

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

**MONDAY, MARCH 16, 2009**

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

---

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

Members Absent: Mark Kuneman

Staff: Jerry Chapman, Carolyn Bennett and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne  
Mark Gibson, City of Sherman  
Joyce Godwin, Herald Democrat  
David Howerton, City of Denison

---

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. General Manager Chapman explained the item on the Liabilities Resolution for Lloyd Gosselink is to pay for their efforts in overseeing the relocating of the Authority's governing legislation. There were no items requested by the Board of Directors to be removed from the consent agenda for discussion. Secretary/Treasurer Rowland motioned to approve the consent agenda. The motion was seconded by Board Member Henderson and passed unanimously.

III. \* Consider and act upon approval of Minutes of February 16, 2009 Meeting

IV. \* Consider and act upon approval of accrued liabilities for February 2009

V. Citizens to be Heard

General Manager Chapman introduced Mark Gibson, Director of Utilities for the City of Sherman and David Howerton, Director of Utilities for the City of Denison.

VI. Wastewater Activities

Consider and act upon Change Order No. 7 to the contract with Four D Construction for Phase II of the Melissa-Anna sewer project.

Chapman reports that Change Order No. 7 will hopefully be the last change order for Phase II of the Melissa-Anna sewer project. This change order modifies the fencing on the right of way for the project. Six gates will be added to allow access. Funds are available in the contingency line item. Both Cities have already approved this change order.

Vice President Johnson motioned to approve Change Order No. 7 to the contract with Four D Construction for Phase II of the Melissa-Anna sewer project. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

At this time, Chapman referred the Board to a letter from Bob Helmberger, the consulting engineer to the contractor instructing the project to be completed as quickly as possible. The project is nearly finished, only the metering vault remains. If the project is not completed quickly, the project will have to be determined as abandoned.

Consider and act upon Change Order No. 3 to the contract with Wright Construction Co. for Phase III of the Melissa-Anna sewer project.

This change order is for Phase III of the Melissa-Anna sewer project. Wright Construction Co. has requested a \$40,000 change order to lower a waterline that is blocking the path the sewer line must follow. The right of way was acquired in 2003 by the City of Melissa. One of the properties, the Addison Wilson/Cole Family Ltd already had an easement with the North Collin Water Supply Corporation (NCWSC). An encroachment was requested and granted in 2003. In 2008, when construction began, the contractor encountered a 10" waterline on the north side of the easement. The contractor has no choice but to move the waterline as the sewer line must be constructed on the grade it was designed. Bob Helmberger, the engineer on this project has negotiated with the contractor for \$40,000 to lower the waterline. Both Cities have approved this change order. Both Mike Wynne, the Authority's general counsel and the City of Melissa's attorney have reviewed the encroachment agreement. Wynne stated that he reviewed the encroachment agreement to determine whether or not the Authority can hold the NCWSC accountable for the cost to lower the waterline. His determination is that the NCWSC cannot be held accountable. No language was contained in the agreement for liabilities and neither entity's right to access the location was specified to exceed the other's.

Board Member Henderson motioned to approve Change Order No. 3 to the contract with Wright Construction Co. for Phase III of the Melissa-Anna sewer project. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon a Resolution accepting the contract with Dickerson Construction Co., Inc. for construction of the Slater Creek Sanitary Sewer Main Extension Project for the City of Anna as complete.

The Slater Creek sewer line was constructed in Anna from FM 455, the main intersection in Anna, south to the wastewater treatment plant at Slater Creek. This project is ready for close out. Tim Morris, the consulting engineer has submitted close out documents and a final change order. Chapman requests that two motions be made. One to approve the change order and one to adopt the Resolution accepting the project as complete.

Board Member Yeatts motioned to authorize Change Order No. 3 to the contract with Dickerson Construction Co., Inc. for construction of the Slater Creek Sanitary Sewer Main Extension Project for the City of Anna. The motion was seconded by Board Member Hayes and passed unanimously.

Vice President Johnson motioned to execute a Resolution accepting the contract with Dickerson Construction Co., Inc. for the construction of the Slater Creek Sanitary Sewer Main Extension Project for the City of Anna as complete, contingent upon similar action by the City of Anna. The motion was seconded by Board Member Kirley and passed unanimously.

Consider and act upon award of contract for the Relief Sewer K project for the City of Sherman.

The Authority has been involved in assisting the City of Sherman with their Capital Improvement Program (CIP) for several years. The Relief Sewer K has been on Sherman's CIP for several years. A bid opening was held last week. The bid tabulation was not available for the agenda, but was presented to the Board at the meeting. The low bid was submitted by Lynn Vessels Construction in the amount of \$428,996.92, which is less than the engineer's estimate. The sewer line will run along Post Oak Creek south of McGee St. toward Lamberth St. This is the first phase of the project and as soon as the plans and specs are complete the second phase will be advertised. Board Member Henderson requested further information on the "no bid" annotations on the bid tabulation. Mark Gibson, the Director of Utilities for the City of Sherman explained that Lynn Vessels Construction included the cost of the manholes in their estimate, and did not bid an additional cost. Some contractors bid extra amounts for the manholes because they wanted to use metal instead of fiberglass.

Board Member Henderson motioned to award the contract for the Relief Sewer K project for the City of Sherman to Lynn Vessels Construction. The motion was seconded by Vice President Johnson and passed unanimously.

Receive report on Upper East Fork Sewer Study.

Chapman reported that the Freese and Nichols contract was approved last month. The first meeting will be held next week at Melissa City Hall. More information will be provided as events unfold.

No action was requested at this time.

## VII. Water Activities

Consider and act upon a Resolution accepting the contract with H2M Utility Construction Co. for the construction of the Bells Ground Storage Tank Project as complete.

This project was included in a series of projects undertaken for the City of Bells. The engineer has submitted all necessary documents for close out and the Bells City Council recommends accepting the project as complete.

Secretary/Treasurer Rowland motioned to execute a Resolution accepting the contract with H2M Utility Construction Co. for the construction of the Bells Ground Storage Tank project as complete. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon Change Order No. 2 to the contract with W.R. Hodgson Co., L.P. for the construction of the Rosamond Parkway waterline for the City of Anna.

This item was previously posted in January and was accidentally reposted. No action is needed.

Consider and act upon the Texas Environmental Infrastructure Program funding.

Last month, applications were submitted to the Texas Water Development Board (TWDB) for funding from the federal stimulus package. Applications were submitted for all projects the Authority staff thought might qualify. Seven applications were submitted. The TWDB has since released the results of the applications, and the Authority scored several top positions for projects. If \$40 million is received, as the TWDB expects, two or three of the Authority's projects will be able to receive funding. However, after announcing the information, the TWDB said not to expect funds quickly as the funds still need to be appropriated. They have requested the Authority submit letters to Congressional staff requesting they support the appropriation of these funds. However, many people feel very strongly about the stimulus package. The City of Gainesville is excited about their project scoring the highest on the list. If the Board recommends sending letters to the Congressional staff, the Authority staff will draft letters for the Board to sign. However, Chapman emphasized that he does not want the Board supporting something a package they feel uncomfortable.

It was the consensus of the Board to draft letters to the appropriate Congressional offices for the Board members to sign.

Receive report on Groundwater Conservation District Activities.

Last fall, Representative Larry Phillips held a meeting to discuss the Groundwater Conservation District (GCD) activities. During the meeting, Phillips established a steering committee to represent Cooke, Grayson and Fannin Counties and draft legislation. However, since that time, unanimity has not been established between the three counties. Cooke County Commissioners support a GCD between Collin, Denton and Cooke Counties, which Grayson and Fannin still support a two or three county district with Cooke. Unless legislation is filed quickly, the opportunity to create a district that suits the counties will have passed and the Texas Commission on Environmental Quality will establish a GCD. Phillips is prepared to file a bill, but wants to be sure the people are supportive. Fannin County feels they should have more representation on the governing body of the GCD and Grayson feels they should have more since Grayson produces more groundwater. An agreement between Fannin and Grayson Counties will be attempted this week. More information will be provided as it occurs.

No action was needed at this time.

Receive report on Reallocation Study.

The Corps of Engineers project coordinator Cynthia Kitchens has reported that water storage contracts will be available on July 2, 2009. Steve Stockton, chief civilian in the Corps of Engineers has assured Chapman the report is still being actively pursued. In preparation, Chapman has requested the price for storage contracts. The total cost for 50,000 acre-feet of storage is \$20,391,221. This cost is approximately \$407 per foot. The Corps will finance the cost over a 30-year period. Interest rate is currently 4.625% and is reset at 5-year intervals. The Board adopted a policy several years ago that the water was for the providers in our area. Several cities and rural water supply corporations have

expressed interest. Chapman proposes to send a letter with the proposed cost and the information for contracts to local water producers to determine interest prior to July 2<sup>nd</sup>.

No action was needed at this time.

Receive report on Lake Texoma waterline project.

The Lake Texoma waterline inspection project went well. The engineers planned for nine days and the contractor completed the inspection in six. All persons working on the project performed excellently. The project went very smoothly and no complaints were reported. Only three minor issues have arisen with property owners. The report will be received in six to eight weeks. The contractor must analyze the data and provide a report indicating the condition of the steel bands in the pipeline. The Board offered congratulations on a job well done.

No action was needed at this time.

VIII. General Activities

\*Receive Monthly Financial Reports

Consider and act upon a Resolution authorizing an escrow agreement with Bank of Texas.

Occasionally, the Authority must utilize escrow agreements when the TWDB finances a project and the plans and specifications are not approved. In these cases, funds are put into escrow accounts until the approval for the plans and specifications is received. In the past, the Authority has used Bank of America for escrow agreements. However, when the Authority pursued an escrow agreement for the Princeton project with Bank of America, the representatives wanted to charge an extremely high fee and change the agreement. The Authority staff solicited escrow agreements with Chase Bank and Bank of Texas. Both banks agreements meet the TWDB standards. However, the cost for Bank of Texas is significantly lower.


Secretary/Treasurer Rowland motioned to approve executing a Resolution authorizing an escrow agreement with Bank of Texas. The motion was seconded by Vice President Johnson and passed unanimously.

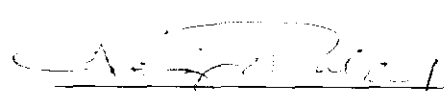
At this time, Chapman reported to the Board that he still intended to schedule the pump station tour for the Board members.

IX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:24 p.m.

#####

  
\_\_\_\_\_  
Recording Secretary

  
\_\_\_\_\_  
Secretary-Treasurer