

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

**MONDAY, DECEMBER 21, 2009**

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

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

Members Absent: Duane Hayes

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

Visitors: Mike Wynne, Nall, Pelley & Wynne  
Garry Kimball, Specialized Public Finance, Inc.  
Kristen Savant, Fulbright & Jaworski  
David Gattis, Freeman-Millican, Inc.  
David Howerton, City of Denison  
John Minahan, Alan Plummer & Associates

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I. Call to Order

President Skelton called the meeting to order at 12:34 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 Vice President Johnson and passed unanimously.

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

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

V. Citizens to be Heard

General Manager Chapman introduced visitors Garry Kimball with Specialized Public Finance, Inc., Kristen Savant with Fulbright, David Gattis with Freeman-Millican, Inc., and John Minahan with Alan Plummer & Associates.

VI. Wastewater Activities

Consider all matters incident and related to the issuance of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2009 (City of Gainesville Project)", including the adoption of a resolution authorizing the issuance of such bonds and establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized official of the Authority relating to the sale and issuance of the bonds and the redemption of certain outstanding bonds of the Authority .

This item involves refunding three bond issues for the City of Gainesville. Several weeks ago, Barry Sullivan the City Manager for Gainesville requested suggestions for methods to finance water system improvements. Chapman consulted with Garry Kimball, the Authority's financial advisor with Specialized Public Finance, Inc. While Mr. Kimball was examining the City's existing debt, he found an opportunity to refund the 1995, 1997 and 2002 bond series. Mr. Kimball explained that it is routine to review all existing debt when pursuing new debt. The three issues were opportunistic for refinancing, which means a 3% present value savings can be obtained by refunding the existing series. Mr. Kimball calculated the number based on current market rates and found the current savings is 3.5%. Refunding does not extend the maturities or change the amortization schedules. The attached Resolution will be effective for 180 days. If we are not able to make the sale within 180 days, the staff would approach the Board for further authorization.

Vice President Johnson motioned to execute a resolution authorizing the issuance and sale of the Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2009 (City of Gainesville Project). The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon Compromise and Settlement Agreement with Travelers, Inc. for Melissa-Anna sewer project.

After Four D Construction Co., Inc. failed to complete the work associated with Phase II of the Melissa-Anna sewer project, additional costs were incurred due to additional engineering and legal fees, as well as time for Chapman and Debi Atkins, Finance Officer. A meeting was held last month with representatives for Travelers, Inc., Four D's bonding company. Travelers, Inc. has provided a proposed settlement agreement, which is included in the agenda packet. Mike Wynne, General Counsel explained the settlement process. Traveler's approved a claim for \$30,499.95 to pay for the difference in costs between the remaining funds for the contract and Wright Construction's cost. Traveler's Inc. In addition they settled for an additional \$105,000 to pay for additional expenses incurred by Four D defaulting on the contract. Wynne recommends accepting the settlement agreement. The Settlement Agreement allows the Authority to recover 100% of all engineering, legal and staff costs. The remaining funds will be returned to the cities in proportionate amounts.

Board Member Grantham motioned to execute the Compromise and Settlement Agreement with Travelers, Inc. for the Melissa-Anna sewer project. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon award of contract for Relief Sewer K from Turtle Creek to Lamberth Road for the City of Sherman.

This sewer project is being constructed for the City of Sherman. This is a multi-stage project and this is phase II. Three bids were received on December 1<sup>st</sup>. The lowest bidder was VESCOR, Inc. dba Vessels Construction Co. Tim Morris, the consulting engineer provided a letter of recommendation. The bid was received under budget. This award of contract will be on the City of Sherman's agenda for December 21<sup>st</sup>.

Secretary-Treasurer Rowland motioned to award the contract for the Relief Sewer K from Turtle Creek to Lamberth Road (City of Sherman) to VESCOR, Inc. in the amount of \$243,348.89, contingent upon similar action by the City of Sherman. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon award of contract for WWTP Fine Screen Improvements for the City of Sherman.

This project for the City of Sherman is financed and constructed by the Authority. The project includes the installation of fine screen improvements for the Sherman wastewater treatment plant. Bids received Monday, December 14<sup>th</sup>. Five competitive bids were received. The low bid was \$100,000 lower than estimated. The Authority has worked with the contractor, JR Sheldon & Co., Inc. previously for Gober MUD and the City of Van Alstyne. David Gattis, the consulting engineer recommends the contract be awarded to JR Sheldon & Co., Inc. This motion is contingent upon similar action being taken by the City of Sherman.

Vice President Johnson motioned to award the contract for the WWTP Fine Screen Improvements project (City of Sherman) to JR Sheldon & Co., Inc. in the amount of \$550,000, contingent upon similar action by the City of Sherman. The motion was seconded by Board Member Sprowl and passed unanimously.

VII. Water Activities

Consider all matters incident and related to the issuance of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2009 (City of Gainesville Project)", including the adoption of a resolution authorizing the issuance of such bonds and establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized official of the Authority relating to the sale and issuance of the bonds and the redemption of certain outstanding bonds of the Authority .

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

Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection herewith. (City of Gainesville)

The City of Gainesville has the only significant surface water supply in Cooke County. Moss Lake has approximately 22,000 acre-feet in storage, which is all available to the City of Gainesville. The staff is requesting permission to proceed with submission of an application to the Texas Water Development Board (TWDB) to construct improvements to the City's water treatment and distribution system. The total amount of the improvements is \$7.2 million. If approved, the Authority staff will submit an application for \$5.7 million now and the other \$1.5 million later.

Board Member Yeatts motioned to execute a Resolution requesting financial assistance from the Texas Water Development Board for water system improvements for the City of Gainesville. The motion was seconded by Board Member Kirley and passed unanimously.

Consider and act upon request from Collin County for encroachment on an easement owned by the Greater Texoma Utility Authority for installation of a highway.

Collin County has requested an encroachment on an easement purchased by the Authority for the Collin Grayson Municipal Alliance water line south between Anna and Melissa. The County will begin the Outer Loop project very soon. The loop will extend around Anna from Hwy 75 to Hwy 380. Wynne and Gattis helped develop an encroachment agreement. Collin County will pay for all costs associated. The construction costs of \$150,000 will encase the 24-inch waterline. The agreement also protects the remainder of the easement so the Authority can construct another waterline at a later date. If approved, Collin County staff will take the Agreement to the Collin County Commissioner's Court in January to provide funding as quickly as possible.

Board Member Kuneman motioned to execute an encroachment agreement with Collin County for installation of a highway on an easement owned by the Greater Texoma Utility Authority. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon an Interlocal Agreement between the Greater Texoma Utility Authority and the North Texas Municipal Water District.

The Authority staff received a request from the North Texas Municipal Water District (NTMWD) to install a communications tower at the Howe Terminal Storage site to communicate between the Lake Texoma Pump Station and their headquarters in Wylie, Texas. When securing the site, the Authority purchased more space than was needed, which has left plenty of room to accommodate this request. NTMWD and the Authority have a good working relationship and the staff recommends approving the request.

Board Member Sprowl motioned to execute an Interlocal Agreement between the Greater Texoma Utility Authority and the NTMWD to allow the NTMWD to install a communications tower at the Howe Terminal Storage Site. The motion was seconded by Vide President Johnson and passed unanimously.

Receive report on Reallocation Report and permanent financing for Lake Texoma water storage.

The Corps of Engineers is satisfied with the Reallocation Report and the water supply contract. The only approvals needed are Congressman Hall and the Assistant Secretary of the Army. Mike Rickman, Jim Parks and Chapman have requested a meeting with Congressman Hall to impress the importance of completing the report and issuing storage contracts. The TWDB will require the Board to enter into an agreement verifying the intent to enter into the \$21.4 million bond commitment during 2010. Before the Authority can take the money, it will need an executed Corps contract and permit amendment. The permit amendment will be issued contingent upon storage contracts.

VIII. Solid Waste Activities

Receive report on Dripping Springs Landfill Permit Amendment

Earlier this year, the Board authorized the staff to pursue the Texas Risk Reduction Program to reduce groundwater testing requirements at the Dripping Springs Landfill. Biggs & Mathews Environmental were engaged to provide the necessary information to the Texas Commission on Environmental Quality. The study determined no public health risk would occur if the groundwater testing was reduced from testing twice per year to once every four years. During the public comment period, one comment was received from a landowner near the landfill. The landowner was concerned about the hazards to public health if testing was reduced. However, a rural water supply corporation serves that area and the landowner has no private wells. The staff expects this matter to be taken to the commissioners in January or February.

IX. General Activities


\*Receive Monthly Financial Reports

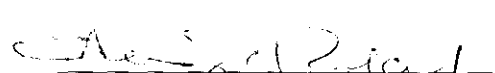
At this time, Chapman presented information on Zebra Mussels with the Board. The NTMWD will request assistance with investigating possible solutions to the problem in Lake Texoma next month.

X. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:35 p.m.

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Recording Secretary

  
Secretary-Treasurer