

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

MONDAY, DECEMBER 15, 2008

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

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

Members Absent: Joe Henderson

Staff: Jerry Chapman, Carmen Catterson, and Carolyn Bennett

Visitors: John Hunter Smith, Nall, Pelley & Wynne
Kevin Farley, City of Pottsboro
David Howerton, City of Denison

I. Call to Order

President Skelton called the meeting to order at 12:31 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. Vice President Johnson made a motion to approve the consent agenda. The motion was seconded by Board Member Kirley and passed unanimously.

III. * Consider and act upon approval of Minutes of November 17, 2008 Meeting

IV. * Consider and act upon approval of accrued liabilities for November 2008

V. Citizens to be Heard

No citizen comments were heard

VI. Wastewater Activities

Consider and act upon Wastewater Treatment Agreement with WSWS Company.

Recently, operators for WSWS Co., which has several supply systems and one wastewater treatment plant, contacted the Authority for assistance. The company has had problems with their wastewater treatment plant. The wastewater treatment plant is old and needs to be replaced. The

Authority staff responded that we would offer assistance to WSWS Co. meet Texas Commission on Environmental Quality (TCEQ) standards. A letter proposal and draft contract was forwarded to WSWS Co. and has been signed by Bob Tate, president of WSWS Co. The company will be responsible for paying hourly wages and mileage. General Manager Chapman requested that the Board consider authorizing President Skelton to sign the agreement.

Board Member Grantham motioned to approve the Wastewater Treatment Agreement with WSWS Company. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Receive report on Phase II of the Anna-Melissa Throckmorton Creek/Trinity River Interceptor Sewer project.

Chapman updated the Board on Phase II of the Anna-Melissa Throckmorton Creek/Trinity River sewer project. The Authority issued joint checks to the contractor, Four D Construction, Inc. and the suppliers. As far as the Authority is aware, all issues have been resolved. The suppliers were very appreciative of the effort made to ensure they were paid. The project is complete with the exception of a metering device that has not yet been shipped from the manufacturer.

No action was requested at this time.

Consider and act upon Change Order No. 4 to the contract with Four D Construction for Phase II of the Anna-Melissa Throckmorton Creek/Trinity River Interceptor Sewer Project.

The City of Anna requested the Authority modify the contract to reflect changes in the City's building code. The City modified the code after the project was designed and new development standards were implemented. One of the standards increases the requirements for the screening wall at the wastewater lift station. The screening device will need to be modified to comply with the new code. The City of Anna will pay the \$4,125 cost.

Vice President Johnson motioned to approve Change Order No. 4 to the contract with Four D Construction for Phase II of the Anna-Melissa Throckmorton Creek/Trinity River Interceptor sewer project. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon methods to replace trees required as part of the construction for Phase II of the Anna-Melissa Throckmorton Creek/Trinity River Interceptor Sewer Project.

The Anna-Melissa Throckmorton Creek/Trinity River interceptor sewer project has an environmental requirement to replace trees that were disturbed to install the sewer line. Part of the requirements include replacing 150 Chinquapin oak trees. While this tree is common in Grayson County, it is less so in Collin County. Bob Helmberger, the project engineer, recently completed a project for the City of Melissa and secured favorable prices with Fannin Tree Farms. Fannin Tree Farms has agreed to extend this discounted rate for this project, as well. The trees will need to be planted quickly, since there with no way to irrigate the trees. The sooner they are planted, the more likely the trees will survive.

Four D Construction Co., Inc. has agreed to add the trees to their contract using a change order and will pay Fannin Tree Farms. The Authority will pay for the additional bond cost for adding the \$51,000 to Four D Construction Co., Inc.'s contract. Four D Construction will only be responsible for

overseeing the planting of the trees, not ensuring the trees live. Fannin Tree Farm will be responsible for keeping the trees alive to the extend possible without irrigation.

Vice President Johnson motioned to approve a change order to the contract with Four D Construction Co., Inc. to increase the contract for Phase II of the Anna-Melissa sewer project by \$51,000 to replace 150 trees along the creek. The motion was seconded by Board Member Grantham and passed unanimously.

VII. Water Activities

Consider and act upon award of contract for US Highway 75 Waterline Project for the City of Sherman.

Bids were opened on November 25th for the US Hwy 75 waterline for the City of Sherman. This project extends from Town Center shopping center north along Hwy 75 to FM 691. This project will extend water service to both sides of US Hwy 75. Two crossings for the 12" waterline were included in the bid. Seven bids were received. Quality Excavation, Ltd. was the low bidder. This is a company that the Authority has not worked with in the past. The staff verified references and the bonding company and reviewed the company's financial record. One partner contributed \$300,000 to the business last year. Dunn & Bradstreet's report shows they are not a significant risk. The bonding company that provided the bid bond will also provide the performance bond. The company's previous work seems to be satisfactory. The consulting engineer, Chris Schmitt, could not find anything seriously negative about the company and recommends using the base bid plus alternate "B". This item is contingent upon the City of Sherman voting similarly.

Board Member Grantham motioned to approve awarding the contract for the US Hwy 75 waterline project for the City of Sherman to Quality Excavation, Ltd. The motion was seconded by Vice President Johnson and was passed unanimously, contingent upon similar action being taken by the City of Sherman.

Receive report on Lake Texoma Pump Station upgrades.

When the original agreement between the Authority and the North Texas Municipal Water District (NTMWD) was created in 1984, the agreement specified that either party could upgrade the pump station with proper notification to the second party. The NTMWD followed the guidelines and informed the Authority earlier this year of their intentions to increase the pumping capacity at the pump station. Engineering was completed in August 2008. The pump station can be upgraded from approximately 90 mgd to 120 or 125 mgd. Freese & Nichols completed the engineering report. Bids were received last week and are currently being evaluated by the consulting engineer. A recommendation will be presented to the NTMWD Board at the January 2009 meeting. The pumps will not be able to be installed before 2010 due to the manufacturing time. When the recommendation is provided, the Authority will need to finance 20% of the cost. This will most likely be between \$1.5 and \$2 million. The City of Sherman has already said it wants the Authority to participate so that the 20% capacity of the pump station and the pipeline remain. The City of Sherman will need the capacity to deliver raw water to Panda Energy on the south side of Sherman. An investigation of the raw water line will occur in February 2009. This will require the line to be out of service for approximately eight (8) days.

No action was requested at this time.

Consider and act upon a Resolution accepting the contract with Texas Aquastore, Inc. as complete for the Station #7 Ground Storage Tank Project (Argyle WSC).

This Resolution will accept the Ground Storage Tank project for the Argyle WSC as complete. A note from Randall Davis, the general manager of Argyle WSC, is included to inform the Authority that their Board of Directors will take action on this item at their meeting in January. Mr. Davis does recommend closing out the contract as the work was satisfactory.

Vice President Johnson motioned to approve a Resolution accepting the contract with Texas Aquastore, Inc. as complete for the Station #7 Ground Storage Tank project for the Argyle WSC as complete. The motion was seconded by Board Member Kirley and passed unanimously, contingent upon similar action being taken by Argyle WSC.

Discuss Groundwater Conservation District activities.

General Manager Chapman updated the Board on the Groundwater Conservation District (GCD) effort. Representative Larry Phillips has been active in trying to unify the water providers in Cooke, Fannin, and Grayson Counties. Representative Phillips appointed a steering committee composed of seven (7) members to begin drafting proposed legislation. The last communication took place on Friday in the form of a conference call to review objectives. Some County officials in Cooke County still want a single county district. But, the water providers in Cooke County want to be included in the GCD with Fannin and Grayson Counties. The legislative session opens on January 13th, so action needs to be taken quickly. The Authority is only providing staff support and communication assistance.

No action was requested at this time.

Receive report on Lake Texoma Reallocation Study.

An executive summary status report containing the upcoming actions and the recent actions on second page was received this month. The Corps of Engineers will not negotiate with the Southwest Power Administration on the rate of compensation. They are only negotiating on the terms of compensation. The Corps has no commitment to the Southwest Power Administration. The projected completion date is in January, with contracts to be issued in April.

No action was requested at this time.

Consider and act upon Change Order No. 1 to the contract with Whitewater Construction, Inc. for construction of the Pottsboro Waterline Project.

Kevin Farley, the city manager for the City of Pottsboro explained that the City began to review the plans for the waterline on the north side of town near Pearce Drive and Reeves Road. The City realized the community needed fire hydrants to flush the lines and for fire protection. Money is in the contract for hydro mulch and sod. The engineer believes the same objective can be achieved by seeding instead of using the hydro mulch and sod. The motion will be to Achieve the same objective by seeding instead of hydro mulching and using the seed instead of sod. The change order will increase the contract price by \$25,769. The contractor agrees with the change order.

Board Member Yeatts motioned to approve Change Order No. 1 to the contract with Whitewater Construction, Inc. for construction of the Pottsboro Waterline project. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider and act upon authorizing a contract for engineering assistance with Freese and Nichols, Inc. and Martin Rochelle of the Lloyd Gosselink Firm to assist in applying for an amendment to the Authority's water rights permit.

Additional water storage will soon become available in Lake Texoma. In order to purchase a contract for the storage, a permit is required. The Authority has a permit from 1988 for 25,000 acre-feet. The new contracts will 50,000 acre-feet, plus 1,500 acre-feet to Pottsboro and Northwest Grayson WCID #1, which exceeds the current permit allotment. The permit needs to be modified and the process needs to start quickly if contracts can be signed in April. The Authority will need assistance to modify the permit. Tom Gooch with Freese and Nichols is the engineer used by the Authority and the NTMWD and has a good reputation with the TCEQ. The Authority may also need legal assistance. General Manager Chapman recommends using Martin Rochelle with the Lloyd Gosselink firm. Contracts will be presented next month for signature. Chapman requested permission to enter into negotiations for legal and engineering contracts.

Vice President Johnson motioned to authorize the General Manager to negotiate contracts for legal and engineering services for assistance in applying for an amendment to the Authority's water rights permit. The motion was seconded by Board Member Kirley and passed unanimously.

VIII. General Activities

*Receive Monthly Financial Reports

At this time, President Skelton appointed a nominating committee composed of Board Members Grantham, Johnson, Kuneman. The committee will report back at next board meeting.

General Manager Chapman reported that the auditors will be arrived at the Authority office on December 16th. Debi Atkins and Laurie Killian are preparing for the auditors arrival. The same company, Schalk & Smith is performing the audit and the report will be available by the next meeting.

IX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:25 p.m.

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Recording Secretary

Secretary-Treasurer