

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

MONDAY DECEMBER 17, 2018

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

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| Members Present: | Ken Brawley, Brad Morgan, Stanley Thomas, Scott Blackerby, Donald Johnston, Matt Brown, and Anthony Richardson |
| Members Absent: | Mark Kuneman |
| Staff: | Drew Satterwhite, Carolyn Bennett, Tasha Hamilton, and Velma Starks |
| General Counsel: | Mike Wynne, Wynne and Smith |
| Bond Counsel | Kristen Savant, Norton Rose Fulbright |

I. Call to Order

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

II. Pledge of Allegiance

Board President 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 November 19, 2018 Meeting.

V. * Consider and act upon approval of accrued liabilities for November 2018.

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

VI. Citizens to be Heard.

There were no citizens present requesting to speak before the Board.

VII. Appointment of a committee for the nomination of officers for the 2018 calendar year.

Board President Brad Morgan appointed Mark Kuneman and Ken Brawley to the Nominating Committee.

VIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)", including the adoption of a resolution authorizing the issuance of such bonds.

General Manager Drew Satterwhite provided background information for the Board. In 2017 the City of Gunter requested assistance with obtaining funding to construct a new well, ground storage tank and pump station. Gunter has two wells, one larger than the other. The City needs another well for system redundancy should the large well go down. The City is also less than 60 homes away from meeting the TCEQ's 0.6 gallons per minute of source water per connection rule. Funding from the Texas Water Development Board ("TWDB") Drinking Water State Revolving Fund ("DWSRF") for a loan in the amount of \$3,415,000 has been approved. The proposed project will include: (1) a new water well; (2) a 250,000-gallon ground storage tank; (3) a pump station; (4) disinfection facilities; (5) generator; (6) SCADA; (7) water line from the pump station to J.C. Maples Road; and (8) appurtenances, as necessary for the project. 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.

Kristen Savant, bond counsel, provided an overview of the bonds to be issued, and explained the parity bond process.

Board Member Donald Johnston made the motion to adopt the resolution authorizing the issuance of the bonds. Board Member Scott Blackerby seconded the motion. The motion passed unanimously.

IX. Consider and act upon authorization for General Manager to advertise for bids for City of Gunter Project.

The previous agenda item authorized the issuance of bonds to construct improvements to the City of Gunter's water system, including construction of a new water well, ground storage tank, pump station, disinfection facilities, water line, generator, SCADA and other appurtenances necessary for this project. 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, and avoids the potential for a one to two month wait to receive approval to advertise for bids

Board Member Matt Brown made the motion to authorize the General Manager to advertise for bids for City of Gunter Project. Board Member Ken Brawly seconded the motion. The motion passed unanimously.

- X. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project)", including the adoption of a resolution authorizing the issuance of such bonds.

General Manager Drew Satterwhite provided background information for the Board. The City of Princeton's engineering firm recommended GTUA to the Bear Creek SUD. The Bear Creek SUD contacted GTUA for assistance in obtaining funding for financing water infrastructure projects. The Bear Creek SUD is planning to construct 1) a new ground storage tank and pump station to replace the existing facilities which are outdated and undersized, and 2) 6,200' and 2,200' of 12" and 16" pipeline to connect the new pump station to the system. Since Bear Creek SUD was new to GTUA, Bear Creek SUD was requested to pass a resolution expressing their intent to utilize the Authority for financial assistance for these projects which they did at their May 2018 meeting.

The Board, at their September 2018 meeting, approved a Water Facilities Contract between the Authority and Bear Creek SUD enabling the Authority to issue debt on behalf of Bear Creek SUD. Bear Creek SUD approved the Water Facilities Contract at their October 9, 2018 meeting.

Mr. Satterwhite also pointed out that the DWSRF offers a 1.35% interest rate subsidy which brought the interest rate on this 30 year bond series to 2.39%. The TWDB estimates that by utilizing this program, the Bear Creek SUD could save approximately \$1,802,000 over the loan.

Kristen Savant, bond counsel with Norton Rose Fulbright, explained the first time bond process with Bear Creek SUD.

Board Member Donald Johnston made the motion to adopt the resolution to authorize the issuance of the bonds. Board Member Scott Blackerby seconded the motion. The motion passed unanimously.

- XI. Consider and act upon authorization for General Manager to advertise for bids for Bear Creek SUD Project.

The previous agenda item authorized the issuance of bonds to construct improvements to the District's water system, including construction of: 1) a new ground storage tank and pump station to replace the existing facilities which are outdated and undersized, and 2) 6,200' and 2,200' of 12" and 16" pipeline to connect the new pump station to the system. 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, and avoids the potential for a one to two month wait to receive approval to advertise for bids.

Board Member Ken Brawley made the motion to authorize the General Manager to advertise for bids for the Bear Creek SUD Project. Board Member Anthony Richardson seconded the motion. The motion passed unanimously.

- XII. Consider and act upon authorizing the execution of all documents associated with the sale of drainage easements to the Texas Department of Transportation.

General Manager Drew Satterwhite provided background information for the Board. In 2007, the Authority completed construction Collin Grayson Municipal Alliance ("CGMA") water line and pump station. This project was a cooperative effort amongst the Authority, Melissa, Anna, Van Alstyne and Howe. The pipeline runs from McKinney to the Howe and is situated on a combination of easements and property owned by the Authority. In November, the Authority received documentation from TxDOT explaining two (2) drainage easements needing to be acquired from the Authority for an expansion project are working on for Highway 5 north of Anna. The documentation included the proposed easements, possession and use agreements, and appraisals. The two (2) parcels they are looking at are 510 square feet and 735 square feet. TxDOT is offering \$1,000 per easement which is the minimum amount they pay for easements. This is over the appraised amounts TxDOT provided, however, they do not offer less than \$1,000 due to administrative efforts. They are also providing an additional \$3,000 per easement if we sign their possession and use agreement this month.

The Board discussed the documents and decided that the language needed clarification. The Board suggested that Drew Satterwhite work with Mike Wynn, legal counsel, on clarification of language in documents and inform Board President Brad Morgan.

Board Member Donald Johnston made the motion that Drew Satterwhite, Mike Wynne and Brad Morgan reach a proposed solution pertaining to the language of the documents to be presented to the Board for negotiation with TxDOT. Board Member Stanley Thomas seconded the motion. The motion passed unanimously.

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

General Manager Drew Satterwhite informed the Board that the Pottsboro tax exempt private water situation has been resolved between the City and the water supplier. The issue now is being reviewed by the Texas Water Development Board attorney.

Whitewright has been invited to apply for DWSRF funding that would include \$1.8mm in loan forgiveness and 0% on a portion of the loan. A meeting will be held to see what the needs are and what they can afford.

Both RRGCD and NTGCD have adopted their Permanent Rules including permitting and spacing.

Some Board Members went on tour of GCMA water line pump station after last month's board meeting.

XIV. Adjourn

Board Member Matt Brown made the motion to adjourn. Board Member Scott Blackerby seconded the motion. The motion passed unanimously. Board President Morgan declared the meeting adjourned at 1:30 p.m.

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Velma Starks

Recording Secretary



Secretary-Treasurer