

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

**MONDAY, NOVEMBER 19, 2007**

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

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Members Present: Donald Skelton, George Rowland, Everett Grantham, Paul Kirley, Duane Hayes, Mark Kuneman and Ray Nichols

Members Absent: Bill Johnson, and Joe Henderson

Staff: Jerry Chapman, Carolyn Bennett, and Carmen Catterson

Visitors: None

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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. Secretary/Treasurer Rowland made a motion to approve the consent agenda. The motion was seconded by Board Member Grantham and passed unanimously.

III. \* Consider and act upon approval of Minutes of October 15, 2007 Meeting

IV. \* Consider and act upon approval of accrued liabilities for October 2007

V. Citizens to be Heard

No citizen comments were heard.

VI. Wastewater Activities

Receive reports on wastewater activities: The Texas Water Development Board (TWDB) is currently reviewing the plans and specifications for the Anna/Melissa sewer project. An easement is also lacking. Once these are received, construction can commence. A contract

was signed for the Authority to operate the Pottsboro wastewater treatment plant in October. An article was included with the agenda packet from the Herald Democrat clarified that the City of Pottsboro has contracted with the Authority to operate the wastewater treatment plant. The article also explained that since the Authority has began operating the plant, the plant has been operating within permit parameters. The City of Pottsboro received a \$220,000 fine from the Texas Commission on Environmental Quality (TCEQ). Hopefully, some of the fines can be reduced by the City participating in an environmental project. A portion of the fines are due to a lack of documentation submitted to the. The reason for these problems was a failure of a previous employee to prepare and submit the required reports. The current city manager recognized the problem and confronted the employee, who later resigned.

The Grayson County On-Site Sewage Facilities (OSSF) program was refined in a meeting with Jerry White, Director of Planning last week. Carmen Catterson and Alan Moore have been working to improve the process and program that the OSSF system uses. These improvements have utilized investigations with other entities including the City of Austin and Fannin County. The new process will result in more accountability for the program. The Authority will become responsible for the program on December 3<sup>rd</sup>. A meeting with installers and site evaluators has been proposed for December 11<sup>th</sup> at 6:00 PM. Existing forms will be accepted through December; however, new forms will be required in January. Mr. Moore will be attending Designated Representative training at the Texas Engineering Extension Service (TEEX) at the end of November to receive Designated Representative licensing. All Authority operators will eventually receive a Designated Representative license. Kaci Wilson will be engaged as a contractor to perform these inspections.

Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith (Melissa/Anna Sewer \$1,400,000 additional funding): This project is in cooperation with the Cities of Anna & Melissa and involves an intercept's sewer on the west side of Hwy 75 and FM 455. This sewer line will go south along Hwy 75 to connect with a connector line with the North Texas Municipal Water District (NTMWD) facilities. The project has been ongoing for four years, originally estimated at \$7.3 million. This project has been in the planning/development stage for so long that construction costs have increased. General Manager Chapman met with the Mayors and City Managers of Anna and Melissa on October 31<sup>st</sup>. Both cities approved additional funding. Next month the Authority will have an agenda item for the \$3.43 million for Phase II of the project. Phase III will be posted on the agenda in the first quarter of 2008. Plans and specifications are currently being reviewed by the TWDB. The Authority should receive a response within the next two weeks from the TWDB approving the plans and specifications.

Board Member Grantham motioned for approval of a Resolution authorizing filing of an application for financial assistance from the Texas Water Development Board for \$1,400,000 for the Melissa/Anna sewer project. The motion was seconded by Board Member Kuneman and passed unanimously.

VII. Water Activities

Receive reports on water activities: Argyle WSC extended an invitation to General Manager Chapman to attend their annual retreat. Phase I of Argyle's project will be \$1.6 million. This bond resolution will be on the December agenda. Right of way costs in Denton County are extremely high at approximately \$60,000 per acre. The City of Bells water project contractor has installed 1,600 feet out of 1,900 total feet of waterline and the pressure tank has been delivered. The Collin/Grayson Municipal Alliance waterline project Contract A – the Bloomdale Pump Station is almost complete. The last tests were conducted today. Some normal leakage was found on the tanks. Assuming the contractor passes inspection, only a few punchlist items remain. The contractor will be providing training to staff on Dec 3<sup>rd</sup> and 4<sup>th</sup> so the operators will know all the processes involved.

In November, a letter was received from the Corps of Engineers to the Authority and the NTMWD updated the status of the Reallocation study. Headquarters should have comments by the end of November. General Manager Chapman recommends planning an effort with the NTMWD to solicit senators at the Texas Water Day in February in Washington, D.C. The Tulsa District is not to blame for the delay, as the Corps' headquarters is trying to determine on a national level how much compensation hydropower producers should receive.

Consider and act upon award of contract for West Crossing Blvd waterline extension project (City of Anna): This is one of two Anna projects on the Agenda. The debt has already been issued for this water project. Thirteen companies submitted bids for both. This was unusual, as most projects attract only two or three bidders, suggesting a decrease in water projects. The consulting engineer has submitted a recommendation for WR Hodgson. This company has been in business for 30 years. A very positive reference was received from the City of McKinney. A poor reference was received from the City of Prosper, but no specifics were given. Tim Morris, the consulting engineer, feels that the company is still the best option and not a risk

Board Member Grantham motioned for the award of contract to WR Hodgson Construction for West Crossing Blvd waterline extension project (City of Anna). The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider and act upon award of contract for CR 369/CR 371 waterline project (City of Anna): This is the second posted Anna water project. This project will be constructed along CR 369/CR 371. The same thirteen companies submitted bids. Again, WR Hodgson submitted the low bid. The engineer has recommended awarding the contract to this company.

Secretary/Treasurer Rowland motioned for the award of contract to WR Hodgson Construction for CR 369/CR 371 waterline project (City of Anna). The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon an encroachment agreement on an easement acquired for the Collin/Grayson Municipal Alliance waterline project: The City of Anna has requested to use the additional space beside the CGMA waterline located within the White and Leonard easements to install a waterline from Anna's pump station to their existing water distribution line. The Authority installed the CGMA line and will construct new line on the east side of the existing line. Anna is requested to utilize 10' of the easement on the far west side of the easement. The Authority staff requests permission to install Anna's waterline from the pump station to the distribution system on the west side of pipeline. Mr. Wynne recommends that all of the CGMA mayors sign the agreement as well. Anna has already requested permission from the other cities involved in the CGMA project and all the cities agreed. This Resolution will create an Authority policy to allow any city in the Alliance to utilize unused space in easements. Anna will need temporary access west of the easement and will be responsible for acquiring the temporary easements. The cost for temporary easements is approximately 10% of the property value per year. For six months, the cost would be approximately 5% of the property value.

Board Member Grantham motioned for the approval of an encroachment agreement on an easement acquired for the Collin/Grayson Municipal Alliance waterline project. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon agreement with the City of Howe for location for elevated storage tank at Collin/Grayson Municipal Alliance waterline project terminal site on Old Patterson Road: The CGMA terminal site is located at 445 Old Patterson Rd. The diagram represents this area acquired just south of Howe. The road on the right side of the map is Old Patterson Rd. The City of Howe has requested to use a portion of this site to build an elevated storage tank in the future. At the time the site was acquired, Legal Counsel Mike Wynne was able to acquire a larger area than originally. David Gattis, the consulting engineer, designed the CGMA terminal with only a small entry way and set it back from road to enable the owner to retain the frontage space; however, the property owner preferred to sell the frontage. The City of Howe wants to use the extra space for an elevated storage tank. In return, the City will pay the cost to fence the entire rectangle. The CGMA mayors considered this at the October 31<sup>st</sup> meeting and agreed to recommend Howe use the land. Mr. Wynne prepared an agreement and is not proposing to transfer the title, but simply grant them the use of the land for 30 years, at which time the Authority and the City can renegotiate.

Board Member Grantham motioned for the approval of an agreement with the City of Howe for location for elevated storage tank at Collin/Grayson Municipal Alliance waterline project terminal site on Old Patterson Road. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

#### VIII. General Activities

Consider and act upon adjustment to lease for administrative offices: Each year the Grayson County Airport submits a renewal notice to the Authority for a facility lease. All facility leases are based on the Consumer Price Index. This year, the Airport requested a 3.2%

increase in rate. The calculations are contained on the last page of the attachment. This figure was included in the Authority's budget for 2007-2008. This is the same method that has been used to calculate the rate of increase for a number of years.

Board Member Kuneman motioned for the approval of an adjustment to the lease for the administrative offices. The motion was seconded by Board Member Grantham and passed unanimously.

At this time, General Manager Chapman presented an article relating to the dwindling amount of water supply in the United States. Georgia is in trouble, as they have less than 60 days of potable water and no water plan. The water situation in Texas, despite a very wet summer, is not at normal levels and should not be depended upon. In the OSSF program, over 400 septic systems are being built outside the City per year.

IX. Adjourn

Upon motion by President Skelton, seconded by Board Member Grantham and passed unanimously, the Board adjourned at 1:38 p.m.

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Recording Secretary

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Secretary-Treasurer