

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

MONDAY, APRIL 20, 2009

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

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

Members Absent: Bill Johnson, Joe Henderson, and Mark Kuneman

Staff: Jerry Chapman, Carolyn Bennett and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne

I. Call to Order

President Skelton called the meeting to order at 12:44 p.m.

II. 12:30 p.m. – Recess Regular Meeting for purpose of conducting Public Hearing

At 12:44 p.m., President Skelton recessed the meeting for the purpose of conducting a Public Hearing.

Receive Public Comments

Administrative Assistant Bennett explained that over the past several years, the Authority has assisted most of the communities in the service area with crating Water Conservation and Drought Contingency Plans. The state has become more insistent about the water conservation plans being routinely updated. The deadline for 2009 is May 1st. The Authority must have a plan since it sells wholesale water to the Collin-Grayson Municipal Alliance (CGMA) coalition. In 2008, the Authority began receiving water from the North Texas Municipal Water District (NTMWD) for Melissa through the CGMA waterline. Since the Authority is now a NTMWD customer, the Authority's plan for those cities also had to contain the additional requirements set forth by the NTMWD. The NTMWD requirements have been added to the Authority's plan and passed onto the four CGMA cities. Anna adopted their plan last week. The three remaining cities are in the process of adopting plans prior to May 1st. Administrative Assistant Bennett sent each city a model plan for raw water and treated water. The plan must be filed with the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB). The two agencies will notify the Authority of receipt and whether the plan is in compliance with regulations. Water conservation is a major portion of the NTMWD requirements. The NTMWD spends approximately \$2 million a year on water conservation education. Water conservation is very difficult to enforce. When a drought is officially declared, the rules change and become more strict. Penalties are also increased.

No public comments were received.

Close Public Hearing

President Skelton closed the Public Hearing at 12:56 p.m. and reconvened into the Regular Meeting.

III. Reconvene into Regular Meeting

IV. Consider and act upon a Resolution approving the Greater Texoma Utility Authority Water Conservation and Drought Contingency and Water Emergency Response Plan

Secretary/Treasurer Rowland motioned to authorize signing a Resolution approving the Greater Texoma Utility Authority Water Conservation and Drought Contingency and Water Emergency Response Plan. The motion was seconded by Board Member Kirley and passed unanimously.

V. 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. Board Member Yeatts motioned to approve the consent agenda. The motion was seconded by Board Member Kirley and passed unanimously.

VI. * Consider and act upon approval of Minutes of March 16, 2009 Meeting

VII. * Consider and act upon approval of accrued liabilities for March 2009

VIII. Citizens to be Heard

No citizen comments were heard.

IX. Wastewater Activities

Consider and act upon declaring Four D Construction, Inc. to have abandoned Phase II of the Melissa-Anna sewer project.

Over the last few months, some difficulty has been experienced with Four D meeting financial obligations with suppliers. They have performed good work in the past, but are evidently in trouble on several other projects according to Bob Helmberger, the project engineer. Approximately 98% of Phase II of the Melissa-Anna sewer project is complete. We have been unable to get the contractor to finish the underground conduit to the metering station. Chapman has spoken with the bonding company, Travelers, and the representative said Four D will not be able to finish the job. Chapman proposes to follow procedures to initiate declaring the project abandoned. The bonding company will not do anything until contractor has been removed from project. Chapman received an email from Mr. Helmberger desiring the Authority continue with declaring the project abandoned.

Chapman recommends approaching Wright Construction, the contractor for Phase III, for a quote to finish Phase II. General Counsel Mike Wynne recommends the Authority staff document proof of default and abandonment. We need to make sure we do everything the bonding company desires to so they will pay. The remaining work on the project could be finished in a few weeks.

Board Member Yeatts motioned to approve declaring Four D Construction, Inc. to have abandoned Phase II of the Melissa-Anna sewer project. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

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 adds riprap to the creek crossings on Phase III of the Melissa-Anna sewer project. The engineer thought the crossing could do without the additional riprap. However, after reviewing the crossings, he feels the riprap is necessary to prevent erosion. On Friday the engineer received a call requesting a meeting with the Environmental Protection Agency, the US Army Corps of Engineers and the TWDB. Several months ago, the engineer and Chapman took the TWDB inspector to the creek crossing to change from a bore to open cutting. The change reduced the cost and provided more support for the crossing. The TWDB inspector and Board approved the change. Chapman will provide an update to the Board after the meeting.

Secretary/Treasurer Rowland motioned to approve Change Order No. 3 to the contract with Wright Construction Co. for Phase III of the Melissa-Anna sewer project, contingent upon similar action by the Cities of Anna and Melissa. The motion was seconded by Board Member Kirley and passed unanimously.

X. Water Activities

Receive report on Groundwater Conservation District activities.

Chapman reported that Collin, Cooke and Denton Counties have formed one Groundwater Conservation District (GCD). Fannin and Grayson Counties have drafted legislation to create the Red River GCD. Some arguments arose regarding representation on the Board. Fannin County desired more representatives on the Board. Grayson County did not agree that Fannin County needed more representation since they only produce 10% of the groundwater. However, Grayson agreed to adjust the Board to include four members from Grayson County and three from Fannin County. Mr. Brian Sledge with the Lloyd Gosselink firm is working to guide the legislature to speed the process.

No action was needed at this time.

Receive report on Reallocation Study.

The Lake Texoma Reallocation study is nearing completion. The Corps of Engineers is still promising contracts will be available on July 2nd. The Authority staff sent a letter to water users in the area for requests for water storage. Several responses have been received from cities and rural water supply corporations. Whatever water storage is not purchased by smaller entities, the City of Sherman has indicated they will purchase so the Authority can claim the entire 50,000 acre-feet.

No action was needed at this time.

XI. General Activities

*Receive Monthly Financial Reports

Receive Quarterly Investment Report.

Consider and act upon Investment Policy for GTUA Retirement Plan.

Several months ago, the Bank of Texas requested the Authority update the retirement plan to meet the current Internal Revenue Service regulations. The Authority engaged Barrett & Associates to update the plan, along with following up on any requests from Bank of Texas. The document was received last week. In addition to updating requirements, Bank of Texas also requested the Authority adopt an investment policy. David Stone, the Authority's investment advisor, drafted the attached Investment Policy. The policy is very flexible and can be modified. Mr. Stone provides an annual report of the portfolio's performance and the categories invested to the participants. Occasionally, adjustments are made to keep the portfolio balanced. The participants are informed and requested for advice and approval before changes are made. President Skelton recommended the employees approve the investment policy.

Board Member Kirley motioned to approve the Investment Policy for the GTUA Retirement Plan. The motion was seconded by Board Member Yeatts and passed unanimously.

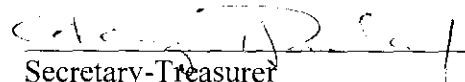
XII. Adjourn

Upon motion by President Skelton, seconded by Secretary/Treasurer Rowland and passed unanimously, the Board adjourned at 1:35 p.m.

#####



Recording Secretary



Secretary-Treasurer