

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

MONDAY, NOVEMBER 21, 2011

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

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

Members Absent: Bill Johnson, David Sprowl

Staff: Jerry Chapman and Carolyn Bennett

Visitors: Mike Wynne, Wynne & Smith Law Firm
Jonathan Canon, Herald Democrat
Kristen Savant, Fulbright & Jaworski

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 Yeatts and passed unanimously.

III. * Consider and act upon approval of Minutes of October 17, 2011 Meeting

IV. * Consider and act upon approval of accrued liabilities for October 2011

V. Citizens to be Heard

No comments received.

VI. Wastewater Activities

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman 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. General Manager Chapman reported this item concerns a bond resolution for the City of Sherman, for the City's 2012 Capital Improvement Program, and includes water and wastewater activities. This bond series is a continuation of work undertaken for the City over the years. Mr. Chapman reviewed the activities to be undertaken using the bond funds with the Board. Bids will be taken December 15th for the bonds, with closing in January. Kristen Savant addressed the Board and the bond resolution before them, stating this resolution is a parameter resolution, for new bond money. This allows the pricing of the bonds to be placed with either Dr. Skelton or Mr. Chapman. With the market so volatile, this is a better way to address the bond sale. The delegation lasts for 180 days, allowing more time without having to come before the Board, should interest rates be undesirable at the allotted time to take bids. This bond series is being sold as a public offering; the resolution approves an official statement, which was prepared by Specialized Public Finance, the Authority's financial advisory firm. Disclosure counsel is involved in the issue, and will review the documents for clarity.

Board Member Kirley questioned what range would be expected for the interest rate. Mr. Chapman and Kristen Savant both agreed around 4.5% is the expected interest rate for these bonds. Dr. Skelton stated the bond series covers both water and wastewater activities.

Board Member Grantham motioned to authorize all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)", including the adoption of a resolution authorizing the issuance of such bonds and delegating certain matters to the General Manager. The motion was seconded by Board Member Kirley and passed unanimously.

Consider and act upon authorization to advertise for bids for "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)"

Mr. Chapman stated permission is always requested at the time of the bond sale to expedite the projects, when time to advertise for bids. Board Member Yeatts motioned to authorize the advertisement for bids for the Sherman 2012 bond issue. The motion was seconded by Board Member Kirley 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 2012 (City of Sherman 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 was completed under Item VI-A.

Consider and act upon authorization to advertise for bids for "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2012 (City of Sherman Project)"

Discussion and action was completed under Item VI-B.

Consider and act upon all matters incident and related to a financing agreement between the Texas Water Development Board and the Greater Texoma Utility Authority relating to the Gainesville Water System Improvements to be financed through the Water Infrastructure Fund.

Mr. Chapman stated this is a financing agreement requested by the Texas Water Development Board. These bonds are being issued on behalf of the City of Gainesville, through the Water Infrastructure Fund, which offers a very low interest rate. The Texas Water Development Board is requiring that the Authority sign a financing agreement, stating if for some reason the Authority does not close on the bonds, a 2.5 % fee will be charged to the Authority for not closing, and the Authority agrees to pay this fee. The TWDB insisted that the document be signed, if the bonds are desired to be utilized by the Authority on behalf of the City of Gainesville for their water projects. Barry Sullivan, City Manager for the City of Gainesville, provided a letter stating the City is ready to proceed with the project. In the event for some reason the bond series is not closed, the Authority does have a fund that could support the fees assessed by the TWDB.

Board Member Kirley motioned to approve a financing agreement between the TWDB and the Authority for the Gainesville Water System Improvements to be financed through the Water Infrastructure Fund. The motion was seconded by Board Member Yeatts and passed unanimously.

Consider and act upon authorization for the purchase of rehabilitation services from Fuquay, Inc. for repairs to the City of Sherman flocculation/sedimentation basins and pipeline at the water treatment plant. This project is in conjunction with the pump station and the raw water pipeline. The pump station was taken down and one more joint has to be replaced on the raw water line. The zebra mussel project, which involves inserting a cleaning device commonly called a "pig" in the line, and extracting the zebra mussels, remains to be completed. The projects are anticipated to be completed within a 60-day time period. The water treatment plant will go back into service when these projects are completed, and the renovations to the flocculation basins need to be taken while the water plant is down. Funds remain from prior bond issues that will be used for payment of these renovations. These services may be acquired through the Texas Cooperative Purchasing Program, from the "Buyboard." Purchasing under these terms meet the bidding requirements for the Authority as well as the City of Sherman.

Board Member Kirley motioned to authorize the purchase of rehabilitation services from Fuquay, Inc. for repairs to the City of Sherman flocculation/sedimentation basins and pipeline at the water treatment plant, the motion was seconded by Board Member Yeatts.

VIII. General Activities

*Receive Monthly Financials

Receive report regarding Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Mr. Chapman stated the Authority received another notice from the Government Finance Officers Association that the Authority's financial reports submitted for September 30, 2010 met requirements for excellence in reporting. President Skelton brought a statement in the letter to Mr. Chapman from the Government Finance Officers Association to the Board's attention, which reads "The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management."

Consider appointment of Nominating Committee for selection of officers for 2012 calendar year.

President Skelton appointed Duane Hayes, Mark Kuneman, and George Rowland to serve on a Nominating Committee and provide a report at the December 2011 meeting with a recommendation for a slate of officers for the 2012 calendar year.

Receive report from General Manager.

General Manager Chapman stated he met recently with Van Alstyne concerning the contract for services. The services required were outlined by Authority staff for the City staff's review. An application has been forwarded by a consultant to renew the permit for Van Alstyne's wastewater treatment plant. The City is working with the Texas Commission on Environmental Quality to use the funds for a Special Environmental Project. The City is suggesting a project at the wastewater treatment plant for removal of sludge be used for this project. This will allow the use of the funds for the fine to be utilized to bring the plant into compliance with TCEQ regulations.

Mr. Chapman reported NTGCD has their temporary rules in place, and their Management Plan will be adopted in January. A \$0.10 per gallon fee has been assessed by the NTGCD, to provide funds to run the district. One employee has been hired for field technician. Forty-seven golf courses were identified in the NTGCD area.

Red River GCD is working with Allen Plummer and Associates in setting up software for the registration of wells in the district. This district is cooperating with 10 districts in the Trinity Aquifer to deal with the over pumping of this aquifer.

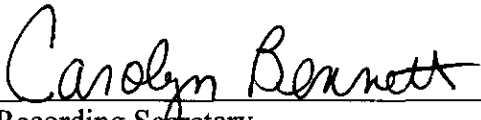
Renovation of the Lake Texoma pipeline is underway to eradicate the zebra mussels from the Lake Texoma raw water pipeline. Photos were taken showing the zebra mussels were distributed to the Board for review.

Financing was approved for wastewater treatment facilities in Krum. A public hearing is being held tonight to discuss the environmental information document associated with this project. The project is being constructed at the same site as the existing plant. The City of Denton is opposing the City of Krum's permit application. Denton currently treats approximately 326 homes in Krum, and was expecting to treat all of the City's waste.

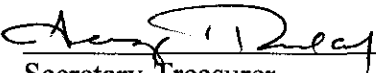
XI. Adjourn

Upon motion by President Skelton, seconded by Secretary/Treasurer Rowland and passed unanimously, the Board adjourned at 1:20PM.

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Recording Secretary



Secretary-Treasurer