottsboro is charged. No action is requested from the Board until next month. General Manager Chapman expanded upon both Northwest Grayson WCID #1 and Pottsboro's water situation. Both Northwest Grayson and Pottsboro want to pursue the 50,000 acre-feet that will become available to the Authority after the Reallocation Report is complete. The 1,515 acre-feet of water storage will replace Pottsboro's current water usage. In addition, Pottsboro is negotiating with Monarch Utilities to sell water to that system. The water Pottsboro sells will come from of the allocation they purchase. This will assist in easing the financial burden on Pottsboro that purchasing the water storage will place on the City.

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

Pending Litigation - Greater Texoma Utility Authority vs. Sherry White Hendricks, et al.: A commissioner's hearing was held several months ago concerning the White property, located south of FM 455 in the City of Anna. The White Estate believes they own up to 50' of land away from railroad. However, the survey or maintains that the deed records show that DART Railway purchased a 200 foot strip of land in the 1870s. DART has been requested to join the Authority in the litigation. The Commissioner's hearing could only make an award of compensation, whereas a district court can render a decision to set the compensation at more or less than the Commissioner's decision and decide on the ownership of the land.

No request for action at this time.

VIII. General Activities

*Receive monthly financial reports: A request for bids from auditors has been submitted to many auditing firms in Cooke, Fannin, and Grayson Counties. More information will be available at the next Board Meeting. A draft version of the Utility Use Right of Way policy and agreement has been presented to the mayors of the CGMA project. They had no suggestions for modifications and approved the document. Unless the Board has any suggestions for changes, the policy and agreement documents will be on the August agenda for approval. The groundwater monitoring well has been resampled at the landfill. Polyvinyl chloride is still present. No further steps to close the well can be taken to close the well until the readings of the chemical dissipate. The Authority staff will continue monitoring the well, since there is no danger of the gas seeping off the property and into neighboring areas.

IX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:26 p.m.

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Recording Secretary

Secretary-Treasurer