

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

MONDAY, DECEMBER 20, 2010

**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: None

Staff: Jerry Chapman, Carolyn Bennett, and Carmen Catterson

Visitors: Mike Wynne, Nall, Pelley & Wynne
Mayor Sherry Howard, City of Tom Bean

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. Board Member Sprowl 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 15, 2010 Meeting

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

V. Citizens to be Heard

General Manager Chapman introduced Mayor Sherry Howard with the City of Tom Bean. Mr. Chapman expressed his and the staff's appreciation for the Board members who chose to continue serving on the Board for another term.

VI. Wastewater Activities

Consider and act upon award of contract for the Sherman 2010 Wastewater Treatment Plant Improvements (Dome Covers) project.

Bids for the Sherman 2010 Wastewater Treatment Plan Improvements (Dome Covers) project were received on November 17th. This rehabilitation project has been underway for the past two years. Many parts at the wastewater treatment plant have become worn out and antiquated. Nine (9) proposals were received. The engineering consultant, James McMillen with Perkins divided the project into a base bid and several alternates since he was not sure what cost was expected for the base bid. The engineer's estimate for the project was \$1,730,000. The low bid with alternates was submitted at \$1,423,800 by Red River Construction Co., Inc. Funds are available to pay for this project from a previous bond series. Red River Construction worked for the Authority on the Collin-Grayson Municipal Alliance (CGMA) waterline project several years ago. They completed the project with no problems.

Vice President Johnson motioned to award the contract for the Sherman 2010 Wastewater Treatment Plant Improvements (Dome Covers) project to Red River Construction Co., Inc. in the amount of \$1,423,800.00, contingent upon similar action being taken by the Sherman City Council. The motion was seconded by Board Member Sprowl and passed unanimously.

Consider and act upon Change Order No. 2 to the contract with Lewis Contractors, Inc. for the Melissa Fitzhugh Branch Capital Improvement Plan project.

This is a project being undertaken for the City of Melissa. The City was requested by the Texas Department of Transportation to relocate utility lines to accommodate the widening of Hwy 75 on the north side of McKinney. The contractor is currently performing satisfactorily, but encountered unknown underground utilities. This change order has been approved by the City of Melissa and is recommended by the engineer. The change order increases the cost of the project by \$57,688 to accommodate the existing underground utilities. Funds are available from the 2009 GTUA/Melissa bond issue.

Board Member Sprowl motioned to authorize Change Order No. 2 to the contract with Lewis Contractors for the Melissa Fitzhugh Branch Capital Improvements Plan project. The motion was seconded by Board Member Grantham and passed unanimously.

Receive update on Sherman Hwy 75 North Sewer Contract "C" – TNT Pipeline Corp.

This item is information only. TNT Pipeline Corp. was awarded the Sherman Hwy 75 North Sewer Contract "C" project earlier this year. The Authority was hesitant to award the contract to TNT Pipeline Corp., since they were an unknown company, but they did not have any previous financial or performance problems. The project is now substantially complete. The Authority received a letter from TNT Pipeline Corp.'s bonding company in November and has since been notified by two suppliers that have not been paid. Both companies have also notified the bonding company of the situation. Mr. Chapman proposed to provide the pay estimate to the bonding company and withhold the retainage until the project is complete. The project should close out in January or February.

No action is required at this time.

VII. Water Activities

Consider and act upon Change Order No. 2b to the contract with Champion Utility Construction, LLC for the Pottsboro Miscellaneous Waterline Improvements Alternates A & B contract.

This is a small change order for the Miscellaneous Waterline Improvements Alternates A&B project for Pottsboro. Chris Schmitt, the project engineer did not provide his letter with enough time for it to

be included in the agenda packet so it is being passed out to the Board. The staff recommends the approval of the change order, which was approved by Pottsboro last month.

Board Member Kirley motioned to authorize Change Order No. 2b to the contract with Champion Utility Construction, LLC for the Pottsboro Miscellaneous Waterline Improvements Alternates A & B contract. The motion was seconded by Board Member Kuneman and passed unanimously.

Consider and act upon a Resolution authorizing the submission of a request for federal funding from the Texas Environmental Infrastructure Program (Northwest Grayson WCID #1 project).

Each year, the Texas Water Development Board (TWDB) requests applications for the Texas Environmental Infrastructure Program (TEIP). Last year the Authority submitted six applications, none of which were funded. This year, several of those projects have been funded by other sources leaving only two projects remaining. One is a new well for the Northwest Grayson WCID #1 and the other is a feed line for the Sherman Water Treatment Plant. Applications were due on December 10th. President Skelton signed the applications for submission, so the staff is asking the Board to ratify the actions already taken.

Secretary/Treasurer Rowland motioned to confirm the execution of a Resolution to submit a request for federal funding from the TEIP for the Northwest Grayson WCID #1 project and for the Sherman Water Treatment Plant Second Feed, Phase I project. The motion was seconded by Vice President Johnson and passed unanimously.

Consider and act upon a Resolution authorizing the submission of a request for federal funding from the Texas Environmental Infrastructure Program (Sherman Water Treatment Plant Second Feed, Phase I project).

Motion for this item was made under Water Activities, Item VII-B.

Consider and act upon amendment to the Agreement with the North Texas Groundwater Conservation District for Administrative Services.

The contract for Administrative Services with the North Texas Groundwater Conservation District (NTGCD) was approved by the Board last month. The NTGCD attorney, Brian Sledge added a paragraph regarding bonding in Section No. 7. The District also requested the Authority perform accounting services at the last meeting. These items have been added to the Agreement and the staff is requesting the Board approve the amended Agreement.

Vice President Johnson motioned to approve the amended Agreement for Administrative Services with the North Texas Groundwater Conservation District. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon Agreement with the Red River Groundwater Conservation District for Administrative Services.

This is a draft agreement with the Red River Groundwater Conservation District (RRGCD). The Authority has been working with the RRGCD since their creation approximately one year ago. The RRGCD does not currently have a source of funding. The NTGCD was advanced \$150,000 from Collin, Cooke, and Denton Counties in 2010 and will be advanced the same amount in 2011. These loans will have to be repaid over a 5-year period. The RRGCD realizes they need to begin collecting funds to support the organization's activities. The RRGCD will begin billing for funding in January or February. RRGCD

President Henderson and Vice President Olson have discussed their situation with Mr. Chapman and would like to enter into an Agreement with the Authority for administrative services. The contract being proposed is similar to the one the Authority executed with the NTGCD and will provide for administrative services including correspondence, policies, accounting, etc.

Board Member Yeatts motioned to approve the Agreement for Administrative Services with the Red River Groundwater Conservation District, contingent upon final approval of budget. The motion was seconded by Secretary/Treasurer Rowland and passed unanimously.

Receive update on Lake Texoma Pump Station improvements and Zebra Mussel investigation.

The Authority was successful in selling the \$2,130,000 bond issue on December 6th to pay for the Lake Texoma pump station improvements with an A+ rating and a 4.41% interest rate. The pumps have not been delivered yet. They are being manufactured in Brazil and will hopefully arrive in January. After discussion on preferred methods and cost, the Authority and the NTMWD have decided to use the buttress method to support the bends in the raw water line. The line will need extra support to increase the pump station's capacity from 95 mgd to 125 mgd. The buttress method is less expensive than the carbon fiber lining and will require the line be out of service for a shorter period of time. The NTMWD has discussed resuming pumping with the Parks and Wildlife office. Lake Lavon is low and the NTMWD needs the additional water at this time. Parks and Wildlife would prefer they not resume pumping until the Zebra Mussel issue is resolved, but cannot prevent the NTMWD from pumping. The Zebra Mussels are multiplying prolifically. Alan Plummer & Associates are still reviewing possible solutions to the problem.

No action is required at this time.

VIII. General Activities

*Receive Monthly Financial Reports

Consider and act upon appointment of officers for 2011 calendar year.

President Skelton appointed Board Members Kirley, Sprowl and Yeatts to serve on a committee to provide recommendations for officer appointments for the 2011 calendar year at the January 2011 meeting.

IX. Executive Session

Pursuant to Government Code Sections 551.074, the Board of Directors adjourned into closed Executive Session at 1:11 p.m. to discuss the following:

Personnel Matters

X. Regular Session


Consider and act upon items listed in Executive Session.

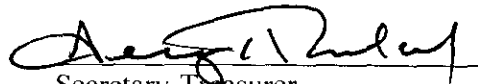
The Board reconvened into Regular session at 1:35 p.m. President Skelton stated no action was taken on items discussed during the Executive Session.

XI. Adjourn

Upon motion by President Skelton, seconded by Vice President Johnson and passed unanimously, the Board adjourned at 1:36 p.m.

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Recording Secretary


Secretary-Treasurer