

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

MONDAY, FEBRUARY 18, 2008

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

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

Members Absent: Duane Hayes

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

Visitors: Michael Wynne, Nall, Pelley & Wynne
Kevin Farley, City of Pottsboro
Mark Gibson, City of Sherman
Kristen Savant, Fulbright & Jaworski

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 Vice President Johnson and passed unanimously.

III. * Consider and act upon approval of Minutes of January 21, 2008 Meeting

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

V. Citizens to be Heard

General Manager Chapman reported to the Board that as Board Member Hayes is ill, he will be absent from the meeting.

VI. Wastewater Activities

Receive reports on wastewater activities: The Ross Avenue sewer project for the City of Sherman is running behind due to problems obtaining the railroad permit. Mark Gibson, Director of Utilities, verified that the documents have been sent to the railroad, but no response has been received. More costs will be incurred because the contractor had to leave the site to work on another project and will incur remobilization costs. In addition, the contractor paid for railroad insurance twice and will need to pay it a third time. The contractor is not responsible for the additional insurance costs. The Upper East Fork wastewater planning grant has been received from the Texas Water Development Board (TWDB), but no further information has been received. More information will be provided to the Board as it becomes available.

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 2008 (City of Sherman Project)" for the construction, acquisition and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman 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: The \$3,710,000.00 bond issue for the City of Sherman will include digester rehabilitation, construction of a major relief sewer line (K-4) on west side of Sherman and part of the cost of extending sewer service north on Highway 75 to FM 691. This project utilizes the TWDB's low interest program, the Clean Water State Revolving Fund. The bond documents follow the standard structured form since it is being sold to the TWDB. However, one difference with this bond service is that it is an insured bond. The insurance is through one of two remaining solvent companies available. Many municipal insurance companies have encountered problems resulting from investing in CMO's that have collapsed. Ms. Kristen Savant with Fulbright & Jaworski explained the difference between insured bonds and non-insured bonds. This bond was insured to achieve receipt of a lower interest rate.

Vice President Johnson motioned for approval of a Resolution authorizing the issuance of a contract revenue bond for City of Sherman wastewater projects. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon authorization to advertise for bids for Sherman wastewater projects: The General Manager is requesting permission to advertise for the projects involved in the Sherman \$3,710,000.00 bond resolution previously approved. The digester rehabilitation and relief sewer projects are ready to be advertised. The Highway 75 sewer extension project will be ready within the next few months.

Board Member Henderson motioned for the approval to advertise for bids for the City of Sherman wastewater projects. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon award of contract for Wastewater Treatment Plant Rehabilitation – electrical system (City of Pottsville): Proposals were received on February 14th for the Pottsville wastewater treatment plant electrical system. This project was advertised last fall, but due to uncertainties in the time the City of Pottsville would need for the project, no bids were received. The TWDB agreed to allow the Authority to request proposals in January. Four electrical contractors were requested to provide proposals, but only Sanford Electric submitted a proposal. The total cost will be approximately \$66,000. This includes \$48,000 for the electrical and supplies, and \$18,000 for the concrete and excavation work. Gene Sanford is a very reliable contractor and performs many repairs for the Authority at wastewater treatment plants. Sufficient funds are available from the \$400,000 bond issue for repairs to the electrical system. One probable reason for not receiving more proposals is that the project includes both excavation and electrical work. Unless the electrical contractor can depend on a good construction contractor and is comfortable working with them, the construction contractor could put the electrical contractor at risk to complete the job in a timely fashion.

Board Member Grantham motioned for the award of contract to Sanford Electric Co. for electrical work relating to the Pottsville wastewater treatment plant rehabilitation project. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon award of contract for Throckmorton Creek/Trinity River Sewer Interceptor for the Melissa-Anna wastewater project: The Throckmorton Creek/Trinity River sewer interceptor project for the Cities of Melissa and Anna is a large interceptor line on the west side of US Highway 75 north of McKinney, extending northward to FM 455 west of Anna. This is the second phase of the project. Bids were accepted on January 31st. Bob Helmberger, the consulting engineer has provided a letter of recommendation and bid tabulation. Four D Construction, Inc. provided the lowest bid at \$2,309,716.05. This contractor has worked for the Authority before on the Collin/Grayson Municipal Alliance waterline project and performed very satisfactory work.

Board Member Henderson motioned for the award of contract to Four D. Construction, Inc. for the Throckmorton Creek/Trinity River Sewer Interceptor project for the Melissa-Anna wastewater project. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

VII. Water Activities

Receive reports on water activities: When reviewing the Argyle WSC easement documents for the Argyle WSC waterline project, Mike Wynne noticed several easements have already been established. However, one easement limited Argyle WSC to installing only one waterline. A new easement will need to be obtained from the owner, but no problems are anticipated. Board Member Nichols met with the City of Gainesville approximately three weeks ago. Mr. Barry Sullivan, the new city manager, has had experience with Groundwater Conservation Districts (GCDs) in McLennan County. Senator Averett, from the Waco area, favors GCDs and feels that they are needed to control groundwater in the state. Senator Averett

also believes that GCDs should be multiple county districts. Senator Estes also has a favorable opinion of GCDs. The consensus among groundwater experts is that the effort to oppose a GCD may not result in a total victory. They believe that the time and money should be spent attempting to influence the development of a GCD. If groundwater providers choose to continue opposing the TCEQ recommendation for the creation of GCDs in Cooke, Fannin, and Grayson Counties, the hearing in May will be the next step, followed by a recommendation by the Administrative Law Judge. The Judge will forward the recommendation to the State, where the Texas Commission on Environmental Quality (TCEQ) would have to approve the ruling. President Skelton and General Manager Chapman made an effort to encourage the United States Army Corps of Engineers to complete the Lake Texoma Reallocation Study at Texas Water Day in Washington, DC in February. The Tulsa District has promised that their part of the Study will be forwarded to central office by March 1st.

Consider and act upon Change Order No. 1 for US 82 Waterline for the City of Sherman: This Change Order will modify the contract with Howard Construction, Inc. for the construction of the US Highway 82 waterline project for the City of Sherman. The Change Order decreases the contract amount for \$112,000 to adjust for actual quantities used.

Vice President Johnson motioned for the approval of Change Order No. 1 to the contract for US 82 Waterline project for the City of Sherman. The motion was seconded by Board Member Henderson and passed unanimously.

Consider and act upon award of contract for Bells Ground Storage Water Tank and Appurtenances: Three (3) bids were received on January 31st for the 125,000 gallon ground storage tank and appurtenances for the City of Bells. H2M Utility Construction, LP submitted the low bid in the amount of \$117,800.00. The amount is within the estimate provided by RLK Engineering, the consulting engineer and funds are available from the 2006 bond issue. Chad Pendley with RLK Engineering has provided a recommendation.

Board Member Henderson motioned for the award of contract to H2M Utility Construction, LP for the ground storage tank for the City of Bells. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon award of contract for the Hillcrest waterline for the City of Sherman: Seven (7) bids were received on February 14th for the Hillcrest waterline replacement project. The low bid was submitted by B. Bray Construction Co., Inc. in Paris, Texas in the amount of \$160,020.00. The Authority has not worked with B. Bray Construction Co., Inc. directly, but both Mark Gibson, City of Sherman and Tim Morris recommend his work.

Vice President Johnson motioned for the award of contract to B. Bray Construction Co., Inc. for the Hillcrest waterline replacement project for the City of Sherman subject to the same action being taken by the Sherman City Council. The motion was seconded by Board Member Henderson and passed unanimously.

Consider and act upon award of contract for the US Highway 82 West Waterline for the City of Sherman: This phase is a continuation of the US 82 waterline moving west towards Whitesboro. This will be the third and final phase for this project and will extend the waterline from the present termination near Lamberth Road to the new crossing near SH 289. Eleven (11) bids were received for both the base project and the project with an option for steel casing steel casing around the waterline under the SH 289 intersection. Lynn Vessels Construction, LLC submitted the low bid with option at \$426,615.97. Funds are available for this project through the Sherman 2006 bond issue. Mark Gibson, Director of Utilities for the City of Sherman explained that the City began expanding the waterlines westward along US 82 as needed, rather than installing unnecessary lines.

Board Member Henderson motioned for the award of contract to Lynn Vessels Construction, LLC. for the US Highway 82 waterline project for the City of Sherman. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

VIII. General Activities

*Receive Monthly Financial Reports

Consider and act upon additional staffing for Administrative Office: General Manager explained that Carmen Catterson began working at the Authority approximately one year ago. At this time, she and her husband are expecting their first child and she will be out for a short period of time with the baby this summer. Carmen is responsible for typing correspondence and performing other receptionist duties. Carmen also handles the mapping and GIS responsibilities for the Authority and maintains the On-Site Sewage Facilities (OSSF) program. The OSSF applications must be handled within five (5) business days. The Authority will need to hire a temporary employee until the end of the fiscal year, at which time the necessity of the additional position will be revisited. The OSSF program has not slowed down, as was expected, so the additional employee will be needed to maintain the program while Carmen is out on maternity leave.

Board Member Henderson recommended the Authority staff explore the possibility of hiring a temporary employee through either Experience Counts, which is affiliated with Texoma Workforce, and RSVP. Both companies hire skilled persons that have already retired from one position. The company prescreens the employees and pays for all benefits. All the Authority would need to pay for is the income for hours worked. President Skelton expressed a desire that the General Manager explore the possibility of utilizing either of the recommended staffing agencies. However, if neither company meets the needs of the Authority staff, President Skelton recommended the General Manager use his best judgment to hire a temporary employee.

It was the consensus of the Board that the General Manager pursues hiring an additional staff member.

At this time, General Manager Chapman reviewed a document with the Board of Directors from the TCEQ regarding the groundwater monitoring for the landfill. As there is no

threat to the environment from an excess of vinyl chloride in well MW-5, no changes to the well are being recommended at this time.

IX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:32 p.m.

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Recording Secretary

Secretary-Treasurer