

**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
MARCH 16, 2020**

**AGENDA
GREATER TEXOMA UTILITY AUTHORITY
BOARD OF DIRECTORS PUBLIC HEARING AND MEETING
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
12:30 P.M., MONDAY MARCH 16, 2020**

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 16th day of March, 2020, at 12:30 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered and acted upon, including the expenditure of funds:

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Consent Agenda
* Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- IV. * Consider and act upon approval of Minutes February 17, 2020 Meeting.
- V. * Consider and act upon approval of accrued liabilities for February 2020.
- VI. Citizens to be Heard.
- VII. Consider all matters incident and related to the approval and execution of a Water and Sewer Facilities Contract with the City of Kaufman, Texas, including the adoption of a resolution pertaining thereto.
- VIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Kaufman Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.
- IX. Consider and act upon authorization for the General Manager to advertise for bids for City of Kaufman Wastewater projects
- X. Consider and act upon Ector Change Order Number 3R to contract with Patterson Professional Services LLC for the City of Ector WWTP Disinfection Facilities Project
- XI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.

XII. Adjourn.

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Greater Texoma Utility Authority Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT VELMA STARKS AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

ATTACHMENT IV

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

MONDAY FEBRUARY 17, 2020

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

Members Present: Brad Morgan, Ken Brawley, Scott Blackerby, Donald Johnston, Matt Brown, and Mark Kuneman

Member Absent: Stanley Thomas and Anthony Richardson

Staff: Drew Satterwhite, Debi Atkins, Tasha Hamilton, Carolyn Bennett, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith

Visitors: Tom Pruitt, P.E., City of Sherman
Cooper Morgan
Reid Brown

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:30 p.m.

II. Pledge of Allegiance

Board President Brad Morgan led the group in the Pledge of Allegiance.

III. Administer Oath of Office.

Velma Starks administered the Oath of Office to reappointed Board Member, Matt Brown.

IV. Consent Agenda

Items marked with an asterisk () are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen request a specific item to be discussed and voted on separately.

V. * Consider and act upon approval of Minutes of January 22, 2020 Meeting.

VI. * Consider and act upon approval of accrued liabilities for January 2020.

VII. * Receive Monthly Financial Information.

Board Member Ken Brawley made a motion to approve the consent agenda items. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

VIII. Citizens to be Heard.

There were no citizens requesting to address the Board.

IX. Receive Quarterly Investment Report.

Debi Atkins, Finance Officer, reviewed the Quarterly Investment Report with the Board.

X. Consider and act upon Statements of Qualifications for Engineering Services for City of Sherman 20" Surface Water Distribution Line Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Sherman is considering using their own funds for this project; however, this item was placed on the agenda just in case DWSRF funding is to be used. One requirement for utilizing the DWSRF funding is that the engineering services be solicited utilizing the TWDB's Disadvantage Business Enterprise Program. The Authority staff has solicited the engineering services on behalf of the City of Sherman, following the requirements of this Program. Two (2) Statements of Qualifications ("SOQ") were received. SOQs were submitted by Freeman-Millican and Hayter Engineering. The City of Sherman has reviewed the SOQs and provided GTUA with a letter that they have selected Hayter Engineering to perform engineering services on this project. Board Member Donald Johnston made the motion to confirm the City's selection of Hayter Engineering for engineering services for City of Sherman Water Line Project. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XI. 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 the application for assistance; and making certain findings in connection therewith (Lake Kiowa SUD Projects).

General Manager Drew Satterwhite provided background information for the Board. Lake Kiowa SUD requested funding assistance in 2014 for five proposed phases of water system improvements. The phases included an elevated storage tank and the replacement of approximately 25,000 linear feet of aged asbestos-cement pipelines in their distribution system, and the replacement of approximately 16,000 linear feet of aged asbestos-cement pipelines in their distribution system. The construction of the most recent project concluded in 2019 and the Lake Kiowa SUD would like to proceed with acquiring funding for the next phase which will include the replacement of approximately 25,000 linear feet of aged asbestos-cement pipelines in their distribution system. Lake Kiowa SUD requested that the next bond issue be pursued from the Texas Water Development Board's ("TWDB") Drinking Water State Revolving Fund ("DWSRF") for engineering and construction of these waterlines for the next phase. This includes an application to the TWDB on behalf of the Lake Kiowa SUD for an amount not to exceed \$5,470,000 for the next phase of water system improvements. Board Member Matt Brown made the motion to authorize the General Manager to submit an application to the

TWDB on behalf of the Lake Kiowa SUD. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XII. Consider and Act upon Change Order No. 3 to the contract with Patterson Professional Services, LLC for the City of Ector Wastewater Treatment Plant Disinfection Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Ector requested assistance from GTUA to obtain funding through the Texas Water Development Board Clean Water State Revolving Fund for the disinfection upgrade required for the City's Wastewater Treatment Plant. In July of 2017, the Board of Directors authorized the issuance of bonds in the amount of \$550,000 through the TWDB's CWSRF for design and construction of these improvements. Patterson Professional Services, LLC was awarded the contract in the amount of \$314,075.50 in November, 2018 for the installation of a chlorine contact chamber, chlorine disinfection system which includes electrical and instrumentation. Also included in the project was the removal of the existing effluent measuring box and abandonment of the effluent pipe.

During the beginning of construction the contractor and City of Ector realized that the wet weather would prevent access to the facilities in the future. Change Order No. 1 included the addition of a gravel road to access the disinfection facility at a cost of \$5,000.00. Change Order No. 2 included changing handrail from steel to aluminum (\$2,500.00) and furnishing and installing flow meter (\$9,500.00) resulting in an increase of \$12,000.00 which resulted in a revised contract amount of \$331,075.50

Change Order No. 3 includes adding a 4' x 150' baffle (\$14,700), excavating a swale to divert runoff from flowing into their ponds (\$9,000) and to construct a sidewalk (\$6,500) around the chlorine contact chamber. to surround the pond outfall for a cost of \$14,700. The baffle is necessary due the City having issues with duck weed in their treatment plant that is infiltrating their chlorine contact chamber. The drainage diversion is necessary to reduce the amount of inflow into their treatment system. The City requested that a sidewalk be constructed around the chlorine contact chamber in order to make the site more workable. The sidewalk will require fill material to be brought in to raise the grade. Change Order No. 3 would result in an increase of \$30,200 resulting in a revised contract amount of \$361,275.50. Board Member Scott Blackerby made the motion to authorize the execution of Change Order No. 3 contingent upon the City of Ector taking similar action. Board Member Matt Brown seconded the motion. Motion passed unanimously.

XIII. Consider and act upon an agreement for Water Production Services with the Munson Point Property Owners Association.

General Manager Drew Satterwhite provided background information for the Board. Since 2016 GTUA has an agreement with Munson Point Property Owners Association to take weekly disinfectant residual tests. Recently, the Board President at MPPOA has contacted the Authority requesting that we take on a more expanded role which includes handling their monthly and yearly reporting to TCEQ. In addition, they have requested that we also assist with the billing of their customers. The Authority Staff has the time and resources to absorb the additional operation and administrative duties. Board Member Matt Brown made the motion to authorize

the execution of the agreement. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XIV. Consider and act upon authorizing the execution of a Potable Water Supply Contract with North Texas Municipal Water District.

General Manager Drew Satterwhite provided background information for the Board. The CGMA has purchased water from NTMWD for the last 10 years and had it delivered through the City of McKinney's distribution system. Now that the NTMWD line is in the area, the CGMA system will tie directly into NTMWD's transmission system and eliminate the pass-through charge from McKinney.

In October of 2017 the Board authorized the execution of a contract with Freeman-Millican Engineers for the design of the new point of delivery project in addition to studying the feasibility of a north feed on the system from the City of Sherman. In September 2019, the Board authorized award of contract for a construction project that will allow for the direct connection to the NTMWD system. The current contract between NTMWD and the Authority is void following the connection to their system, which necessitates the new contract. The new contract is NTMWD's standard customer contract that 11 of their 34 customers have already signed. Due to the NTMWD wanting contract consistency, there is little to no room for language adjustments on these contracts. Board Member Matt Brown made the motion to authorize the execution of the contract. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XV. Discussion and possible action on a resolution to join a coalition of non-member customer entities of North Texas Municipal Water District.

General Manager Drew Satterwhite provided background information for the Board. NTMWD currently has 34 customer entities in which they provide wholesale treated water. The City of Rowlett is leading an effort to form a coalition of customer entities to organize efforts to communicate with the NTMWD in regard to their contracts and rates. NTMWD currently has 13 member cities which appoint Board Members who govern the District. The Board discussed the issue in detail and decided that more information was needed. Board Member Ken Brawley made the motion to table the item and to get more information. Board Member Matt Brown seconded the motion. Motion passed unanimously to table the item.

XVI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority

General Manager Drew Satterwhite provided updates on general activities as well as future items that may be considered by the Board.

XXII. Adjourn

Board Member Mark Kuneman made the motion to adjourn. Board Member Ken Brawley seconded the motion. Motion passed unanimously. Board President Brad Morgan declared the meeting adjourned at 1:39 p.m.

#####

Recording Secretary

Secretary-Treasurer

ATTACHMENT V

RESOLUTION NO. _____

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY AUTHORIZING
PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF FEBRUARY**

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Herald Democrat (Annual Subscription)	197.60		
<u>Fuel and Reimbursements for Mileage</u>			
Velma Starks (Reimbursement for mileage)	20.19		
Conoco (Fuel - operations vehicles, Jan & Feb)	500.36		
ExxonMobil (Fuel - operations vehicles)	80.80		
Drew Satterwhite (Fuel)	71.00		
Shell Fleet (Fuel - operations vehicles)	62.19		
Valero (Fuel - operations vehicles)	507.09		
<u>Insurance</u>			
Drew Satterwhite (2017 Ford F150)	81.77		
TWCA Risk Management (Workers' compensation insurance)	692.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,260.13		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting, Southmayd Sale of Water Rights)	357.50		
<u>Maintenance Agreements</u>			
Nova Tech (Konica-Minolta copier)	531.55		
<u>Meetings and Conferences</u>			
Bank of Texas Visa (BOD Lunches, Dickeys January meeting)	290.00		
Feast on This (BOD Lunches)	235.00		
<u>Miscellaneous</u>			
Valley View Consulting (Investing fees)	10,967.10		
<u>Postage</u>			
Velma Starks (BOD Packets)	41.28		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
Gonzalez Landscape (Lawn Care for Oct-Nov 2019)	204.16		
Gonzalez Landscape (Lawn Care)	204.16		
Hankins, Eastup, Deaton, Tonn, Seay PLLC (Audit for FY 2018-2019)	36,200.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (Upgraded NS computer. Installed McAfee virus protection)	541.45		
Diamond Computers (Removed Trojan / spyware on DT comp. Installed McAfee.)	255.00		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Bank of Texas Visa (Vehicle registration for DS)	71.00		
Whistlestop Car Spa & Lube (Oil changes and truck wash 2 trucks)	135.13		

<u>Supplies</u>	CURRENT	PRIOR MONTH	PRIOR YEAR
Bank of Texas Visa (General Office Supplies)	93.58		
Office Depot (General Office Supplies)	1,058.33		
Home Depot Pro (Janitorial Supplies)	133.05		
Exxon/Mobil (Field supplies - ice)	4.30		
USA Bluebook (Field Supplies)	884.49		
Valero (Field Supplies - ice)	8.60		
<u>Utilities</u>			
Alan Moore (Reimbursement for cell phone expenses)	25.00		
Wayne Eller (Reimbursement for cell phone expenses)	25.00		
Dave Tomlinson (Reimbursement for cell phone expenses)	25.00		
Drew Satterwhite (Reimbursement for cell phone expense)	25.00		
Sparklight (Internet)	129.44		
AT & T Wireless (cell phone)	77.55		
City of Denison (Water)	180.50		
City of Sherman (Trash services)	122.00		
8x8, Inc.(phone lines - local & long distance)	189.99		
TXU Electric	462.61		
ATMOS Energy	202.61		
TOTAL:	<u>58,540.91</u>	<u>\$ 14,078.73</u>	<u>\$ 56,415.71</u>
SOLID WASTE:			
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Whistlestop Car Spa & Lube (Oil change for truck)	41.48		
<u>Supplies</u>			
Matheson Tri Gas (Nitrogen bottle)	17.00		
Northern Tool (Hand transfer pump)	99.98		
<u>Utilities</u>			
Grayson-Collin Electric	141.59		
Starr Water Supply	60.30		
TOTAL:	<u>360.35</u>	<u>\$ 704.51</u>	<u>\$ 226.81</u>
WASTEWATER:			
<u>Advertising</u>			
Star Local Media (Sherman 2020 - Public notice for Storm Water improvements)	1,702.00		
<u>Bond Issuance</u>			
Bank of Texas Trust (Sherman 2020 - TWDB L1001059 Escrow)	850.00		
Bank of Texas Trust (Sherman 2020 - Semi annual agent fees for 2/26/20-9/30/20 GTUASHERM20)	350.00		
Norton Rose Fulbright (Sherman 2020 - Legal Fees for bond issuance)	96,975.00		
Specialized Public Finance (Sherman 2020 - Financial Advisory, CUSIP Fees)	54,481.25		
<u>Construction Contracts</u>			
First Choice (Whitewright 2019 - Echols Lane Sewer Project.)	450.00		
Patterson Professional (Ector 2017 - WWTP Disinfection improvements Pay App #8)	52,751.28		
Patterson Professional (Gunter 2018 - WWTP Replacement project. Pay App #12)	29,877.50		
<u>Engineering Fees</u>			
Plummer (Pottsboro 2019 - WWTP Phase II. Permitting, Geotech, and Surveying)	662.68		
Plummer (Pottsboro 2019 - WWTP Phase II Detailed Design through 12/27/19.)	61,667.66		

Paying Agent Fees

	CURRENT	PRIOR MONTH	PRIOR YEAR
Bank of Texas Trust (Sherman 13 - Semi annual agent fees 4/1/20 GTUACRBS2013)	300.00		
Bank of Texas Trust (Sherman 13A - Semi annual agent fees 4/1/20 GTUACRB2013A)	300.00		
Bank of Texas Trust (Sherman 14 - Semi annual agent fees 4/1/20 GRETXOM14CIB)	300.00		
Bank of Texas Trust (Sherman 15A - Semi annual agent fees 4/1/20 GTUASHERM15A)	300.00		

Postage

Federal Express (Sherman 2020 - Legal docs sent to Kristen Savant of Norton Rose Fulbright)	22.74
Velma Starks (Sherman 2020 - Fed Ex Documents)	3.57

TOTAL: 300,993.68 \$ 231,617.37 \$ 118,182.31

WATER:

Construction Costs

Associated Construction (Princeton 2018 - Forest Grove Pump St. Pay App #4)	390,036.75
Furgo USA Land Inc. (Princeton 18 - Forest Grove Pump Station Inspection fees)	523.00
MWH (Sherman 2017 - Lake Texoma WTP Expansion. Final. Pay App #31)	1,230,589.40
THI Water Well (Gunter 2018 - Water System improvements project. Pay App # 2)	469,037.45
Western Municipal (Bearcreek 2019 - 16"x12" water line project. Pay App #1)	368,632.58
Western Municipal (Bearcreek 2019 - 16"x12" water line project. Pay App #2)	124,854.74

Engineering Fees

City of Princeton(Princeton 18 - reimbursement engineering fees Forest Grove Pump station)	2,602.88
Freeman-Millican (Gunter 18 - Water System Improvements. Services through July 2019)	15,660.00
Freeman-Millican (Gunter 18 - Water System Improvements. Services through Dec. 2019)	1,745.00

Groundwater

8x8, Inc. (NTGCD - 800 line, local & long distance)	190.00
8x8, Inc. (RRGCD - 800 line, local & long distance)	190.00
AT & T Mobility (NTGCD - W. Parkman - cell phone)	71.54
Allen Burks (RRGCD - cell phone reimbursement)	25.00
Bank of Texas Visa (NTGCD - Prairie House, Checks, GoDaddy renewal)	483.27
ESRI (NTGCD - Basic Desk Top version ArcGIS)	200.00
ESRI (RRGCD - Basic Desk Top version ArcGIS)	200.00
Exxon/Mobil (NTGCD - Fuel, W. Parkman)	41.42
Lowe's (NTGCD - misc. fittings/parts for well monitoring)	81.47
Lowe's (RRGCD - misc. fittings/parts for well monitoring)	20.86
Paul Sigle (NTGCD - cell phone & well injection monitoring parts reimbursement)	60.89
Paul Sigle (RRGCD - cell phone & well injection monitoring parts reimbursement)	60.89
Shell Fleet (NTGCD - Fuel, W. Parkman)	30.35
Shell Fleet (RRGCD - Fuel, A. Burks)	55.45
Valero (NTGCD - Fuel, W. Parkman)	40.43
Velma Starks (NTGCD - mileage reimbursement)	8.28
Velma Starks (RRGCD - mileage reimbursement)	23.24

Miscellaneous

Gonzalez Landscape (Sherman 2012 Ref - Pump Station, Corp Prop.-mowing for Oct-Nov 2019)	333.36
Gonzalez Landscape (Sherman 2012 Ref - Pump Station, Corp Property - mowing)	333.36

Paying Agent Fees

Bank of Texas Trust (Sherman 2011 - Semi annual agent fees 4/1/20 GTUACRBS2011)	300.00
Bank of Texas Trust (Sherman 2012 - Semi annual agent fees 4/1/20 GTUACRBCSP12)	300.00
Bank of Texas Trust (Sherman 2012 REF - Semi annual agent fees 4/1/20 GTUACITBS12A)	300.00
Bank of Texas Trust (Sherman 2015 - Semi annual agent fees 4/1/20 GTUASHERM15)	300.00
Bank of Texas Trust (Sherman 2015B - Semi annual agent fees 4/1/20 GTUASHERM15B)	300.00
Bank of Texas Trust (Sherman 2017 - Semi annual agent fees 4/1/20 GTUASHERM17)	300.00
Bank of Texas Trust (Sherman 2017A - Semi annual agent fees 4/1/20 GTUASHERM17A)	300.00
Bank of Texas Trust (Sherman 2019 Ref - Semi annual agent fees 4/1/20 GTUASHERM19)	300.00
Bank of Texas Trust (Princeton 2018 - Semi annual agent fees 3/1/20 GTUAPRINCE18)	300.00
Bank of Texas Trust (Princeton 2019 - Semi annual agent fees 3/1/20 GTUAPRINCE19)	300.00

Postage

Velma Starks (CGMA - Certified Letter)

CURRENT	PRIOR MONTH	PRIOR YEAR
3.74		

CGMA Repair & Maintenance

Bank of Texas Visa (CGMA - Plastic Mart 250 gal spill containment tray)	362.50
City of Denison Lab (CGMA - Water Tests for water lines)	42.00
Gonzalez Landscape (CGMA - Howe Tank Site, Oct-Nov 2019)	141.66
Gonzalez Landscape (CGMA - Howe Tank Site)	141.66
Industrial Networking Solutions (Annual renewal of Cradlepoint)	77.94
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83
Lowe's (CGMA - misc. parts for Bloomdale Pump Station repairs)	109.48
National Wholesale Supply (CGMA - Misc. parts for minor repairs)	196.08
USA Bluebook (CGMA- Warm weather sampling station 2 each)	1,160.00
USA Bluebook (CGMA- Misc. parts - adaptors, shut off valve, pvc bulkhead fittings gaskets etc.)	371.42
UA Underwater Services (CGMA - Leak Detection and repair for Bloomdale & Howe tanks)	10,820.00

CGMA Utilities

AT & T Mobility (CGMA emergency back up lines)	112.46
AT & T U-Verse (Bloomdale Pump Station)	94.00
City of McKinney (Pass Through Charges)	21,731.55
North Texas Municipal Water District (Water Usage)	200,698.00
TXU Energy (Bloomdale Pump Station)	8,113.84

TOTAL:	<u>2,853,688.77</u>	<u>\$ 1,115,297.06</u>	<u>\$ 1,270,969.47</u>
---------------	---------------------	------------------------	------------------------

GRAND TOTAL:	<u>3,213,583.71</u>	<u>\$ 1,361,697.67</u>	<u>\$ 1,445,794.30</u>
---------------------	---------------------	------------------------	------------------------

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and

seconded by _____, the foregoing

Resolution was passed and approved on this, the _____ day of _____, _____ by the following vote:

AYE:
NAY:

At a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT VII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 3, 2020

SUBJECT: AGENDA ITEM NO. VII

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE APPROVAL AND EXECUTION OF A WATER AND SEWER FACILITIES CONTRACT WITH THE CITY OF KAUFMAN, TEXAS, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO

ISSUE

Consider all matters incident and related to the approval and execution of a water and sewer facilities contract with the City of Kaufman, Texas including the adoption of a resolution pertaining thereto.

BACKGROUND

City of Kaufman staff contacted the Authority staff, requesting financial assistance for improvements to the City's wastewater treatment plant ("WWTP"). On February 28, 2019, Drew Satterwhite attended a City Council Retreat to discuss the process of utilizing GTUA to access and administer Texas Water Development Board ("TWDB") funding. Following this presentation, the City has requested that the Authority proceed with the pursuit of TWDB Clean Water State Revolving Fund ("CWSRF") money to fund improvements at their WWTP. This project is necessary to replace equipment that has reached the end of its useful life. Rehabilitation of WWTP to include headworks improvements, clarifier, filters, disinfection, stormwater holding basin improvements, plant lift station mixer and abandonment of old lift station. In addition, new sludge equipment is being provided to allow for increased efficiency during normal operations and to allow for emergency operations in the event of sludge equipment failure.

In order to proceed with a debt issuance on the City of Kaufman's behalf, this contract must be executed.

CONSIDERATIONS

This contract was developed by the Authority's bond counsel, Norton Rose Fulbright. The contract establishes the relationship between the Authority and the City of Kaufman that will ultimately enable the Authority to issue debt on their behalf. These contracts have slowly evolved over the past decades, and remain very similar to the early contracts.

This contract will be considered by the Kaufman City Council prior to their consideration of the bond ordinance at the City's March 30, 2020 Council meeting.

STAFF RECOMMENDATIONS

Staff recommends the Board's approval of the resolution authorizing the execution of a Water and Sewer Facilities Contract with the City of Kaufman.

ATTACHMENTS

Water and Sewer Facilities Contract



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

WATER AND SEWER FACILITIES CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF KAUFMAN §

THIS CONTRACT (the or this "Contract") is made and entered into as of _____, 2020, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic and corporate, duly created, existing, and acting by virtue of Chapter 8283 of the Texas Special District Local Laws Code, as amended, (the "Act"), and the CITY OF KAUFMAN, TEXAS, a home rule municipality and a political subdivision of the State of Texas in the County of Kaufman, Texas (hereinafter referred to as the "City"), duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority, acting pursuant to the Act, has issued or proposes to issue, or both, its bonds for the purposes of providing (i) certain sewer collection and treatment facilities for use by the City, (ii) an additional supply of water to the City, and/or (iii) certain water supply facilities in order to store and transport water to the City;

WHEREAS, certain revenues to be received by the Authority from the City under this Contract are to be pledged to the payment and security of the bonds issued or to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities and issuing such bonds; and

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies pursuant to authority granted by Texas Government Code, Section 791.026, as amended, have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01: Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Contract and any contract amendatory or supplemental to this Contract shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may

be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.

(d) "Bonds" shall mean any bonds payable from revenues to be received by the Authority from the City under this Contract and to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project or to refund currently outstanding bonds previously issued by the Authority payable from the revenues to be received by the Authority under this Contract, whether in one or more series or issues.

(e) "City" shall mean the City of Kaufman, Texas.

(f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension, and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest, and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension, or repair of the Project and all legal fees, printing and other cost, fees, and expenses necessary for or incident to the issuance of the Bonds.

(g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a different firm on different aspects of the Project and that any Project will be acquired, constructed, improved, enlarged, extended, and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.

(h) "Fiscal Year" shall mean the twelve month operating period (under this Contract) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).

(i) "Force Majeure" shall have the meaning assigned to such term in Section 4.13 hereto.

(j) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project, including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.

(k) "Operator" shall mean the party to the Contract who is designated, from time to time, by the parties with respect to each Project and, in the absence of such designation, shall mean the City.

(l) "Project" shall mean, collectively, the Water Project and the Sewer Project.

(m) "Sewer Project" shall mean, collectively, the sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Contract, or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each ordinance or resolution of the City, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

(n) "State" shall mean the State of Texas.

(o) "Utility System" shall have the meaning assigned to such term in Section 2.01(c) hereto.

(p) "Water Project" shall mean, collectively, the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Contract or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each ordinance or resolution of the City, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

ARTICLE II REPRESENTATIONS AND AGREEMENTS

SECTION 2.01: The City's Representations and Agreements. In connection with its undertakings hereunder, the City represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly incorporated city of the State, it is empowered under applicable laws of Texas to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the services supplied by the Project.

(c) It will plan, construct, maintain, operate, and finance its own utility system and set retail rates to individual customers for water and sewer service adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sewer System (the "Utility System").

(d) It will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the City and agrees with the City as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XVI, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Act, the Interlocal Cooperation Act, and the Texas Water Code, to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will finance all Costs of the Project not provided by the City and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such contracts as are necessary to construct the Project. To this end, the Authority and the City agree that:

(a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.

(b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.

(c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.

(d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the City.

(e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use the money in such Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging, and repairing the Project.

(f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements, and interest required to provide the Project, subject to the approval of the City and the Authority.

ARTICLE III FISCAL MATTERS

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received, for the purpose of providing all or part of the Project; provided, however, proceeds from Bonds issued for refunding purposes may be used as provided in such Bond Resolution(s) authorizing such refunding Bonds. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the City's obligations to make any and all payments specified in this Article and the ownership interest of the Authority in the Project will terminate when all of the Authority's Bonds issued in connection with the Project have been paid

in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this Contract, and the City agrees that it will make to the Authority the following payments:

(a) Monthly amortization payment — Such amounts, payable monthly on or before the 20th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

(b) Reserve Fund Payment — Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution(s) in order to establish, maintain or replenish the Reserve Fund for the security and payment of Bonds.

(c) Administrative Payment — An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports and the costs of all continuing disclosure undertakings.

(d) Extraordinary Expense Payment — Such amounts as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between the City and the Authority.

(e) Maintenance and Operation Costs — Such amounts as are necessary to pay or reimburse the Authority for costs of Maintenance and Operation of the Project (for which provision is made in Section 3.03), if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The City agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments — the City shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which moneys are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract and shall be adjusted by the City so as to provide for the accumulation of the full amount of debt service requirements (principal, interest, and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

(b) Reserve Fund Payment — the City shall commence making these payments on the 10th day of the following month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds issued to provide the Project, and upon the issuance of additional

Bonds, shall increase the payments in accordance with the Bond Resolution(s) authorizing such additional Bonds.

(c) Administrative Payment — the City shall commence making the administrative payment on the 10th day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 10th day of each month thereafter throughout the term of this Contract.

(d) Extraordinary Expense Payment — the City shall make any extraordinary expense payment immediately upon receipt of the statement therefor.

(e) Maintenance and Operating Expenses — (i) if the City is designated as the Operator, such expenses shall be paid by the City as the same become due; or (ii) if the Authority is designated as the Operator, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 10th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or, thereafter prior to the beginning of each Fiscal Year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the Fiscal Year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this Section, the City agrees, to the extent allowed by law, to indemnify and to save and hold harmless the Authority from any and all, exclusive of costs caused by or associated with the Authority's negligence, claims, damages, losses, costs, and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation, and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amounts which would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damages or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a Maintenance and Operation Expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The City covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unusable by reason of Force Majeure. The City recognizes the fact that the Authority will use the payment received from the City hereunder to

pay, secure, and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely upon the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the City.

SECTION 3.06: Late Payment Penalty. Should the City fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - City to Fix Adequate Rates.

(a) The City represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the City's Utility System.

(b) The City further agrees to fix and collect such rates and charges for water and sewer services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its Utility System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.08: Nature of Obligation of City. The payments required to be made by the City under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the City shall be and are separate and independent covenants and the City shall have no rights of set off, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the City out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the City pursuant to this Contract are to be collected from the sources referenced herein, and from no other source.

ARTICLE IV
MISCELLANEOUS PROVISIONS

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the effective date of this Contract and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The City and Authority agree and mutually find that the anticipated useful life of a Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued to fund such Project.

SECTION 4.03: Abandonment of Use of Project. Except as provided by this Contract, the City may not obtain services provided for in this Contract from a source other than a contracting party. It is specifically recognized by the parties hereto that the City, during the term of this Contract, may acquire other facilities so as to make the continued operation of the Project

uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the City choose to discontinue the operation of all or part of the Project, the City shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the City, and any money realized from such salvage will serve as a reduction of such expense. The City shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the City to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the City of the same nature as provided for by this Contract.

SECTION 4.04: Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of the Authority and the City. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all moneys required to be paid by the City under the terms of this Contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the City may desire the construction of additional facilities over and above those now contemplated, and provided the same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the City and the Authority.

SECTION 4.05: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this Contract shall be in the City.

SECTION 4.08: Notices. Any notice, request, demand, statement or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: President, Board of Directors

To the City: 209 S. Washington
Kaufman, Texas 75142
Attention: Mayor

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the City hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the City has heretofore issued, sold and delivered revenue bonds that were and are payable from and secured by a lien on and pledge of the surplus net revenues of its Utility System, and to the extent such bonds so issued and delivered are outstanding, the City has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the City represents to the Authority that:

- (a) There is no provision in any ordinance of the City which prohibits the City from entering into and executing this Contract.
- (b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of contract by and between the City and any other person. The Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this Contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the benefit of the City; that the Operator without hindrance from the Authority or the City, or the employees or

other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure.

(a) If for any reason of Force Majeure either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied upon, the obligation of the party giving such notice, so far as it is affected by such Force Majeure shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the City to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for Force Majeure shall relieve the City from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as possible after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Contract, and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Contract. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. The City agrees that the Authority may have such easements over any easements, right-of-way, or property held by the City so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the City.

(a) Prior to the issuance and delivery of any Bonds which are (i) payable as to principal, interest, or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this Section.

(b) If the Bonds are to be sold at a public sale, the governing body of the City shall, by resolution or ordinance, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and (ii) the facilities to be constructed or acquired; or, if the Bonds are to be negotiated, or are refunding Bonds, the governing body of the City shall, by resolution or ordinance approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the Bonds.

(c) If the Bonds are to be exchanged for property or services or are to be privately placed, the governing body of the City shall, by resolution or ordinance, approve (i) the form of the resolution adopted or to be adopted by the governing body of the Authority which authorizes the issuance of such Bonds; and (ii) the facilities to be constructed or acquired, or the services to be provided.

(d) The City and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining to enforcement of this Contract.

SECTION 4.16: Severability. The parties hereto agree that if any of the provisions of this Contract contravene or are held to be invalid under the laws of the State, the same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

CITY OF KAUFMAN, TEXAS

(City Seal)

By: _____
Mayor

ATTEST:

City Secretary

ATTACHMENT VIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 3, 2020

SUBJECT: AGENDA ITEM NO. VIII

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2020 (CITY OF KAUFMAN PROJECT)", INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY THE AUTHORITY.

Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Kaufman Project)".

BACKGROUND

City of Kaufman staff contacted the Authority staff, requesting financial assistance for improvements to the City's wastewater treatment plant ("WWTP"). On February 28, 2019, Drew Satterwhite attended a City Council Retreat to discuss the process of utilizing GTUA to access and administer Texas Water Development Board ("TWDB") funding. Following this presentation, the City has requested that the Authority proceed with the pursuit of TWDB Clean Water State Revolving Fund ("CWSRF") money to fund improvements at their WWTP. This project is necessary to replace equipment that has reached the end of its useful life. Rehabilitation of WWTP to include headworks improvements, clarifier, filters, disinfection, stormwater holding basin improvements, plant lift station mixer and abandonment of old lift station. In addition, new sludge equipment is being provided to allow for increased efficiency during normal operations and to allow for emergency operations in the event of sludge equipment failure.

The TWDB CWSRF program offers below market interest rates, with substantial savings over the life of the bonds. As always, several alternative funding sources were considered, and it was determined that the CWSRF would be at a substantially lower cost to the City over the life of the loan.

CONSIDERATIONS

The Bond Resolution would authorize the issuance of \$2,710,000 through the TWDB's CWSRF program. The CWSRF program offers an interest rate subsidy of 1.65% which results in a net interest cost of 0.23% for a 30-year term. The TWDB estimates that Kaufman could save approximately \$678,000 over the life of the loan by using the CWSRF.

The City of Kaufman will consider an ordinance confirming this bond resolution at their March 30, 2020 meeting.

STAFF RECOMMENDATIONS

Staff recommends the Board's approval of the bond resolution for the Kaufman WWTP Project, contingent upon the City Council's approval at their March 30, 2020 Council meeting.

ATTACHMENTS

The resolution will be available on the Authority website for review.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

ATTACHMENT IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 10, 2020

SUBJECT: AGENDA ITEM NO. IX

**CONSIDER AND ACT UPON AUTHORIZATION FOR THE GENERAL MANAGER TO ADVERTISE FOR BIDS FOR CITY
OF KAUFMAN WASTEWATER PROJECTS**

ISSUE

Authorization for General Manager to advertise for bids for projects funded by the GTUA/City of Kaufman Bond Series 2020.

BACKGROUND

The previous agenda item discussed funding for the Kaufman Wastewater projects funded by this bond issue.

OPTIONS/ALTERNATIVES

In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete.

CONSIDERATIONS

Authorizing the General Manager to advertise as soon as plans and specifications are complete will improve the efficiency of the process to complete the project.

STAFF RECOMMENDATIONS

The staff recommends that the Board approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/City of Kaufman Bonds.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

ATTACHMENT X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 3, 2020

SUBJECT: AGENDA ITEM NO. X

CONSIDER AND ACT UPON CHANGE ORDER NO. 3R TO THE CONTRACT WITH PATTERSON PROFESSIONAL SERVICES, LLC FOR CITY OF ECTOR WASTEWATER TREATMENT PLANT DISINFECTION PROJECT

ISSUE

Consider and act upon Change Order No. 3R to the contract with Patterson Professional Services, LLC for the City of Ector Wastewater Treatment Plant Disinfection Project.

BACKGROUND

The City of Ector staff approached the Authority staff with a request for funding through the Texas Water Development Board ("TWDB") Clean Water State Revolving Fund ("CWSRF") for the disinfection upgrade required for the City's Wastewater Treatment Plant ("WWTP"). The City of Ector has had difficulty during rainfall events keeping their discharges within the Texas Commission on Environmental Quality's permitted *E.coli* parameters. Therefore, the engineer determined that a disinfection system is necessary for the City to comply with effluent parameters at the wastewater treatment plant.

In July of 2017, the Board of Directors authorized the issuance of bonds in the amount of \$550,000 through the TWDB's CWSRF for design and construction of these improvements.

The scope of the project includes the installation of a chlorine contact chamber, chlorine disinfection system which includes electrical and instrumentation. Also included in the project is the removal of the existing effluent measuring box and abandonment of the effluent pipe.

In November, the Board authorized award of contract to Patterson Professional Services, LLC in the amount of \$314,075.50 at their November 19, 2018 meeting. During the initial phases of construction, the wet weather the region was experiencing helped identify a need for the contractor to construct an all-weather access road to the chlorine facilities. The chlorine facilities are located near the back of the WWTP site will continue to be difficult to access not only for the contractor during construction, but for the City after they take the facilities over and are accepting chlorine deliveries by truck. Due to these circumstances, we requested the engineer put together a drawing and specification for the road to get a price from the contractor. Change Order No. 1 included the addition of a gravel road to access the disinfection facility at a cost of \$5,000.00

Change Order No. 2 included changing handrail from steel to aluminum (\$2,500.00) and furnishing and installing flow meter (\$9,500.00). The handrail material change is due to a City preference as the aluminum handrail is corrosion resistant providing a safer and longer lasting solution. The flow meter change is due to the City wanting to flow-pace (or automate) their chlorination system which will dose chlorine automatically at a rate dependent on flow. Change Order No. 2 resulted in an increase of \$12,000.00 resulting in a revised contract amount of \$331,075.50

Change Order No. 3 included adding a 4' x 150' baffle (\$14,700), excavating a swale to divert runoff from flowing into their ponds (\$9,000) and to construct a sidewalk (\$6,500) around the chlorine contact chamber. The baffle is necessary due the City having issues with duck weed in their treatment plant that is infiltrating their chlorine contact chamber. The drainage diversion is necessary to reduce the amount of inflow into their treatment



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

system. The City requested that a sidewalk be constructed around the chlorine contact chamber in order to make the site more workable. The sidewalk will require fill material to be brought in to raise the grade. Change Order No. 3 would have resulted in an increase of \$30,200 resulting in a revised contract amount of \$361,275.50. This change order was approved by the Board at the February meeting.

After the Board's approval was obtained, the Accounting Department began the process of forwarding the change order to the Texas Water Development Board for their approval. During this approval process, it was discovered that the budget had not been changed for Change Order No. 2. With the budget change for Change Order No. 2, there were insufficient funds for Change Order 3 as approved in February. The Authority staff discussed the situation with the City of Ector staff and engineer. As a result of these discussions, it was determined that the sidewalk could be cut from Change Order No. 3.

Change Order No. 3R contains the baffle at \$14,700 and swale excavation at \$9,000, for a total increase of \$23,700, resulting in a revised contract amount of \$354,775.50.

CONSIDERATIONS

Sufficient funds remain in the contingencies line item to fund the proposed Change Order No. 3R. The City of Ector has already approved Change Order 3R at their February Council meeting.

STAFF RECOMMENDATIONS

Staff recommends authorizing the execution of Change Order No. 3R to the contract with Patterson Professional Services, LLC for an increase of \$23,700 resulting in a revised contract amount of \$354,775.50. The City Council of Ector approved this change order at their February 2020 Council meeting.

ATTACHED

Change Order No. 3R

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

CHANGE ORDER

No. 3R

PROJECT: City of Ector - Wastewater Treatment Plant Disinfection

DATE OF ISSUANCE _____

EFFECTIVE DATE _____

OWNER Greater Texoma Utility Authority - City of Ector

OWNER's Contract No. _____

CONTRACTOR Patterson Professional Services, LLC

ENGINEER CobbFendley & Associates, Inc.

You are directed to make the following changes in the Contract Documents.

Description: Grade a diversion swale
 Install dividing fence

Reason for Change Order: Grade swale to divert stormwater runoff around treatment ponds
Install dividing fence to suppress duckweed

Attachments: (List documents supporting change). Description of each item follows.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES:
Original Contract Price \$ 314,075.50	Original Contract Times Substantial Completion: <u>180</u> Calendar Days Ready for Final Payment: <u>200</u> days or dates
Net changes from previous Change Orders No. <u>0</u> to No. <u>2</u> \$17,000.00	Net change from previous Change Orders No. <u>0</u> to No. <u>2</u> <u>10</u> Days
Contract Price prior to this Change Order \$ 331,075.50	Contract times prior to this Change Order Substantial Completion: <u>190</u> Calendar Days Ready for Final Payment: <u>210</u> days or dates
Net Increase of this Change Order Grade swale: \$ 9,000.00 Dividing Fence: \$14,700.00 Total \$ 23,700.00	Net Increase (decrease) of this Change Order <u>30</u> Days
Contract Price with all approved Change Orders \$ 354,775.50	Contract Times with all approved Change Orders Substantial Completion: Ready for Final Payment: <u>240 calendar days</u>

RECOMMENDED:

APPROVED:

ACCEPTED:

By: *Scott Magnus*
 Engineer (Authorized Signature)

By: _____
 Owner (Authorized Signature)

By: _____
 Contractor (Authorized Signature)

Date: 2.18.2020

Date: _____

Date: _____

Drainage Swale shall consist of:

Grading work on the north end of the WWTP, sufficient to capture and divert stormwater runoff around the WWTP ponds, toward the Caney Creek tributary.

Dividing Fence shall consist of:

Stretch a stainless-steel cable 6 to 10 ft out from the outlet structures at the final pond.

Suspend from the cable a 4 ft x 150 ft Ultraviolet resistant tarp buoyed by 2" capped PVC pipe sections totaling 100 ft of the 150 ft total.

The bottom of the tarp shall be held down with 50 ft of 2" PVC pipe sections, capped and filled with sand.

The total distance between anchors is 160 ft; the total length of tarp is 150 ft.

ADJOURN