

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

MONDAY, NOVEMBER 16, 2009

**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, David Sprowl, Clyde Yeatts

Members Absent:

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

Visitors: Mike Wynne, Nall, Pelley & Wynne
Kristen Savant, Fulbright & Jaworski
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. 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 Kuneman and passed unanimously.

III. * Consider and act upon approval of Minutes of October 19, 2009 Meeting

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

V. Citizens to be Heard

General Manager Chapman welcomed the visitors to the meeting. Chapman also apologized on behalf of the staff for the incorrect numbering of items on the agenda.

VI. Wastewater Activities

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009A (City of Melissa Project)", including the adoption of a resolution authorizing the issuance of such bonds.

Last month, the Board took action on a bond issue for the City of Melissa. The City requested the Authority close the bond issues at one time to reduce expenses. The Authority staff contacted Kristen Savant with Fulbright and Jaworski and requested she redo the amount of the bond issues so there would only be two. The previously approved resolution was for \$445,000. The Texas Water Development Board (TWDB) staff incorrectly informed the Authority staff that additional funds would be available from the State Revolving Fund. Due to the unavailability of funds from the SRF, the bond issue for the Development Fund need to be increased. This resolution repeals the October resolution and is listed on the agenda for both water and wastewater because the bond series includes a water project.

Board Member Grantham motioned to execute a resolution authorizing the issuance and sale of the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009A (City of Melissa Project), contingent upon similar action being taken by the City of Melissa. The motion was seconded by Board Member Sprowl and passed unanimously.

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009B (City of Melissa Project)", including the adoption of a resolution authorizing the issuance of such bonds.

This item was discussed under Wastewater Activities, Item VI-A.

Vice President Johnson motioned to execute a resolution authorizing the issuance and sale of the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009B (City of Melissa Project), contingent upon similar action being taken by the City of Melissa. The motion was seconded by Secretary-Treasurer Rowland and passed unanimously.

Consider and act upon authorization for the General Manager to advertise for bids for projects associated with the GTUA/City of Melissa 2009A and 2009B bond issues.

The Board authorized advertising for bids last month, but since the bond amount is larger and covers more projects, the staff is requesting authorization to advertise for the larger amount.

Vice President Johnson motioned to authorize the General Manager to advertise for bids for wastewater projects associated with the GTUA/City of Melissa 2009A and 2009B bond issues. The motion was seconded by Board Member Yeatts and passed unanimously.

Receive report on Melissa-Anna sewer project

Operations Supervisor Alan Moore explained the physical tie in on the south side of the Anna-Melissa line to the North Texas Municipal Water District (NTMWD) line is completed. Some work still remains, but the large amount of rainfall in the last month has made moving forward difficult.

Chapman reported that a meeting with Travelers, Inc. to attempt to settle Phase II of the Melissa-Anna sewer project is scheduled for Thursday afternoon at 2:30 p.m.

VII. Water Activities

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2009A (City of Melissa Project)", including the adoption of a resolution authorizing the issuance of such bonds.

This item was discussed and motion was made under Wastewater Activities, Item VI-A.

Consider and act upon authorization for the General Manager to advertise for bids for projects associated with the GTUA/City of Melissa 2009A and 2009B bond issues.

This item was discussed and motion was made under Wastewater Activities, Item VI-C.

Consider and act upon General Manager's request to co-chair the Texas Water Conservation Association Groundwater Committee

The Texas Water Conservation Association (TWCA) is composed of approximately 400 entities in Texas that deal with water in some way. Different entities participate in different panels. In the past year, a keen interest has developed to revisit groundwater issues. HB 1763 established parameters for Groundwater Conservation Districts (GCDs). There is now an apparent recognition that groundwater will need to be used in conjunction with surface water to meet Texas' future water demands. A protectionism attitude is developing among some groundwater users. The Texas Legislature will be looking at the TWCA next year for recommendation on how to proceed with modifying current guidelines. The TWCA Municipal and Groundwater Panels have agreed to create a joint committee to review this issue and to create constructive solutions. Chapman has been requested to co-chair this committee. He anticipates the committee will begin in the first quarter of 2010 and be finished by fall of 2010 with recommendations for the Legislature.

Vice President Johnson motioned to authorize the General Manager to co-chair the Texas Water Conservation Association Groundwater Committee. The motion was seconded by Board Member Sprowl and passed unanimously.

Receive report on Groundwater Conservation District Activities.

In an effort to keep in contact with and continue to assist local activities, the Authority staff has continued assisting the Red River GCD and North Texas GCD. The Red River GCD has requested to use the Authority's address as a temporary location. The legislation requires their agenda to be posted at the Fannin and Grayson County courthouses and at the designated administrative office. The Red River GCD Board also requested Carmen Catterson serve as the Assistant Secretary to assist with posting notices and handling correspondence, as well as keeping minutes. Both GCDs plan to move slowly and do not plan to meet again until

next quarter. The Red River GCD plans to request Mr. Bill Hutchison with the TWDB to visit the next meeting. The officers for the Red River GCD are George "Butch" Henderson of Fannin County as the president, George Olson of Sherman as Vice President and Don Wortham of Grayson County as Secretary. The other board members include David Gattis, John Young, Harold Latham, and Don Morrison.

Receive report on Reallocation Study.

Colonel Funkhouser, the Tulsa and Southwest Division Commander reported the Corps of Engineers are currently on a November 30th schedule. Two people remain to review the Report including the Secretary of the Army and Congressman Ralph Hall. Jan Hotubbee, the contract officer for the Corps of Engineers, visited the Authority last week. The current contract is not very different from previous contracts. The Authority staff is also still pursuing a permit modification from the Texas Commission on Environmental Quality. The TCEQ agreed they will continue processing the permit modification with a condition that specifies the Authority cannot discharge the water until the TCEQ receives a signed copy of a contract with the Corps of Engineers. The TWDB will place the Authority on the January meeting agenda for the \$22 million commitment to pay for the water storage.

Chapman also reported on the Zebra Mussel infestation in Lake Texoma. The Texas Department of Parks and Wildlife has located colonies in Sister Grove Creek in Grayson County. No positive methods exist to remove the mussels from the lake. It is most likely the mussels will be found in Lake Lavon before long.

VIII. General Activities

*Receive Monthly Financial Reports

*Receive Quarterly Investment Report

Consider and act upon extension of lease for administrative offices.

The administrative building lease with the North Texas Regional Airport is due for renewal. The cost is a 3.7% increase, which was higher than anticipated. The increase is based on the Consumer price Index.

Board Member Yeatts motioned to authorize the extension of lease for administrative offices. The motion was seconded by Board Member Sprowl and passed unanimously.

Consider and act upon nominations for places 7, 8, 9, and 10 of the Board of Trustees of the Texas Water Conservation Association Risk Management Fund

The Authority is a member of the TWCA Risk Management Fund. Four positions are available for reelection. The nominating committee has provided four recommendations, some of which have served previously. Chapman recommends approving the nominations.

Vice President Johnson motioned to nominate the recommended persons for places 7, 8, 9, and 10 of the Board of Trustees of the Texas Water Conservation Association Risk Management Fund. The motion was seconded by Secretary-Treasurer Rowland and passed unanimously.

Consider and act upon any revisions needed in Investment Policies.


The Public Funds Investment Act governs what areas the Authority can invest funds. The Board is supposed to review the policy annually. The policy has not been modified since October 17, 2005. Debi Atkins, Finance Officer and Chapman reviewed the policy and do not have any suggestions for changes. The Authority currently has fairly short-term investments because the yield is not high enough to invest in long-term investments.

Vice President Johnson motioned to verify that the Board reviewed the Investment Policy and had no recommended changes. The motion was seconded by Board Member Sprowl.

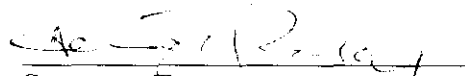
IX. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:15 p.m.

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Recording Secretary



Secretary-Treasurer