

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

**MONDAY, JUNE 21, 2010**

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

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Members Present: Bill Johnson, George Rowland, Paul Kirley, David Sprowl, Clyde Yeatts

Members Absent: Don Skelton, Duane Hayes

Staff: Jerry Chapman, Carolyn Bennett, Laurie Killian, and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne  
Kristen Savant, Fulbright & Jaworski  
Garry Kimball, Specialized Public Finance, Inc.  
Steven Adams, Specialized Public Finance, Inc.  
Mark Gibson, City of Sherman  
David Gattis, Freeman-Millican, Inc.  
Jonathan Cannon, Herald Democrat  
Kevin Farley, City of Pottsboro

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I. Call to Order

Vice President Johnson called the meeting to order at 12:31 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. Sprowl motioned to approve the consent agenda. The motion was seconded by Kirley and passed unanimously.

III. \* Consider and act upon approval of Minutes of May 17, 2010 Meeting

IV. \* Consider and act upon approval of accrued liabilities for May 2010

V. Citizens to be Heard

Mr. Chapman introduced visitors including Kevin Farley with the City of Pottsboro, Kristen Savant, the Authority's bond counsel with Fulbright & Jaworski, Garry Kimball with Specialized Public Finance, Inc., Steven Adams with Specialized Public Finance, Inc., Mark Gibson with the City of Sherman, David Gattis with Freeman-Millican, Inc., and Jonathan Cannon with the Herald Democrat.

VI. Wastewater Activities

Consider all matters incident and related to approving and authorizing the execution of a Water and Sewer Facilities Contract with the City of Howe, Texas, including the adoption of a resolution pertaining thereto.

When items cover both water and wastewater activities, the items must be posted under both categories. Only one motion is requested. One of the functions of a good financial advisor is to review outstanding issues and report if there is an opportunity to refund and save money. Specialized Public Finance, Inc. reviewed these bond issues and found an opportunity to refund these bonds at significant savings. Mr. Adams explained the refunding is highly desirable because of the high percentage of savings. A tax pledge to the projects enables cities to achieve a lower interest rate and to manage their water and sewer rates easier. A tax could be levied to pay these bonds. The staff is requesting the Board to delegate Mr. Chapman as pricing officer for the parameters resolution.

This refunding will cover four contract revenue bonds issued between 1988-1999. The savings are accelerated to ease the burden on the City's 2011 budget. The refunding will result in a 5.8% of the amount refunded will equal present-value savings. All expenses are being paid out of the bond issue. The parameters resolution establishes guidelines for the issuance of bonds. If the purchase offer falls within the guidelines, the pricing officer will approve the sale and then have the Board finalize a future meeting.

Board Member Sprowl motioned to adopt a resolution relating to the execution of a Water and Sewer Facilities Contract with the City of Howe, Texas. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2010 (City of Howe Project)", including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority.

Discussion on this item took place under Wastewater Activities, Item VI-A.

Board Member Yeatts motioned to adopt a resolution authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2010 (City of Howe Project)" and delegating certain matters to the General Manager of the Authority. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Consider all matters incident and related to approving and authorizing the execution of a Water and Sewer Facilities Contract with the City of Pottsboro, Texas, including the adoption of a resolution pertaining thereto.

The refunding will accelerate the savings over the next year. The approximate savings will total \$72,000, which is a 5.5% savings of the amount of the bonds being refunded. The debt is not being extended. The bonds should close on September 2, 2010.

Board Member Grantham motioned to adopt a resolution relating to the execution of a Water and Sewer Facilities Contract with the City of Pottsboro, Texas. 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 Refunding Bonds, Series 2010 (City of Pottsboro Project)”, including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority.

Discussion on this item took place under Wastewater Activities, Item VI-C.

Secretary/Treasurer Rowland motioned to adopt a resolution authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2010 (City of Pottsboro Project)” and delegating certain matters to the General Manager of the Authority. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon Award of Contract for Sherman Primary Clarifier No. 2 Equipment Replacement project.

Mr. Gattis, the consulting engineer on this project with Freeman-Millican, Inc. is present along with Mark Gibson of the City of Sherman to discuss this project. Bids were taken on May 25<sup>th</sup>. A tabulation of the bids has been provided by Mr. Gattis. The low bid was submitted at \$265,000. This will replace the rotating equipment of the Clarifier No. 2 at the Sherman WWTP. The staff is recommending the Board award this contract to JR Sheldon, the low bidder. The Authority has previously worked with the contractor and they have always performed satisfactorily.

Board Member Sprowl motioned to award the contract for the Sherman Primary Clarifier No. 2 Equipment Replacement project to JR Sheldon & Company in the amount of \$265,000, contingent upon similar action being taken by the Sherman City Council. The motion was seconded by Board Member Grantham and passed unanimously.

Consider and act upon Award of Contract for Sherman WWTP Peak Flow Storage Improvements Phase I.

This is the first phase of a project at the Sherman WWTP to increase the peak flow storage by diverting effluent from the primary clarifiers temporarily into the sludge storage and dewatering basins, then drain the storage into an existing sewer into the plant. Since the project was estimated to cost less than \$50,000, bids were solicited rather than formally advertising for bids. This method of bid solicitation is permitted for work of less than \$50,000. The staff is recommending award contract to Jerry Paul Higgins, the low bidder.

Board Member Grantham motioned to award the contract for the Sherman WWTP Peak Flow Storage Improvements Phase I project to Jerry Paul Higgins, Ltd. in the amount of \$46,114.91, contingent upon similar action being taken by the Sherman City Council. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Award of Contract for Melissa Fitzhugh Branch Capital Improvements Plan project.

This project is being undertaken for the city of Melissa and involves moving a waterline and a sewer line because the Texas Department of Transportation is widening US Hwy 75 at the Hwy 121 interchange. Melissa was told to move the lines out of the right of way by December 2010. Bids were taken on June 14<sup>th</sup>. The low bid was submitted by a company that has not worked for the Authority before, Lewis

Contractor's Inc. Their references were favorable and the engineer is recommending the contract be awarded to them with both the base bid and alternate no. 3 for a total cost of \$1,708,529.71.

Board Member Yeatts motioned to award the contract for the base bid and alternate no. 3 of the Melissa Fitzhugh Branch Capital Improvements Plan project to Lewis Contractors, Inc. in the amount of \$1,708,529.71, contingent upon similar action being taken by the City of Melissa. The motion was seconded by Board Member Sprowl and passed unanimously.

## VII. Water Activities

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)", including the adoption of a resolution authorizing the issuance of such bonds.

This bond series has been in progress for a long time. It involves the acquisition of water storage from Lake Texoma. The US Army Corps of Engineers offered to finance the water storage over a 30-year period with an adjustable rate every five years. However, the staff felt this was not favorable due to the adjustable interest rate. The Texas Water Development Board Water Infrastructure Fund program was available with reduced interest rates. A commitment was provided in January for the \$21.23 million in bonds. Garry Kimball with Specialized Public Finance, Inc. provided positive news on the interest rate. The true interest rate is rounded at 1.9%. The projected interest rate was 2.5%. The US Army Corps of Engineers variable rate is currently 4.2%.

Mr. Chapman reported that he would visit the meetings of all 13 entities for them approve the bond resolution. This is a very attractive interest rate. The Legislature authorized this TWDB WIF program to help finance water infrastructure construction.

Board Member Grantham motioned to adopt a resolution authorizing the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)." The motion was seconded by Board Member Kirley and passed unanimously.

Consider all matters incident and related to approving and authorizing the execution of a Water and Sewer Facilities Contract with the City of Howe, Texas, including the adoption of a resolution pertaining thereto.

Discussion and action of this item took place under Wastewater Activities, Item VI-A.

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2010 (City of Howe Project)", including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority.

Discussion and action on this item took place under Wastewater Activities, Item VI-B.

Consider all matters incident and related to approving and authorizing the execution of a Water and Sewer Facilities Contract with the City of Pottsboro, Texas, including the adoption of a resolution pertaining thereto.

Discussion and action on this item took place under Wastewater Activities, Item VI-C.

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2010 (City of Pottsboro Project)", including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters relating to the issuance and sale of such bonds to an authorized official of the Authority.

Discussion and action on this item took place under Wastewater Activities, Item VI-D.

Consider and act upon Change Order No. 1 to the contract with Dal-Ec Construction for the Howe Pump Station Project.

The contractor experienced wet weather in the winter and had problems getting the soil conditions acceptable. This proposed change order will provide a time extension only. The contractor only needs to run some tests to finish the contract. No change in funds.

Board Member Kuneman motioned to authorize the execution of Change Order No. 1 to the contract with Dal-Ec Construction for the Howe Pump Station project, contingent upon similar action being taken by the Howe City Council. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Change Order No. 1 to the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC Crawford Road 6" Pressure Reducing Station project.

This is a change order to the contract with Prose Backhoe & Utilities, LLC for a small project for Argyle WSC. This change order of \$2,955 will increase the size of the vault door. Argyle WSC has approved the change order.

Board Member Kirley motioned to authorize the execution for Change Order No. 1 to the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC Crawford Road 6" Pressure Reducing Station project. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon a Resolution accepting the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC Crawford Road 6" Pressure Reducing Station project as complete.

The project is complete and the engineer has provided close out documents. No bonding due to the small size of the project. A letter from the General Manager of Argyle WSC is included to show the Argyle WSC's approval of the project.

Board Member Kirley motioned to authorize the Resolution accepting the contract with Prose Backhoe & Utilities, LLC for the Argyle WSC Crawford Road 6" Pressure Reducing Station project as complete. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Award of Contract for the Melissa Fitzhugh Branch Capital Improvements Plan project.

Discussion and action on this item took place under Wastewater Activities, Item VI-G.

Consider and act upon Award of Contract for the Pottsboro Miscellaneous Water Line Project.

Last year, the Authority constructed a major water transmission line around the northeast section of Pottsville. Because of favorable bids, funds were left over. The City had other projects remaining to complete. Bids were received last week. Freese & Nichols, Inc., the consulting engineer provided a recommendation for award. Sperling Construction has not worked with the authority in the past, but their references were favorable.

Board Member Kuneman motioned to award the contract for the Pottsville Miscellaneous Water Line project to Sperling Construction in the amount of \$111,240.00, contingent upon similar action being taken by the Pottsville City Council. The motion was seconded by Board Member Sprowl and passed unanimously.

VIII. General Activities

\*Receive Monthly Financial Reports

Consider and act upon health insurance.


The Authority staff received notice that health insurance and general liability coverage costs were being adjusted. The general liability rates are being reduced, but the health insurance rates were increasing significantly. The staff reviewed available options and found that by increasing the deductible to \$1,500 and combining the dental and vision with the medical the rates will only 1.4%. If the plan had been left as it was, the increase would have been 22%. Secretary/Treasurer Rowland recommended the staff check with local cities to compare deductibles and policies.

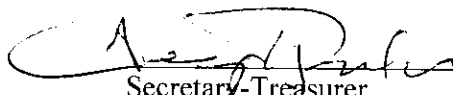
Board Member Kirley motioned to accept the staff's recommendation to modify the health insurance and dental/vision plans. The motion was seconded by Board Member Grantham and passed unanimously.

X. Adjourn

Upon motion by Vice President Johnson, seconded by Rowland and passed unanimously, the Board adjourned at 1:20 p.m.

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Recording Secretary

  
Secretary-Treasurer