

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

MONDAY AUGUST 19, 2019

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

Members Present: Brad Morgan, Ken Brawley, Scott Blackerby, Donald Johnston, Stanley Thomas, Anthony Richardson, and Mark Kuneman

Members Absent: Matt Brown (arrived at 1:30 p.m.)

Staff: Drew Satterwhite, Debi Atkins, Tasha Hamilton, Nichole Sims, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith
Kristen Savant, Norton Rose Fulbright

Visitors: David Howerton, Alan Plummer Associates
Richard Todd, Herald Democrat

I. Call to Order

Board President 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. 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.

IV. * Consider and act upon approval of Minutes of July 15, 2019 Meeting.

V. * Consider and act upon approval of accrued liabilities for July 2019.

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

VI. Citizens to be Heard.

There were no citizens requesting to address the Board.

VII. Receive Quarterly Investment Report.

Debi Atkins, Finance Officer, provided a review of the Quarterly Investment Report. A brief discussion was held. Debi Atkins informed the Board that the bank has lowered the fees in response to a Board request that the bank be asked to waive banking fees.

VIII. Consider and act upon an Engagement Letter for independent audit services for FY 2018-2019.

General Manager Drew Satterwhite provided background information for the Board. In 2017 the Board authorized Hankins, Eastup, Deaton, Tonn and Seay to be awarded the audit services agreement, if they agreed not to increase rates more than 2% each year. Hankins, Eastup, Deaton, Tonn and Seay agreed to hold the increase to 2% per year. The Audit Proposals were for a 5-year term and the price proposed for this upcoming Audit is \$36,200 which is 1.97% increase from last year. The Authority staff is familiar with the Hankins, Eastup, Deaton, Tonn & Seay staff, and feels their audit services are satisfactory. This is their 3rd year. The Authority is required by its enabling legislation and the bond holders of securities issued by the Authority to provide an annual independent audit of its operations. The Board had a brief discussion. A concern regarding the language was expressed. It was suggested that the language in the letter be verified as being similar to the language used in the prior year. Board Member Donald Johnston made the motion that the Board authorize the engagement letter with Hankins, Eastup, Deaton, Tonn & Seay to perform the Authority's audit contingent upon the verification of the language being similar language used in previous letters. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

IX. Consider and act upon award of contract for City of Gunter Water System Improvements Project B - Water Well.

General Manager Drew Satterwhite provided background information for the Board. The Authority, on behalf of the City of Gunter, was approved for funding from the Texas Water Development Board's ("TWDB") Drinking Water State Revolving Fund ("DWSRF") for a loan in the amount of \$3,415,000. The DWSRF offers a 1.35% interest rate subsidy which brought the interest rate on this 30 year bond series to 2.45%. The TWDB estimates that by utilizing this program, the City of Gunter could save approximately \$762,000 over the loan. The City currently has two wells in their system with one being substantially larger than the other. The City needs to have another well in their system to provide redundancy if/when the large well goes down, which has happened twice since the City approached the authority for funding. The City is also less than 60 homes away from meeting the Texas Commission on Environmental Quality's ("TCEQ") 0.6 gallons per minute of source water per connection rule.

The project is being separated into two projects with Project A including: (1) a 250,000-gallon ground storage tank; (2) pump station; (3) disinfection facilities; (4) generator; (5) SCADA; (6) water line from the pump station to J.C. Maples Road; and (7) appurtenances. Project B includes a new water well and appurtenances. One (1) contractor submitted a bid for Project B – Water Well. The low bidder was Hall Resources, LLC dba THI Water Well of Bowie, Texas in the Base Bid amount of \$1,156,189.00 and a construction time of 180 calendar days. The City of Gunter Council approved the Authority to award contract at their June 20, 2019 meeting. It was

