

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

**IN-PERSON MEETING LOCATION:**

GTUA Board Room  
5100 Airport Drive  
Denison, Texas 75020

**OR**

**REMOTE ACCESS ALSO AVAILABLE AT:**

Join by computer, tablet or smartphone at the following link:

<https://global.gotomeeting.com/join/538050381>

**OR**

Join by phone 571-317-3122 with access code: 538-050-381

**NOTICE OF PUBLIC MEETING  
OF THE BOARD OF DIRECTORS OF THE  
GREATER TEXOMA UTILITY AUTHORITY  
Monday, November 16, 2020, 12:30 p.m.**

**IN-PERSON MEETING LOCATION:  
GTUA BOARD ROOM  
5100 AIRPORT DRIVE  
DENISON, TEXAS 75020**

**Or**

**REMOTE ACCESS ALSO AVAILABLE AT:**

Join by computer, tablet or smartphone at the following link:  
<https://global.gotomeeting.com/join/538050381>

**Or**

Join by phone 571-317-3122 with access code: 538-050-381

Notice is hereby given that, in accordance with Governor Abbott's March 16, 2020, action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the Board of Directors of the Greater Texoma Utility Authority will hold a Board meeting in-person and via telephone and video conference call beginning at 12:30 p.m. on Monday, November 16, 2020. Please note for in-person attendance that the Board meeting location can only accommodate a limited number of attendees in order to comply with the Governor's proclamation related to in-person gatherings, and that remote access may be required in the event the capacity limitations are reached. Public comment can be provided whether participating in-person or remotely.

**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 September 21, 2020 Meeting.
- V. \* Consider and act upon approval of accrued liabilities for September & October 2020.
- VI. \*Receive Monthly Financial Information.

- VII. Citizens to be Heard.
- VIII. Receive Quarterly Investment Report.
- IX. Review and act upon Approval of Investment Policy.
- X. Consider and act upon authorizing the execution of Change Order No. 2 for the City of Gunter Water System Improvements Project with Legion Development LLC.
- XI. Consider and act upon authorizing the execution of Change Order No. 2 for the City of Paradise Water Line Extension Elevated Storage Tank Improvements Project with Patterson Professional Services.
- XII. Consider and act upon authorizing the execution of Change Order No. 1 for the City Krum Water Well Project
- XIII. Consider and act upon Administrative Service Contract with the Red River Groundwater Conservation District for 2021.
- XIV. Consider and act upon Administrative Service Contract with the North Texas Groundwater Conservation District for 2021.
- XV. Consider all matters incident and related to the approval and execution of a Water Supply and Sewer Service Facilities Contract with the Gober Municipal Utility District, including the adoption of a resolution pertaining thereto.
- XVI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.
- XVII. Adjourn.

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

<sup>2</sup>At 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.

<sup>3</sup>PERSONS 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, SEPTEMBER 21 2020**

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

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Members Present: Scott Blackerby, Donald Johnston, Matt Brown, Stanley Thomas, Mark Kuneman, and Anthony Richardson.

Members Absent: Brad Morgan and Ken Brawley

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

General Counsel: Mike Wynne, Wynne and Smith

Visitors:

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I. Call to Order

Board Vice President Donald Johnston called the meeting to order at 12:35 p.m.

II. Pledge of Allegiance

Board Vice President Donald Johnston 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 August 17, 2020 Meeting.

V. \* Consider and act upon approval of accrued liabilities for August 2020.

General Manager Drew Satterwhite reviewed the liabilities with Board.

VI. \*Receive Monthly Financial Information.

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

VII. Citizens to be Heard.

There were no citizens requesting to address the Board.

VIII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Central Texas Water Well for the City of Tom Bean Well, Tank and Appurtenances as complete.

General Manger Drew Satterwhite provided background information for the Board. The project for the City of Tom Bean added one additional water well, a ground storage tank and pump station to their system. In 2015 the Board issued \$1,210,000 in bonds utilizing the Texas Water Development Board's ("TWDB") State Water Implementation Fund for Texas. In 2017 the lowest bid was submitted by Central Texas Water Well in the amount of \$1,055,700.00. Even with the city substituting the iron fence with a chain-link security fence to reduce cost, there wasn't enough money to award the bid. The City requested the Authority to proceed with obtaining additional funding through the TWDB to complete the project. An agreement was made with Central Texas Water Well that allowed the Authority to obtain the additional funding from the TWDB to complete the project. Change Order No. 1 included the addition of a 320 amp meter socket and 400 amp fused disconnect as required by the power provider for a cost of \$5,450.91 resulting in a revised contract amount of \$1,021,790.91. The City of Tom Bean has approved the close out. Board Member Matt Brown made the motion to accept the contract with Central Texas Water Well for the City of Tom Bean Well, Tank, and Appurtenances Project as complete. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

IX. Consider and act upon authorizing the execution of Change Order No. 2 for the Collin Grayson Municipal Alliance Water System's North Texas Municipal Water District Point of Delivery Project with Dickerson Construction.

General Manager Drew Satterwhite provided background information for Board. The North Texas Municipal Water District has constructed a new 84" transmission line that runs within 500' of the Authority's Collin-Grayson Municipal Alliance pump station. The CGMA system will finally be able to tie directly into NTMWD's transmission system and eliminate the pass through charge from McKinney. The low bid was submitted by Dickerson Construction. Change Order No. 1 consisted of eliminating the emergency interconnect with McKinney as well as constructing an additional 8" pipeline to feed a new fire hydrant at the pump station. Change Order No. 1 resulted in a \$99,256.00 reduction.

The City of Irving's 75' easement includes a 72" waterline and a fiber optic cable. The fiber optic cable was unknown and not shown on as-built plan sets. The City of Irving requested a larger clearance from their 72" pipe and to provide steel encasement across their easement. The steel encasement would protect the 36" pipeline in the event Irving needs to excavate in the area for pipeline repair and during installation of the future pipeline adjacent to the existing pipeline. This Change Order includes modification to the 36" pipe segments due to additional bends and layout, addition of 48" steel encasement pipe and lowering of the fiber optic cable, with associated welded connection, materials and installation. Change Order No. 2 was developed after many discussions and negotiations with the City of Irving and resulted in an increase of \$98,036.80. Board Member Scott Blackerby made the motion to authorize the execution of

Change Order No. 2. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

X. Consider and act upon an Agreement for Water Production and Wastewater Treatment Services with the City of Ector.

General Manager Drew Satterwhite provided background information for the Board. The City of Ector's Public Works Director requested GTUA taking over operations for Water Production and Wastewater Treatment Services. The Authority has the operation staff available to assist the City with the services they are requesting. Board Member Stanley Thomas made the motion to authorize the execution of an agreement with the City of Ector for Water Production and Wastewater Treatment Services. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

XI. Consider and act upon Budget for Fiscal Year October 1, 2020 – September 30, 2021.

General manager Drew Satterwhite provided background information. The Budget Committee (Anthony Richard, Brad Morgan and Scott Blackerby) reviewed the budget. Drew Satterwhite explained the five parts (Construction, General Fund, Collin Grayson Municipal Alliance, Solid Waste and Combined Bond) of the budget. Mr. Satterwhite explained why there is a reduction in the General Fund Budget.

XII. Executive Session

Upon motion by Board Member Stanley Thomas, seconded by Board Member Scott Blackerby, pursuant to Government Code, Section 551.074, the Board of Directors adjourned into closed Executive Session at 1:12pm to discuss the following:

A. Personnel Matters

- (i) Consider evaluation and duties of Authority General Manager
- (ii) Consider evaluation and duties of administrative and operational personnel

XIII. Regular Session

Board reconvened into regular session at 2:02 p.m. Vice President Johnston stated no action taken during executive session.

The Board reconvened into Regular Session at 2:00 p.m. Board Member Scott Blackerby made a motion to amend the GTUA budget to increase line items Salaries-Administrative, Salaries-Operations/Groundwater Districts and Fringe Benefits-Personnel in the amount of \$11,050.62 to be applied proportionately as needed. Board Member Matt Brown seconded the motion. Motion passed unanimously.

XIV. 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 the ongoing activities of the Authority.

XV. Adjourn

Board Member Matt Brown made the motion to adjourn. Board Member Scott Blackerby seconded the motion. Motion passed unanimously. Board Vice President Donald Johnston declared the meeting adjourned at 2:08 p.m.

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\_\_\_\_\_  
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 SEPTEMBER

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
<b>GENERAL:</b>			
<u>Dues and Subscriptions</u>			
Denison Area Chamber of Commerce (annual membership fee)	75.00		
Gainesville Area Chamber of Commerce (annual membership fee)	200.00		
<u>Fuel and Reimbursements for Mileage</u>			
Theda Anderson (Reimbursement for mileage)	30.36		
Nichole Sims (Reimbursement for mileage)	71.30		
Velma Starks (Reimbursement for mileage)	20.61		
ExxonMobil (Fuel - operations vehicles)	273.51		
Shell Fleet (Fuel - operations vehicles)	275.42		
Valero Fleet (Fuel - operations vehicles Aug. & Sept)	677.83		
<u>Insurance</u>			
Drew Satterwhite (2017 Ford F150, 6 months)	495.10	82.52	
TWCA Risk Management (Workers' compensation insurance, August)	830.00		
TWCA Risk Management (Workers' compensation insurance, September)	1,311.00		
<u>Leases/Rental Fees</u>			
Pitney-Bowes (Mailing system)	105.00		
North Texas Regional Airport (Lease - administrative offices)	2,266.08		
<u>Maintenance Agreements</u>			
Nova Tech (Konika-Minolta copier)	231.45		
<u>Meetings and Conferences</u>			
Feast on This (BOD Lunches)	195.00		
<u>Postage</u>			
United States Postal Service (P.O. Box renewal)	318.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
Gonzalez Landscape (Lawn Care)	306.24		
<u>Repair &amp; Maintenance - Building &amp; Equipment</u>			
Orkin Franchise 926 (Pest control)	135.31		
<u>Repair &amp; Maintenance - Administrative and Operations Vehicles</u>			
Blake Utter Ford (Ford F150 LP 1096614 - oil & filter change. Brakes repaired. (WE))	424.67		
Whistlestop Car Spa - (2014 F150 LP1161476, Oil Change, air filter, wipers, truck wash (AM))	133.63		
<u>Supplies</u>			
American Express (Logmein - NS)	19.00		
Bank of Texas Visa (General Office Supplies)	148.18		
David Tomlinson (Office Supplies)	1.75		
Hillerby Printing (Business cards for NS)	139.08		
Office Depot (General Office )	267.42		
Exxon/Mobil (Field supplies - ice)	8.60		
<u>Training</u>			
Bank of Texas Visa - Sun Coast Learning - AM)	111.00		
<u>Uniforms</u>			
David Tomlinson (UV protected sleeves and workboots.)	146.73		
<u>Utilities</u>			

	CURRENT	PRIOR MONTH	PRIOR YEAR
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 Sattlerwhite (Reimbursement for cell phone expense April-Sept.)	150.00		
Sparklight (Internet)	129.44		
AT & T Wireless (cell phone)	77.99		
City of Denison (Water)	192.50		
City of Sherman (Trash services)	122.00		
8x8, Inc.(phone lines - local & long distance. Aug & Sept)	374.61		
MP2 Energy Texas LLC	541.84		
ATMOS Energy	66.68		
<b>TOTAL:</b>	<b>\$ 11,532.33</b>	<b>\$ 27,981.78</b>	<b>\$ 39,842.34</b>

**SOLID WASTE:**

Fuel

ExxonMobil (Fuel - operations vehicles) 63.92

Repair & Maintenance - Vehicles

Blake Utter Ford (Landfill Truck F250 - Replaced long drag link and did wheel alignment) 508.32

Utilities

Grayson-Collin Electric 124.84

Starr Water Supply 60.30

**TOTAL:**

**\$ 757.38 \$ 401.08 \$ 475.99**

**WASTEWATER:**

Construction Contracts

Lynn Vessels Construction (Sherman 2020 - WWTP Stormwater Management project pay app #1) 42,826.00

Patterson Professional Services - (Gunter 2018 - Waste Water Treatment project pay app # 14) 30,801.37

Patterson Professional Services - (Gunter 2018 - Waste Water Treatment project pay app # 15) 18,586.75

Engineering Fees

Plummer (Pottsboro 2019 - reimbursement WWTP engineering fees through Sept 2020) 1,099.03

KSA (Whitewright 2019 - Echols Lane Sewer line replacement project engineering fees) 6,735.74

Paying Agent Fees

Bank of Texas Trust (Ector 2013 - Semi annual agent fees GRTEXOMA2013 10/1/20) 225.00

Bank of Texas Trust (Ector 2017 - Semi annual agent fees GTUAECTOR17 10/1/20) 300.00

Bank of Texas Trust (Sadler 2016 - Semi annual agent fees GTUASADLER16 10/1/20) 300.00

**TOTAL:**

**\$ 100,873.89 \$ 420,621.13 \$ 648,831.98**

**WATER:**

Construction Costs

Associated Construction Partners (Princeton 2018 - Forest Grove Pump Station Improvements) 492,993.95

Fugro (Princeton 2018 - Forest Grove Pump Stations inspections) 2,490.00

Legion Development (Gunter Water System Improvements pay app #7) 122,103.29

Patterson Professional (Paradise 2018 - Water line extension project. Pay app #4) 197,505.00

Engineering Fees

City of Krum (Krum 2017 - Masch Branch Water Well engineering fees June & July) 16,027.00

City of Paradise (Paradise 2018 - Water Distribution System engineering fees) 3,232.56

City of Paradise (Paradise 2018 - Water Distribution System engineering fees July) 6,476.00

City of Paradise (Paradise 2018 - Water Distribution System engineering fees August) 4,328.50

City of Princeton (Princeton 2018 - Forest Grove Pump Station project for services through 7/31/20) 5,204.00

CobbFendley (Tom Bean 2015 - Water System Improvements for 8/31/20) 1,600.00

KSA (Whitewright 2019 - Water System Improvements for 6/28/20- 8/1/20) 13,324.23

Groundwater

8x8, Inc. (NTGCD - 800 line, local & long distance. Aug & Sept) 374.62

8x8, Inc. (RRGCD - 800 line, local & long distance. Aug & Sept) 374.62

American Express (NTGCD - Invoiced A/R application, Checks,Audio and video equip.) 1,186.89

American Express (RRGCD - Invoiced A/R application. GoDaddy Qtrly renewal server, backup) 773.24

AT & T Mobility (NTGCD - W. Parkman - cell phone) 71.98

	CURRENT	PRIOR MONTH	PRIOR YEAR
Allen Burks (RRGCD - cell phone reimbursement and parts for Porter Green)	44.91		
Bank of Texas Visa (RRGCD - Grayson County Clerk permit hearing posting)	4.00		
Diamond Computers - (NTGCD - set up MS Office, Doc Sharing etc for WP laptop)	252.50		
Drew Satterwhite (RRGCD - NTTA toll fees)	13.35		
Drew Satterwhite (NTGCD - NTTA toll fees)	13.36		
Exxon/Mobil (NTGCD - Fuel, W. Parkman)	58.55		
Paul Sigle (NTGCD - cell phone reimbursement)	12.50		
Paul Sigle (RRGCD - cell phone reimbursement,)	12.50		
Shell (RRGCD - Fuel, A. Burks)	24.51		
Velma Starks (NTGCD - mileage reimbursement)	7.46		
Velma Starks (RRGCD - mileage reimbursement)	18.74		
Wayne Parkman (NTGCD - parts for inspections)	29.82		

Miscellaneous

FAO, UACE (Lake Texoma 2011 - OK & TX standard long term agreement DACW56-11-WS0001)	28,428.66		
Gonzalez Landscape (Sherman 2012 Ref - Pump Station, Corp Property - mowing)	500.04		

Paying Agent Fees

Bank of Texas Trust (Argyle 2007 - Semi annual agent fees 105GTUACRB7 10/1/20)	325.00		
Bank of Texas Trust (Bells 2004 - Semi annual agent fees BELLS05 10/1/20)	250.00		
Bank of Texas Trust (Bolivar 2005 - Semi annual agent fees GRETEUTIL042 10/1/20)	325.00		
Bank of Texas Trust (Gainesville 2011 - Semi Annual Agent Fees GTUACRBGPS11 10/1/20)	300.00		
Bank of Texas Trust (Gainesville 2011A - Semi Annual Agent Fees GTUACRB2011A 10/1/20)	300.00		
Bank of Texas Trust (Gainesville 2012 - Semi Annual Agent Fees GTUACRBS2012 10/1/20)	300.00		
Bank of Texas Trust (Gainesville 2013 - Semi Annual Agent Fees GTUACRRB13GP 10/1/20)	300.00		
Bank of Texas Trust (Paradise 2018 - Semi Annual agent fees GTUAPRAD118 10/1/20)	300.00		

CGMA Repair & Maintenance

Alan Moore (CGMA - Maintenance Howe Keys)	10.83		
Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	6,740.64		
Burnside HVAC (CGMA - Replaced / Install new compressor)	4,596.00		
City of Denison Lab (CGMA - Water tests)	21.00		
Clearwater Controls (CGMA - Installation of portable flow meter to compare flow rates from NTMWD)	485.00		
Freeman Millican (CGMA - Services for Bloomdale Pump Station blown pump motor replacement)	2,325.00		
Gonzalez Landscape (CGMA - Howe Tank Site)	212.49		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83		
RLC Controls (CGMA - Scada pack digital output module replaced installed with spare)	1,700.00		
Texas Excavation Safety System, Inc. (CGMA - water tests, August & September)	444.60		

CGMA Utilities

AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station, August)	91.92		
AT & T U-Verse (Bloomdale Pump Station, September)	94.41		
City of McKinney (Pass Through Charges, July)	41,689.23		
City of McKinney (Pass Through Charges, August)	50,959.73		
North Texas Municipal Water District (Water Usage, July & Aug.)	401,396.00		
MP2 Energy Texas LLC (Bloomdale Pump Station, August - partial monthly billing. New provider)	7,019.95		
MP2 Energy Texas LLC (Bloomdale Pump Station, September)	12,303.84		

**TOTAL:** \$ 1,430,470.71    \$ 1,549,516.16    \$ 590,797.36

**GRAND TOTAL:** \$ 1,543,634.31    \$ 3,217,516.84    \$ 1,279,947.67

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

CURRENT    PRIOR MONTH    PRIOR YEAR

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

RESOLUTION NO. \_\_\_\_\_

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
<b>GENERAL:</b>			
<u>Fuel and Reimbursements for Mileage</u>			
Velma Starks (Reimbursement for mileage)	25.32		
ExxonMobil (Fuel - operations vehicles)	418.68		
Drew Satterwhite (Fuel)	50.48		
Shell Fleet (Fuel - operations vehicles)	182.42		
<u>Insurance</u>			
Drew Satterwhite (2017 Ford F150)	86.25		
TWCA Risk Management (Workers' compensation insurance)	856.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,266.08		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting - July thru September)	2,084.10		
<u>Maintenance Agreements</u>			
Nova Tech (Konika-Minolta copier)	233.18		
<u>Meetings and Conferences</u>			
TWCA (2020 Virtual Fall Conference)	75.00		
<u>Miscellaneous</u>			
Valley View Consulting (Investing fees)	9,645.47		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair &amp; Maintenance - Building &amp; Equipment</u>			
Diamond Computers (Annual renewal of I.T. and back up services)	2,675.00		
<u>Repair &amp; Maintenance - Administrative and Operations Vehicles</u>			
Whistlestop Car Spa (2019 Ford 150 oil change and wipers LP 1397006 (DH))	122.03		
<u>Supplies</u>			
American Express (General Office Supplies)	58.98		
Office Depot (General Office Supplies)	48.76		
Home Depot Pro (Janitorial Supplies)	206.83		
Exxon/Mobil (Field supplies - ice)	10.75		
Nichole Sims (Head phone splitter)	12.68		
USA Bluebook (Water Tests supplies)	534.01		
<u>Uniforms</u>			
Dave Tomlinson (reimbursement for work jacket)	140.71		
<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)	78.05		
City of Denison (Water)	189.50		
City of Sherman (Trash services)	122.00		
MP2 Energy Texas LLC, September	368.99		
MP2 Energy Texas LLC, October	330.54		
ATMOS Energy	66.74		
<b>TOTAL:</b>	<b>\$ 21,702.99</b>	<b>\$ 11,532.33</b>	<b>\$ 22,804.69</b>

	CURRENT	PRIOR MONTH	PRIOR YEAR
<b>SOLID WASTE:</b>			
<u>Legal</u>			
Wynne & Smith (Seismic surveys on landfill property)	162.50		
<u>Utilities</u>			
Grayson-Collin Electric	127.07		
Starr Water Supply	60.30		
<b>TOTAL:</b>	<b>\$ 349.87</b>	<b>\$ 757.38</b>	<b>\$ 202.42</b>
<b>WASTEWATER:</b>			
<u>Construction Contracts</u>			
Lynn Vessels (Sherman 2020 - WWTP Stormwater Management project pay app #2)	67,184.34		
Red River Construction (Kaufman 2019 - WWTP Improvements pay app #1)	125,200.50		
<u>Legal</u>			
Wynne & Smith (Kaufman 2019 - Review of Red River Construction contract documents with letter-September)	325.00		
<u>Legal</u>			
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Whitewright 2015 - Semi Annual agent fees GTUAWHITE15 10/1/20)	300.00		
<b>TOTAL:</b>	<b>\$ 193,009.84</b>	<b>\$ 100,873.89</b>	<b>\$ 235,228.75</b>
<b>WATER:</b>			
<u>Construction Costs</u>			
Associated Construction (Princeton 2018 - Forest Grove Pump Station pay app #13)	502,419.92		
Central Texas Water Well (Tom Bean 2015 - Water System Improvements Final pay app #11)	51,089.55		
Dickerson Construction (CGMA - Bloomdale Pump Station construction project. Pay app #1)	83,003.40		
Fugro USA Land (Princeton 2018 - Inspection Fees for the Forest Grove Pump Station project)	2,330.00		
Patterson Professional (Paradise 2018 - Water lines and Elevated Storage Tank pay app #5)	102,505.00		
<u>Engineering Fees</u>			
Bear Creek SUD (Bearcreek 2019 - Reimbursement for Kimley Horn Engineering through June 2020)	6,980.00		
City of Princeton (Princeton 2018 - Reimbursed engineering fees for the Forest Grove Pump Station)	3,565.00		
<u>Groundwater</u>			
American Express (NTGCD - Invoiced A/R application, NTTA)	94.33		
American Express (RRGCD - Invoiced A/R application, Fuel)	85.77		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	72.05		
Allen Burks (RRGCD - cell phone reimbursement)	25.00		
Exxon/Mobil (NTGCD - Fuel, W. Parkman)	62.46		
Paul Sigle (NTGCD - cell phone reimbursement)	12.50		
Paul Sigle (RRGCD - cell phone reimbursement)	12.50		
Shell Fleet (NTGCD - Fuel, W. Parkman)	68.91		
Velma Starks (NTGCD - mileage reimbursement)	5.82		
Velma Starks (RRGCD - mileage reimbursement)	21.01		
<u>Legal</u>			
Wynne & Smith (CGMA - Anna Water Supply Contract)	385.00		
Wynne & Smith (Krum 2017 - Review of contract documents, insurance, bonding requirements for August 2020)	350.00		
<u>Meetings &amp; Conferences</u>			
TWCA (NTGCD - Virtual Fall Conference)	75.00		
TWCA (RRGCD - Virtual Fall Conference)	75.00		
<u>Miscellaneous</u>			
BLX Group (Van Alstyne 2015 - arbitrage rebate report for bond services 2015)	250.00		
FAO, USACE (Sherman 2012 - O&M / RR&R costs for wtr storage Oct 2021 DACW56-97-WS0003)	1,997.60		
FAO, USACE (Sherman 2012 - LK Texoma wtr storage long term agreement DACW56-05-WS0007)	124,862.24		
FAO, USACE (Sherman 2012 - LK Texoma water storage fee agreement DACW56-05-WS0007)	69,669.06		
FAO, USACE (Sherman 2012 - O&M / RR&R costs for wtr storage space Oct 2021 DACW56-05-WS0007)	4,217.15		
FAO, USACE (Sherman 2012 - O&M / RR&R costs for LK Texoma 10/28/20-10/27/21 DACW56-11-WS0001)	548.36		
<u>Paying Agent Fees</u>			

	CURRENT	PRIOR MONTH	PRIOR YEAR
Bank of Texas Trust (Whitewright 2004 - Semi annual agent fees GRETEUTIL043 10/1/20)	125.00		
Bank of Texas Trust (Whitewright 2019 - Semi annual agent fees GTUAWHITE19A 10/1/20)	300.00		
Bank of Texas Trust (Whitewright 2019 - Semi annual agent fees GTUAWHITE19B 10/1/20)	300.00		

CGMA Repair & Maintenance

Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	8,524.85
City of Denison Lab (CGMA - Water Tests for Bloomdale Pump Station)	42.00
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83
LCRA Lab (CGMA - Nitrate analysis and DBP2 tests)	115.71
RLC Control (Repaired pump #3 at Bloomdale Pump Station)	375.00
Shermco Industries (AWA Test 450 HP 480 V motor for pump at Bloomdale)	1,878.78
Shermco Industries (Labor & Install 450 HP motor vertical recondition for Bloomdale)	20,394.00
USA Bluebook (CGMA - water test kits, gloves other field supplies)	605.10

CGMA Utilities

AT & T Mobility (CGMA emergency back up lines)	112.46
AT&T U-Verse	95.08
City of McKinney (Pass Through Charges, September)	38,999.67
North Texas Municipal Water District (Water Usage, September 2020)	200,698.00
North Texas Municipal Water District (Excess Water Usage for FY 19-20)	54,705.07
MP2 Energy Texas (Bloomdale Pump Station)	9,351.61

**TOTAL:** \$ 1,291,785.79 \$ 14,300,470.71 \$ 3,132,531.81

**GRAND TOTAL:** \$ 1,506,848.49 \$ 1,543,634.31 \$ 3,390,767.67

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 VIII



*Greater Texoma Utility Authority*  
**QUARTERLY INVESTMENT REPORT**

**For the Quarter Ended**

**September 30, 2020**

Prepared by  
**Valley View Consulting, L.L.C.**

The investment portfolio of the Greater Texoma Utility Authority is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

A handwritten signature in black ink, appearing to read "D. Satterwhite".

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Drew Satterwhite  
General Manager

A handwritten signature in black ink, appearing to read "Debi Atkins".

---

Debi Atkins  
Finance Officer

**Disclaimer:** These reports were compiled using information provided by the Authority. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

## Summary

### Quarter End Results by Investment Category:

Asset Type	Ave. Yield	June 30, 2020		September 30, 2020	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.22%	\$ 324,161	\$ 324,161	\$ 679,661	\$ 679,661
NOW/MMA/MMF/ICS	0.09%	49,341,458	49,341,458	35,969,406	35,969,406
Local Government Pools	0.13%	11,809,585	11,809,585	12,084,662	12,084,662
CDs/Securities	1.69%	19,358,500	19,358,500	20,978,500	20,978,500
<b>Totals</b>		<b>\$ 80,833,704</b>	<b>\$ 80,833,704</b>	<b>\$ 69,712,229</b>	<b>\$ 69,712,229</b>

#### Quarter End Average Yield (1)

Total Portfolio 0.58%

Rolling Three Month Treasury 0.12%  
Rolling Six Month Treasury 0.15%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio 1.07%

Rolling Three Month Treasury 0.76%  
Rolling Six Month Treasury 0.99%  
TexPool 0.74%

#### Interest Revenue

Quarterly Interest Income \$ 245,810 Approximate  
Year-to-date Interest Income \$ 1,177,534 Approximate

#### Bank Fee Offset

Quarterly Bank Fees Offset \$ 411  
Year-to-date Bank Fees Offset \$ 2,687

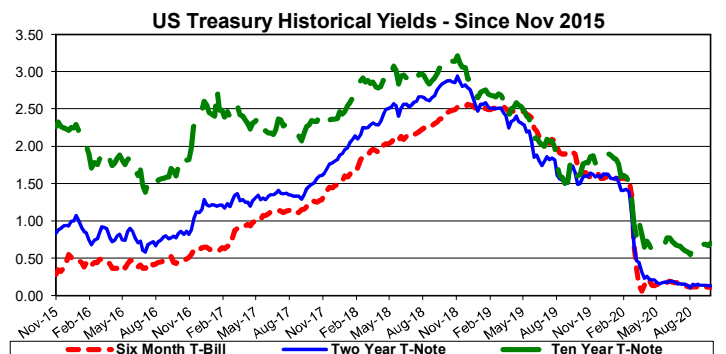
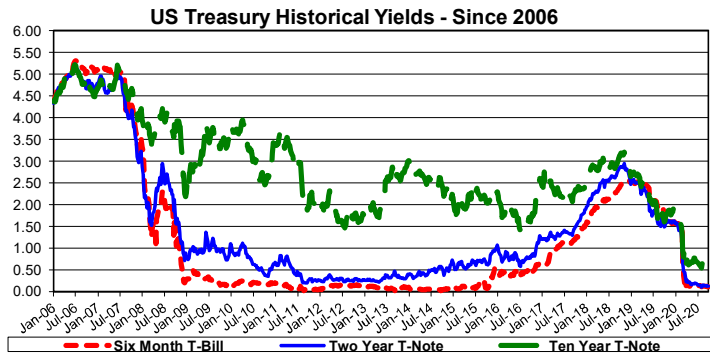
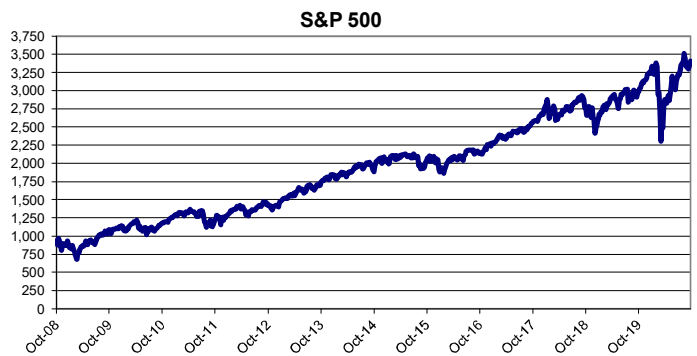
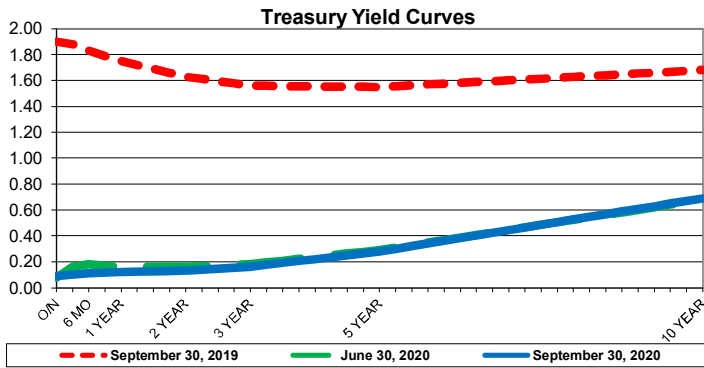
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

**Economic Overview**

9/30/2020

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.10%), and projected that reduced rates could remain through 2024. Final estimate of Second Quarter GDP revised to down 31.4% (from down 31.9%). The Yield Curve remained stable. Crude oil slid to below \$40 per barrel. September Non Farm Payroll added 661k workers. Business added over 800k, but governments shed 200+k. The Stock Markets retreated slightly from all-time highs. Housing strengthened due to low mortgage rates. Additional federal economic assistance remained stalled in Congress.



**Investment Holdings**  
**September 30, 2020**

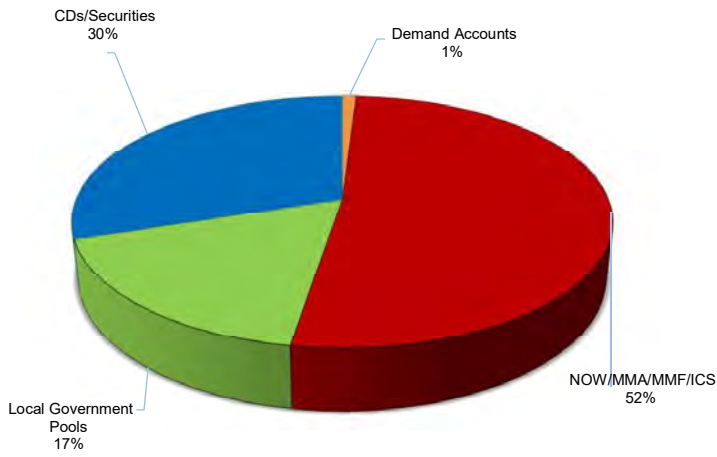
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
BOT DDA (3)		0.22%	10/01/20	09/30/20	\$ 679,661	\$ 679,661	1.00	\$ 679,661	1	0.22%
BTH Bank ICS		0.16%	10/01/20	09/30/20	114,480	114,480	1.00	114,480	1	0.16%
BOT Escrow MMF		0.03%	10/01/20	09/30/20	30,564,676	30,564,676	1.00	30,564,676	1	0.03%
NexBank ICS		0.45%	10/01/20	09/30/20	5,290,249	5,290,249	1.00	5,290,249	1	0.45%
TexPool	AAAm	0.15%	10/01/20	09/30/20	36,562	36,562	1.00	36,562	1	0.15%
TexSTAR	AAAm	0.13%	10/01/20	09/30/20	12,048,100	12,048,100	1.00	12,048,100	1	0.13%
Allegiance Bank		0.55%	10/08/20	04/09/20	500,000	500,000	100.00	500,000	8	0.55%
East West Bank		0.40%	10/16/20	07/16/20	500,000	500,000	100.00	500,000	16	0.40%
Cap Tex Bank		2.65%	10/22/20	04/22/19	825,000	825,000	100.00	825,000	22	2.65%
East West Bank		3.00%	10/25/20	09/20/18	1,900,000	1,900,000	100.00	1,900,000	25	3.00%
Affiliated Bank		1.97%	11/05/20	11/05/19	3,500,000	3,500,000	100.00	3,500,000	36	1.97%
Affiliated Bank		1.97%	11/05/20	11/05/19	1,000,000	1,000,000	100.00	1,000,000	36	1.97%
Independent Bank		2.05%	11/26/20	08/26/19	1,700,000	1,700,000	100.00	1,700,000	57	2.05%
East West Bank		0.43%	12/08/20	06/08/20	200,000	200,000	100.00	200,000	69	0.43%
East West Bank		2.55%	01/14/21	04/15/19	825,000	825,000	100.00	825,000	106	2.55%
East West Bank		0.41%	01/16/21	07/16/20	300,000	300,000	100.00	300,000	108	0.41%
Veritex Bank		2.65%	03/22/21	03/21/18	937,000	937,000	100.00	937,000	173	2.65%
Cap Tex Bank		2.74%	04/17/21	04/17/19	1,308,000	1,308,000	100.00	1,308,000	199	2.74%
East West Bank		0.38%	04/30/21	09/02/20	700,000	700,000	100.00	700,000	212	0.38%
East West Bank		0.41%	07/16/21	07/16/20	1,000,000	1,000,000	100.00	1,000,000	289	0.41%
Bank OZK		0.40%	09/13/21	07/13/20	1,000,000	1,000,000	100.00	1,000,000	348	0.40%
Bank OZK		0.40%	11/15/21	07/15/20	825,000	825,000	100.00	825,000	411	0.40%
East West Bank		1.64%	12/23/21	11/05/19	1,284,500	1,284,500	100.00	1,284,500	449	1.64%
East West Bank		1.64%	01/31/22	01/31/20	1,354,000	1,354,000	100.00	1,354,000	488	1.64%
Legend Bank CDARS		0.50%	09/10/22	09/10/20	1,320,000	1,320,000	100.00	1,320,000	710	0.50%
					<b>\$ 69,712,229</b>	<b>\$ 69,712,229</b>		<b>\$ 69,712,229</b>	<b>61</b>	<b>0.58%</b>
								(1)	(2)	

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

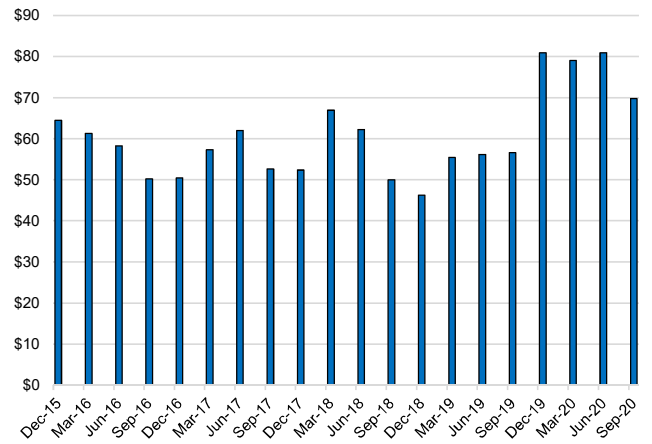
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(3) **Earnings Credit** - The Authority's depository accounts provide an earnings credit on balances which is used to offset bank fees. The reported rate is estimated based on fees offset and average balances.

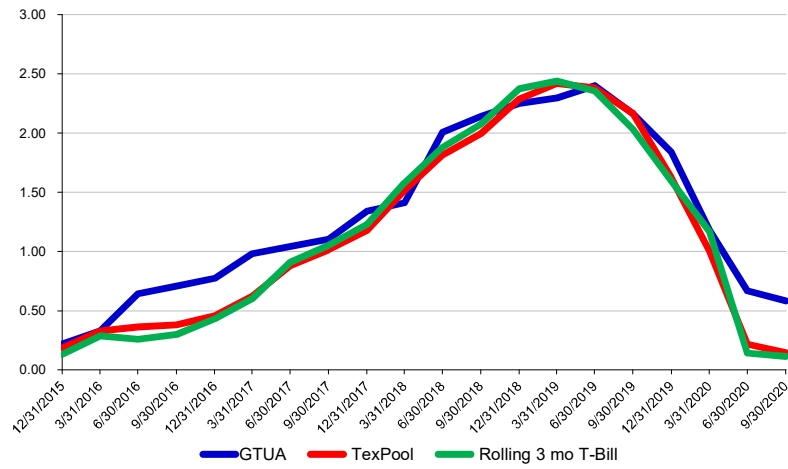
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



### Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2020		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	September 30, 2020	
			Face Amount/ Par Value	Book Value			Face Amount/ Par Value	Book Value
BOT	0.22%	10/01/20	\$ 324,161	\$ 324,161	\$ 355,500	\$ -	\$ 679,661	\$ 679,661
BTH Bank ICS	0.16%	10/01/20	114,441	114,441	39		114,480	114,480
BOT Escrow MMF	0.03%	10/01/20	40,613,560	40,613,560		(10,048,884)	30,564,676	30,564,676
NexBank ICS	0.45%	10/01/20	8,613,456	8,613,456		(3,323,207)	5,290,249	5,290,249
TexPool	0.15%	10/01/20	36,545	36,545	17		36,562	36,562
TexSTAR	0.13%	10/01/20	11,773,040	11,773,040	275,060		12,048,100	12,048,100
East West Bank	1.79%	07/01/20	400,000	400,000		(400,000)	-	-
East West Bank	2.57%	07/15/20	1,075,000	1,075,000		(1,075,000)	-	-
Allegiance Bank	0.55%	08/10/20	400,000	400,000		(400,000)	-	-
East West Bank	1.78%	09/01/20	950,000	950,000		(950,000)	-	-
Origin Bank	2.24%	09/04/20	1,200,000	1,200,000		(1,200,000)	-	-
Allegiance Bank	0.55%	10/08/20	500,000	500,000			500,000	500,000
East West Bank	0.40%	10/16/20	-	-	500,000		500,000	500,000
Cap Tex Bank	2.65%	10/22/20	825,000	825,000			825,000	825,000
East West Bank	3.00%	10/25/20	1,900,000	1,900,000			1,900,000	1,900,000
Affiliated Bank CDARS	1.97%	11/05/20	3,500,000	3,500,000			3,500,000	3,500,000
Affiliated Bank CDARS	1.97%	11/05/20	1,000,000	1,000,000			1,000,000	1,000,000
Independent Bank	2.05%	11/26/20	1,700,000	1,700,000			1,700,000	1,700,000
East West Bank	0.43%	12/08/20	200,000	200,000			200,000	200,000
East West Bank	2.55%	01/14/21	825,000	825,000			825,000	825,000
East West Bank	0.41%	01/16/21	-	-	300,000		300,000	300,000
Veritex Bank	2.65%	03/22/21	937,000	937,000			937,000	937,000
Cap Tex Bank	2.74%	04/17/21	1,308,000	1,308,000			1,308,000	1,308,000
East West Bank	0.38%	04/30/21	-	-	700,000		700,000	700,000
East West Bank	0.41%	07/16/21	-	-	1,000,000		1,000,000	1,000,000
Bank OZK	0.40%	09/13/21	-	-	1,000,000		1,000,000	1,000,000
Bank OZK	0.40%	11/15/21	-	-	825,000		825,000	825,000
East West Bank	1.64%	12/23/21	1,284,500	1,284,500			1,284,500	1,284,500
East West Bank	1.64%	01/31/22	1,354,000	1,354,000			1,354,000	1,354,000
Legend Bank CDARS	0.50%	09/10/22	-	-	1,320,000		1,320,000	1,320,000
<b>TOTAL</b>			<b>\$ 80,833,704</b>	<b>\$ 80,833,704</b>	<b>\$ 6,275,615</b>	<b>\$ (17,397,091)</b>	<b>\$ 69,712,229</b>	<b>\$ 69,712,229</b>

### Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2020		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	September 30, 2020	
			Face Amount/ Par Value	Market Value			Face Amount/ Par Value	Market Value
BOT	0.22%	10/01/20	\$ 324,161	\$ 324,161	\$ 355,500	\$ -	\$ 679,661	\$ 679,661
BTH Bank ICS	0.16%	10/01/20	114,441	114,441	39		114,480	114,480
BOT Escrow MMF	0.03%	10/01/20	40,613,560	40,613,560		(10,048,884)	30,564,676	30,564,676
NexBank ICS	0.45%	10/01/20	8,613,456	8,613,456		(3,323,207)	5,290,249	5,290,249
TexPool	0.15%	10/01/20	36,545	36,545	17		36,562	36,562
TexSTAR	0.13%	10/01/20	11,773,040	11,773,040	275,060		12,048,100	12,048,100
East West Bank	1.79%	07/01/20	400,000	400,000		(400,000)	-	-
East West Bank	2.57%	07/15/20	1,075,000	1,075,000		(1,075,000)	-	-
Allegiance Bank	0.55%	08/10/20	400,000	400,000		(400,000)	-	-
East West Bank	1.78%	09/01/20	950,000	950,000		(950,000)	-	-
Origin Bank	2.24%	09/04/20	1,200,000	1,200,000		(1,200,000)	-	-
Allegiance Bank	0.55%	10/08/20	500,000	500,000			500,000	500,000
East West Bank	0.40%	10/16/20	-	-	500,000		500,000	500,000
Cap Tex Bank	2.65%	10/22/20	825,000	825,000			825,000	825,000
East West Bank	3.00%	10/25/20	1,900,000	1,900,000			1,900,000	1,900,000
Affiliated Bank CDARS	1.97%	11/05/20	3,500,000	3,500,000			3,500,000	3,500,000
Affiliated Bank CDARS	1.97%	11/05/20	1,000,000	1,000,000			1,000,000	1,000,000
Independent Bank	2.05%	11/26/20	1,700,000	1,700,000			1,700,000	1,700,000
East West Bank	0.43%	12/08/20	200,000	200,000			200,000	200,000
East West Bank	2.55%	01/14/21	825,000	825,000			825,000	825,000
East West Bank	0.41%	01/16/21	-	-	300,000		300,000	300,000
Veritex Bank	2.65%	03/22/21	937,000	937,000			937,000	937,000
Cap Tex Bank	2.74%	04/17/21	1,308,000	1,308,000			1,308,000	1,308,000
East West Bank	0.38%	04/30/21	-	-	700,000		700,000	700,000
East West Bank	0.41%	07/16/21	-	-	1,000,000		1,000,000	1,000,000
Bank OZK	0.40%	09/13/21	-	-	1,000,000		1,000,000	1,000,000
Bank OZK	0.40%	11/15/21	-	-	825,000		825,000	825,000
East West Bank	1.64%	12/23/21	1,284,500	1,284,500			1,284,500	1,284,500
East West Bank	1.64%	01/31/22	1,354,000	1,354,000			1,354,000	1,354,000
Legend Bank CDARS	0.50%	09/10/22	-	-	1,320,000		1,320,000	1,320,000
<b>TOTAL</b>			<b>\$ 80,833,704</b>	<b>\$ 80,833,704</b>	<b>\$ 6,275,615</b>	<b>\$ (17,397,091)</b>	<b>\$ 69,712,229</b>	<b>\$ 69,712,229</b>



**Allocation by Fund  
Book & Market Value**

**September 30, 2020**

	Maturity	Investment		Construction	TWDB Escrow -	Bond I&S	Revenue	Reserve
		Total	General		Sherman (456, 558 & 570)			
BOT		\$ 679,661	\$ 679,661					
BTH Bank ICS		114,480		114,480				
BOT Escrow MMF		30,564,676		30,518,391	46,285			
NexBank ICS		5,290,249		4,412,324		877,926		
TexPool		36,562	36,562					
TexSTAR		12,048,100	1,062,998	8,664,902		1,274,600	697,430	348,169
Allegiance Bank	10/08/20	500,000		500,000				
East West Bank	10/16/20	500,000		500,000				
Cap Tex Bank	10/22/20	825,000		825,000				
East West Bank	10/25/20	1,900,000						1,900,000
Affiliated Bank	11/05/20	3,500,000		3,500,000				
Affiliated Bank	11/05/20	1,000,000		1,000,000				
Independent Bank	11/26/20	1,700,000						1,700,000
East West Bank	12/08/20	200,000		200,000				
East West Bank	01/14/21	825,000		825,000				
East West Bank	01/16/21	300,000		300,000				
Veritex Bank	03/22/21	937,000						937,000
Cap Tex Bank	04/17/21	1,308,000						1,308,000
East West Bank	04/30/21	700,000		700,000				
East West Bank	07/16/21	1,000,000		1,000,000				
Bank OZK	09/13/21	1,000,000		1,000,000				
Bank OZK	11/15/21	825,000		825,000				
East West Bank	12/23/21	1,284,500						1,284,500
East West Bank	01/31/22	1,354,000						1,354,000
Legend Bank CDARS	09/10/22	1,320,000						1,320,000
<b>Totals</b>		<b>\$ 69,712,229</b>	<b>\$ 1,779,221</b>	<b>\$ 54,885,096</b>	<b>\$ 46,285</b>	<b>\$ 2,152,526</b>	<b>\$ 697,430</b>	<b>\$ 10,151,669</b>

**Allocation by Fund  
Book & Market Value**

**June 30, 2020**

REVISED

	Maturity	Investment		Construction	TWDB Escrow -	Bond I&S	Revenue	Reserve
		Total	General		Sherman (456, 558 & 570)			
BOT		\$ 324,161	\$ 324,161					
BTH Bank ICS		114,441		114,441				
BOT Escrow MMF		40,613,560		38,563,844	2,049,716			
NexBank ICS		8,613,456		2,460,809		6,152,648		
TexPool		36,545	36,545					
TexSTAR		11,773,040	1,052,003	7,167,099		2,466,303	719,881	367,755
East West Bank	07/01/20	400,000		400,000				
East West Bank	07/15/20	1,075,000		1,075,000				
Allegiance Bank	08/10/20	400,000		400,000				
East West Bank	09/01/20	950,000		950,000				
Origin Bank	09/04/20	1,200,000						1,200,000
Allegiance Bank	10/08/20	500,000		500,000				
Cap Tex Bank	10/22/20	825,000		825,000				
East West Bank	10/25/20	1,900,000						1,900,000
Affiliated Bank	11/05/20	3,500,000		3,500,000				
Affiliated Bank	11/05/20	1,000,000		1,000,000				
Independent Bank	11/26/20	1,700,000						1,700,000
East West Bank	12/08/20	200,000		200,000				
East West Bank	01/14/21	825,000		825,000				
Veritex Bank	03/22/21	937,000						937,000
Cap Tex Bank	04/17/21	1,308,000						1,308,000
East West Bank	12/23/21	1,284,500						1,284,500
East West Bank	01/31/22	1,354,000						1,354,000
<b>Totals</b>		<b>\$ 80,833,704</b>	<b>\$ 1,412,709</b>	<b>\$ 57,981,193</b>	<b>\$ 2,049,716</b>	<b>\$ 8,618,950</b>	<b>\$ 719,881</b>	<b>\$ 10,051,255</b>

ATTACHMENT IX



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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DATE: October 12, 2020

SUBJECT: AGENDA ITEM NO. IX

## REVIEW AND ACT UPON APPROVAL OF INVESTMENT POLICY

### ISSUE

Review and act upon the Investment Policy as required by the Public Funds Investment Act.

### BACKGROUND

The Authority is required by the Public Funds Investment Act to have an investment policy in place. The policy provides a framework and guidance document for the investment officers to manage the Authority's funds.

The Board's continual review of this policy is evidence that the Authority is responsible in its use of public funds. Two (2) Authority staff members attend the Public Funds Investment training on a bi-annual basis. Staff also tries to keep our attendance staggered in order to keep up with any changes that may occur.

### CONSIDERATIONS

In 2017, the last year following relevant legislative changes, the Budget Committee met with staff and Valley View Consulting to review the proposed changes. The changes were incorporated into the Investment Policy, and the Policy was subsequently approved by the Board of Directors of the Greater Texoma Utility Authority.

This past year, the legislative session did not produce any changes to the Public Funds Investment Act that would impact the Authority's current investment policy. The Authority's Financial Advisor, Valley View Consulting, has reviewed the policy and recommended the red-lined changes.

### STAFF RECOMMENDATIONS

The staff recommends the Board review and approve the proposed Investment Policy.

### ATTACHMENTS

Investment Policy

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

RECOMMENDED BY:

Debi Atkins, Finance Officer

# GREATER TEXOMA UTILITY AUTHORITY

**POLICY RESOLUTION #20.07**

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**FISCAL MANAGEMENT  
AND INVESTMENT**

**Adopted: October 21, 2019**

## INVESTMENT POLICY

### **I. PURPOSE**

#### **A. Formal Adoption**

This investment policy is authorized by the Greater Texoma Utility Authority Board of Directors in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "Act"). It is intended to provide guidelines to the Board of Directors and the investment officers to effectively supervise and manage the investment assets of the Authority.

#### **B. Scope**

This investment policy applies to all of the investment activities of the Greater Texoma Utility Authority, excluding the Employee Retirement Trust, and the deferred compensation plan. This policy establishes guidelines for those who can invest Authority funds, for how Authority funds will be invested, and for when and how a periodic review of investments will be made. In addition to this policy, bond funds (which shall include but not be limited to each construction fund, bond fund, revenue fund, and reserve fund), each enterprise fund, and the general fund shall be managed by their governing resolution and all applicable state and federal laws. The Authority will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

#### **C. Review and Amendment**

The General Manager and the Board of Directors shall review this policy annually. This policy and any amendments must be approved and adopted by the Board of Directors at least annually.

#### **D. Investment Strategy**

The investment strategy must follow investment objectives for each particular fund according to the following priorities:

1. Understanding suitability of investments to the Authority's requirements,
2. Preservation and safety of principal,
  - a. Credit risk - the Authority will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment
  - b. Interest rate risk - the Authority will minimize the risk that the interest

earnings and the market value of investments in the portfolio will fall due to changes in general interest rates

3. Liquidity,
4. Marketability prior to maturity of each investment,
5. Diversification, and
6. Yield.

## II. INVESTMENT POLICIES

### A. Eligible Investments

Investments described below are authorized by Chapter 2256, Texas Government Code, as eligible securities for the Authority. The purchase of specific issues may, at times, be restricted or prohibited by the General Manager and Board of Directors. Authority funds governed by this policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding principal-only and interest-only mortgage backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits.
2. Direct obligations of the State of Texas, or its agencies and instrumentalities.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.
5. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, and secured by obligations described by 1-4 above, which are eligible investments under the Act, pledged with a third party selected or approved by the Authority, and having a market value of not less than the principal amount of the funds disbursed. The term includes direct security repurchase agreements entered into by the Authority and reverse repurchase agreements only obtained in connection with investment by the Authority in an Eligible Investment Pool or

Money Market Mutual Fund. (All Authority repurchase agreement transactions shall be governed by a signed Master Repurchase Agreement as described in B.4. of this section.)

6. Certificates of deposit, and other forms of deposit, placed in compliance with the Act in state and national banks, savings and loan associations, and credit unions that are:
  - a. Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance fund, or its successor, or, secured by obligations authorized by the Public Funds Collateral Act;
  - b. Governed by a depository contract, as described in B.4., that complies with federal and state regulation to properly secure a pledged security interest; and,
  - c. Solicited for bid orally, in writing, electronically, or any combination of those methods.
7. Money market mutual funds regulated by the Securities and Exchange Commission that fully invest dollar-for-dollar all Authority funds without sales commissions or loads and whose investment objectives include seeking to maintain a stable net asset value of \$1.0000 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.
8. Eligible investment pools as defined in Section 2256.016 of the Act provided that (a) investment in the particular pool has been authorized by the Board of Directors; (b) the pool shall have furnished the investment officers or other authorized representatives of the Authority an offering circular containing the information required by Section 2256.016(b) of the Act; (c) the pool shall furnish to the investment officers or other authorized representatives of the Authority investment transaction confirmations with respect to all investments made with it; (d) the pool shall furnish to the investment officers or other authorized representatives of the Authority, monthly reports that contain the information required by Section 2256.016(c) of the Act; (e) the pool's assets shall consist exclusively of the obligations authorized by the Act; and (f) whose investment philosophy and strategy are consistent with this policy and the Authority's ongoing investment strategy.

The Authority is not required to liquidate investments that were authorized investments at the time of purchase.

Not less than quarterly, the Investment Officers will monitor the credit rating for each held investment that has an Act required minimum rating. Any investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. Prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.



## **B. Protection of Principal**

The Authority shall seek to control the credit risk due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the types of securities as defined in the policy; by qualifying the broker, dealer, and financial institution with whom the Authority will transact; by collateralization as required by law; and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Authority's safekeeping agent. By so doing, Authority funds are not released until the Authority has received, through the safekeeping agent, the securities purchased.

### **1. Portfolio Diversification**

The investment portfolio shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (where appropriate),
- b. Limiting investment in securities that have higher credit risks,
- c. Investing with varying maturities, and
- d. Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Bond proceeds may be invested in a single investment (e.g. flexible repurchase agreement or similar structured investment) -if the General Manager, the Finance Officer, and Secretary-Treasurer determine that such an investment complies with federal arbitrage restrictions and facilitates arbitrage recordkeeping and calculations.

### **2. Diversification by Investment Maturity**

In order to minimize interest rate risk, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

#### **a. Current Operating Funds**

The weighted average days to maturity for the operating fund portfolio shall be less than 365 days and the maximum allowable maturity shall be three years. The maximum maturity for repurchase agreements shall be 30 days. The investment officers will monitor the average days to maturity level and make changes as appropriate.

**b. Bond Proceeds**

The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

**c. Debt Service Funds**

Debt service funds shall be invested to ensure adequate funding for each consecutive debt service payment. The investment officers shall invest in such a manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

**d. Bond Reserve Funds**

Market conditions, bond resolution constraints, and arbitrage regulation compliance will be considered when formulating reserve fund strategy. Maturity limitation shall generally not exceed the call provisions of the bond resolution and shall not exceed the final maturity of the bond issue.

**e. Operating Reserve Funds**

The anticipated cash requirements of other Authority funds will govern the appropriate maturity mix. Appropriate portfolio strategy shall be determined based on market conditions, policy compliance, Authority financial condition, and risk/return constraints. Maximum maturity shall not exceed five years.

**3. Ensuring Liquidity**

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets, and by investing in financial institution transaction accounts (e.g. DDA, MMA, NOW), eligible money market mutual funds and eligible investment pools.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

**4. Collateralization**

Consistent with the requirements of state law, the Authority requires all bank, savings and loan association, and credit union deposits to be federally insured, or collateralized with eligible securities or Letters of Credit issued by a Federal Agency or Instrumentality.

Financial institutions serving as Authority depositories will be required to sign a depository agreement with the Authority. The Agreement shall define the Authority's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with federal and state regulations, including:

- the agreement must be in writing;
- the agreement has to be executed by the depository and the Authority contemporaneously with the acquisition of the asset;
- the agreement must be approved by the Board of Directors or the loan committee of the depository and a copy of the meeting minutes must be delivered to the Authority; and
- the agreement must be part of the depository's "official record" continuously since its execution.

Repurchase agreements must also be secured in accordance with state law. Each counter party to a repurchase transaction is required to sign a copy of the Public Securities Association Master Repurchase Agreement, or similar agreement, as approved by the Authority. An executed copy of this agreement must be on file before the Authority will enter into any transactions with a counter party. All master repurchase agreements must be approved by the Board of Directors.

**a. Collateral Levels**

**(1) Financial Institution Deposits**

The market value of this principal portion of collateral pledged for financial institution deposits must at all times be equal to or greater than 102% of the deposit amount plus accrued interest on the deposit, less the applicable level of FDIC insurance.

**(2) Repurchase Agreements**

A repurchase agreement's security value shall be the par value plus accrued interest, and the security's market value must be maintained at the following minimum levels:

Agreement Maturities Greater Than One Business Day

U.S. Treasury securities.....102%  
U.S. agency and instrumentalities.....103%

Agreement Maturities of One Business Day

All securities.....100%

**b. Monitoring Collateral Adequacy**

(1) **Financial Institution Deposits**

The Authority shall require monthly reports with market values of pledged securities from all financial institutions with which the Authority has deposits. The investment officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

(2) **Repurchase Agreement**

Routine monitoring by the investment officers of market values of all underlying securities purchased for Authority in repurchase transactions is required. More frequent monitoring may be necessary during periods of market volatility.

c. **Additional Collateral and Securities**

(1) **Financial Institution Deposits**

If the collateral pledged for a deposit falls below the deposit value of the deposit, plus accrued interest, less FDIC insurance, the institution holding the deposit will be notified by the investment officers and will be required to pledge additional collateral no later than the end of the next succeeding business day.

(2) **Repurchase Agreements**

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the investment officers will request additional securities. If the repurchase agreement is scheduled to mature within five business days, and the amount is deemed to be immaterial, then the request is not necessary.

d. **Collateral Release or Substitution**

Collateralized deposits and repurchase agreements often require release or substitution of collateral. Any broker/dealer or financial institution ~~requesting may automatically substitute~~ substitution must contact the investment officers for approval and settlement. The substituted security's value will be calculated and substitution approved, if its value is collateral of equal ~~to~~ or greater value than the ~~required security level~~ replaced security. The investment officers, or a designee, must provide written notification of the decision to the ~~bank or the~~ custodian/safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The investment officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

5. **Safekeeping and Custody**

**a. Safekeeping/Custodial Agreement**

The Authority shall contract with a bank or banks for the safekeeping of securities owned by the Authority as a part of its investment portfolio, or custodian of collateral as part of its depository and repurchase agreements.

**b. Pledged Collateral Custodian**

All collateral deposits must be held by a third-party institution eligible under the Public Funds Collateral Act and acceptable to the Authority, or by the Federal Reserve Bank.

**c. Safekeeping of Repurchase Agreement Securities**

The securities purchased under repurchase agreements must be delivered to a third-party safekeeping agent with which the Authority has established a safekeeping agreement.

**C. Investment Broker/Dealers**

Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations. All Authority investment portfolios shall be actively managed to enhance overall interest income. Investment broker/dealers shall adhere to the spirit, philosophy, and specific term of this policy, and shall avoid recommending or suggesting transactions outside the same "Standard of Care" as defined in III. D.4.

**1. Authorized Broker/Dealers**

A list will be maintained of approved investment broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 153C-1 (uniform net capital rule).

All broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate and when requested:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification and U4
- Proof of state registration
- Completed broker/dealer questionnaire

An annual review of the qualified broker/dealers will be conducted by the Board of Directors.

**D. Responsibility and Controls**

**1. Administration**

The administrative staff and the Board of Directors shall develop the policies for the Authority's investment portfolios. The guidelines and procedures established by this policy

will at all times be adhered to by the Authority.

**2. Authority to Invest**

**a. Designation of investment officers and delegation of authority regarding investment decisions**

The Authority's Board of Directors designates the General Manager and Finance Officer having authority to make investment decisions (the "investment officers"). No other person may deposit, withdraw, invest, transfer, or manage in any other manner the funds of the Authority without express written authority of the Board, except that any investment officer may give written authorization for a member of the Authority's contract administrator's finance and accounting staff to execute electronic fund transfers between the Authority's financial institution accounts. Authority granted under this section is effective until rescinded by the Board or until termination of the person's employment or board membership or until the termination of the contract administrator's agreement.

**b. The investment officers shall have the authority to:**

- (1) Obtain and review competitive rates from qualified investment providers, financial institutions and broker/dealers.
- (2) Make or authorize the making of investments on behalf of the Authority.
- (3) Authorize or confirm the wire transfers of money of the Authority as authorized in this policy.
- (4) Maintain custody of all records of the Authority relating to its investment and management of its funds.
- (5) Perform or supervise the performance of any duties authorized to be performed by the Authority depository under this policy.
- (6) Prepare or supervise the preparation of periodic reports to be provided to the Board of Directors summarizing the investment and management of funds of the Authority.
- (7) Perform other duties as appropriate to implement this policy.

**c.** The investment officers shall attend training, as required by Water Code 49.1571, relating to the investment officers' responsibilities within 12 months after taking office or assuming responsibilities. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment

portfolio, and compliance with the Act. The investment officers shall continue to participate in educational opportunities as needed to maintain their quality and capabilities for performing their duties.

The investment training session shall be provided by an independent source approved by the Board. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom the Entity may engage in an investment transaction.

**3. Prudent Investment Management**

The designated investment officers shall perform their duties in accordance with the adopted investment policy and internal procedures. The prudence of the Investment Officer is considered by the investment of all funds rather than a single investment. The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

**4. Standard of Care**

The standard of care used by the Authority and designated investment officers shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Act states:

- a. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) Preservation and safety of principal;
- (2) Liquidity; and
- (3) Yield.

- b. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) The investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of

a single investment; and

- (2) Whether the investment decision was consistent with the written investment policy of the entity.

**5. Standard of Ethics**

The designated investment officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity. Additionally, all investment officers shall file with the Texas Ethics Commission and the Board of Directors a statement disclosing any personal business relationship with any entity seeking to sell investments to the Authority or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the Authority.

**6. Establishment of Internal Controls**

The Board of Directors will oversee the investment officers in the maintenance of a system of internal controls over the investment activities of the Authority. The investment officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officers shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- a. Control of collusion
- b. Separation of transactions authority from accounting and record keeping
- c. Custodial safekeeping
- d. Avoidance of physical delivery securities
- e. Written confirmation for telephone (voice) transactions for investments and wire transfers



**7. Reporting**

Investment performance will be monitored and evaluated by the investment officers. The investment officers will provide a quarterly comprehensive report signed by all investment officers to the Board of Directors. This investment report shall:

- a. Include a listing of individual securities held at the end of the reporting period,
- b. State the reporting period beginning market value, additions or changes to the market value during the period, and ending market value for the period of each pooled fund group,
- c. State the reporting period beginning market value and ending market value for each investment security by asset type and fund type,
- d. State the maturity date of each investment security,
- e. State the fund for which each investment security was purchased,
- f. Include an average weighted yield to maturity of portfolio as compared to applicable benchmark,
- g. State the fully accrued interest for the reporting period,
- h. State the percentage of the total portfolio that each type of investment represents, and
- i. State the compliance of the investment portfolio with the Authority's investment policy and strategy of the Public Funds Investment Act.

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. The source of pricing used to calculate market value will be sources independent from the transaction.

In conjunction with the annual audit, the quarterly reports shall be formally reviewed by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

**8. Investment Policy Certification**

Local government investment pools and discretionary investment management firms shall be presented a written copy of this investment policy. The qualified representative of the business organization shall execute a written instrument substantially to the effect that the organization has:

- a. Received and reviewed this investment policy; and
- b. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Authority ~~in compliance with the Act~~ that are not authorized by the Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio; requires an interpretation of subjective investment standards; or relates to investment transactions of the Authority that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The Authority shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

The Authority, in conjunction with its annual financial audit, shall perform a compliance audit of management controls or investments and adherence to the Authority's investment policy and strategies.

On motion of \_\_\_\_\_ seconded by \_\_\_\_\_, the foregoing resolution was adopted by the Board of Directors of the Greater Texoma Utility Authority this 21st day of October, 2019 by the following vote:

\_\_\_\_\_ Voted "For"                      \_\_\_\_\_ Voted "Against"                      \_\_\_\_\_ Abstained

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

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary-Treasurer

Policy source: Board Policy Manual, Section 20.00, Policies on Finance

**Appendix A**  
**Approved Investment Training Sources**

Association of Water Board Directors  
Texas Rural Water Association  
Texas Water Utilities Association  
Government Finance Officers' Association  
Government Finance Officers' Association of Texas  
Government Treasurers' Organization of Texas  
Council of Governments  
University of North Texas Center for Public Management  
American Institute of Certified Public Accountants  
Association of Governmental Accountants

**Appendix B**  
**Authorized Broker/Dealers**

BOKF Financial

FHN Financial

Multi-Bank Securities

~~Raymond James~~ SAMCO Capital Markets

ATTACHMENT X



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**DATE:** October 7, 2020

**SUBJECT:** AGENDA ITEM NO. X

### **CONSIDER AND ACT UPON AUTHORIZING THE EXECUTION OF CHANGE ORDER NO. 2 FOR THE CITY OF GUNTER WATER SYSTEM IMPROVEMENTS PROJECT WITH LEGION DEVELOPMENT LLC**

#### **ISSUE**

Consider and act upon authorizing the execution of Change Order No. 2 for Gunter Water System Improvements Project with Legion Development LLC.

#### **BACKGROUND**

In late 2017, the City of Gunter Mayor and Staff approached the Authority staff to request assistance with obtaining funding to construct a well, ground storage tank and pump station. 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. In other words, by the time this well is constructed, the City will likely be approaching their minimum well capacity per TCEQ rules.

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 project was 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 included a new water well and appurtenances.

In August of 2019, the Board authorized award of contract to Legion Development LLC in the Base Bid amount of \$2,153,329.00 along with a simultaneous action of authorizing Change Order No. 1 to the contract for a reduction of \$486,967.00 resulting in a revised contract amount of \$1,666,362.00.

#### **CONSIDERATIONS**

Change Order No. 2 adds SCADA package to contract. This was originally intended to be a separate bid package, but the engineer is of the opinion that installing SCADA as a part of this contract will provide better integration of the system. In addition, panels have been added to allow new pump station to operate independently of the SCADA system in the event of SCADA failure. The proposed SCADA package includes equipment at the existing elevated tank site and the old pump station & control room site to allow for communication of all sites for the complete system.



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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PAGE 2

Change Order No. 2 would increase the contract amount by \$162,454.00 resulting in a revised contract amount of \$1,828,816.00. There are funds available in the contingencies to cover this contract increase.

The City of Gunter will be considering this Change Order at their November Council meeting.

### **STAFF RECOMMENDATIONS**

The Authority staff recommends authorizing Change Order No. 2 to the contract for an increase of \$162,454.00 resulting in a revised contract amount of \$1,828,816.00.

### **ATTACHMENTS**

Change Order No. 2

### **PREPARED AND SUBMITTED BY:**

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

Drew Satterwhite, P.E., General Manager

**CHANGE ORDER No. 2**

ENGINEER'S Project No.: **18001**  
 PROJECT: **GTUA/Gunter Water System Improvements**  
 CONTRACTOR: **Legion Development LLC**

ORIGINAL CONTRACT Amount: **\$ 2,153,329.00**      CONTRACT Date: Sept. 24, 2019

TO:           **Legion Development LLC**            
           CONTRACTOR

You are directed to make the changes noted below in the subject Contract:

          City of Gunter, Texas                                          GTUA          

By: \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**NATURE OF CHANGES:**

Add SCADA package to contract. This was originally intended to be a separate bid package, but it has been determined that installing as part of this contract will provide better integration of the system. In addition, panels have been added to allow new pump station to operate independently of the SCADA system in the event of SCADA failure. The SCADA package includes equipment at the existing elevated tank site and the old pump station & control room site to allow for communication of all sites for the complete system.

New Pump Station Site - \$90,222.00  
 Elevated Storage Tank Site - \$37,370.00  
 Old Pump Station & Control Room - \$34,862.00

A summary of the changes is attached.

These changes result in the following adjustment of Contract Price and Contract Time:

Original Contract Price:	\$ <u>2,153,329.00</u>
Change Order No. 1:	\$ <u>(486,967.00)</u>
Change Order No. 2:	\$ <u>162,454.00</u>
New Contract Price:	\$ <u>1,828,816.00</u>
Percent Change:	<u>15%</u>



The Above Changes are Recommended for Approval:

Freeman-Millican, Inc.  
Engineer

By: Mark D. Hill  
Mark D. Hill, P.E.

Dated: 01 OCT 20

Legions Development LLC  
Contractor

By: El Albert

Dated: 9/29/20

## Mark Hill

---

**From:** Ed Albrecht <ed@legionh2o.com>  
**Sent:** Thursday, August 20, 2020 2:17 PM  
**To:** Mark Hill  
**Subject:** Latest Revised all inclusive CO Request

Mark,

See below items we propose to furnish for the Requested Change Order.

### New Pump Station

- Plans dated 7/16/2020 and Specifications forwarded by Mr. Mark Hill.
- RTU equipped with PLC, power supply, Nema 3R Enclosure, UPS, HMI Touch Screen in the Door of the RTU, Radio system consisting of one 900MHz radio, coax cable, Yagi Antenna and lightning protection, and Labor.
- Furnish LIT-301, PIT-400 and FIT-210.
- All conduit, wire, and labor furnished under existing contract.
- Chlorine Alarm Interface Control Panel.
- GSR Float Switch Interface Panel.
- **COST:           \$90,222.00**

### Elevated Storage Tank

- New RTU equipped with PLC, power supplies, Nema 3R enclosure, UPS, Radio, Coax Cable, Yagi Antenna, and lightning protection.
- PIT-400.
- Conduit and wire, as required.
- Installation of the RTU.
- **COST:           \$37,370.00**

### Old Pump Station and Control Room

- RTU equipped with PLC, power supplies, panel materials, and Nema 3R enclosure.
- UPS, Yagi Antenna, lightning protection, and Radio.
- PIT-400.
- Cat-5 cable.
- Installation, conduit and fittings.
- Underground conduit.
- **COST:           \$34,862.00**

Ed Albrecht  
President, Legion Development, LLC  
O: 512.688.5125 | M: 512.450.2461  
[legiondevelopment.com](http://legiondevelopment.com)



ATTACHMENT XI



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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DATE: November 9, 2020

SUBJECT: AGENDA ITEM NO. XI

**CONSIDER AND ACT UPON AUTHORIZING THE EXECUTION OF CHANGE ORDER NO. 2 FOR THE CITY OF PARADISE WATER LINE EXTENSION AND ELEVATED STORAGE TANK IMPROVEMENTS PROJECT WITH PATTERSON PROFESSIONAL SERVICES**

**ISSUE**

Consider and act upon authorizing the execution of Change Order No. 2 for Paradise Water Line Extension Elevated Storage Tank Improvements Project with Patterson Professional Services.

**BACKGROUND**

The City of Paradise approached the Authority staff requesting assistance in obtaining funding to construct approximately 17,000' of 6" water line. This is part of an effort by the City of Paradise to extend water service to growing areas of the City and to provide service for residents who do not currently have City water service.

At the June 2018 meeting, the Board authorized a bond resolution in the amount of \$935,000. This bond series was for a 30-year term with a 2.53% interest rate. Additionally, The City of Paradise received \$300,000 in principal forgiveness from the TWDB. These are funds the City will not be required to repay. Overall, the TWDB estimated the City would save approximately \$587,000 over the life of the principal by utilizing this funding source.

In addition to the \$1,235,000 obtained by the Authority referenced above, the Authority staff assisted the City with the application of an additional \$300,000 principal forgiveness that was funded directly by the City. This funding is for the purpose of modifying their elevated storage tank fill to feed from the top of the tank to reduce water age in the tower. Additionally, this project would include disinfection facilities at the elevated storage tank site to re-disinfect the water before going into their system. The Authority entered into a funding agreement with the City in order for these funds to be utilized by the authority for the construction of this project.

On December 18, 2019 bids for construction of the Water Line Extensions and Elevated Storage Tank Improvements were publicly opened and read aloud at the City of Paradise City Hall. Four (4) bids were received for this project. Patterson Professional Services was awarded the contract with a Total Base Bid of \$1,060,395.00

The original plans called for retrofitting an existing building to house the chloramination chemical feed equipment. After award, the contractor requested that the engineer consider replacing the building as opposed to retrofitting an old building. Change Order No. 1 included a new FRP building for housing the chloramination feed equipment instead of retrofitting the existing building. This process was not expected to increase the duration of the project. The change order increased the project contract price from \$1,060,395.00 by \$7,000 to \$1,067,395.00. Funds were available in the bond issue for the costs associated with this change order.

Change Order No. 2 includes 100' of 2" bore to extend 1" water service, 160' of 8" bore due to a difficult tie-in under drainage pipe. It includes installing five (5) automatic flushing valves and sampling stations at existing



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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PAGE 2

water hydrants. Three (3) out of the five (5) locations where these valves and sampling stations will be installed, are on pipelines that were not part of the this project. The purpose of these flushing valves is to maintain disinfectant residual levels within the water system and provide a higher quality water to the city's water customers. Change Order No. 2 would increase the contract price by \$88,174.00 resulting in a revised contract amount of \$1,155,569.00.

### **CONSIDERATIONS**

The Authority has funds available in the contingencies to cover this change order. The City of Paradise has already approved Change Order No. 2.

### **STAFF RECOMMENDATIONS**

Staff recommends authorizing the execution of Change Order No. 2 to the contract with Patterson Professional Services, LLC for an increase of \$88,174.00 resulting in a revised contract amount of \$1,155,569.00. This Change Order would also extend the time of contract by 40 days.

### **ATTACHMENTS**

Change Order No. 2

### **PREPARED AND SUBMITTED BY:**

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

Drew Satterwhite, P.E., General Manager

**CHANGE ORDER No. 2**

ENGINEER'S Project No.: PAR 17-001

PROJECT: GTUA/ Paradise Water Line Extension and EST Improvements

CONTRACTOR: Patterson Professional Services

ORIGINAL CONTRACT Amount: \$1,067,395

TO: Patterson Professional Services  
CONTRACTOR

You are directed to make the changes noted below in the subject Contract:

GTUA on behalf of Paradise  
Owner

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**NATURE OF CHANGES:**

- 1) 100' of 2" bore to extend 1" water service - \$5,800.00
- 2) 160' of 8" bore, no casing. Open cut not feasible due to existing fiber optic line, storm drain, and private property boundary. - \$28,000.00
- 3) Five (5) automatic flush valves and sampling stations –
  - (1) Hydrant on South Side of Honeysuckle between 113 and 121
  - (2) Hydrant at Sunflower Rd between 105 and 109 Sunflower Rd
  - (3) Hydrant at 495 Old Town Rd and 3801 Hwy 114
  - (4) Hydrant between 646 Main and 644 Main
  - (5) Hydrant between 110 Thistle and 310 ThistleAFV - \$5,700.00 each  
Sampling Station with City of Paradise Signage - \$2,550.00 each  
Total - \$41,250.00
- 4) Sensaphone Alarm System - \$5,825.00
- 5) Chlorine Analyzer (CL17) with SC 200 Universal Controller - \$6,879.00
- 6) Sampling reagent - \$420.00

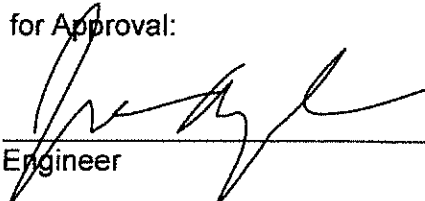
Total Change Order Price – \$88,174.00

These changes result in the following adjustment of Contract Price and Contract Time:


Original Contract Price:	\$ <u>1,060,395.00</u>
Contract Price with Change Order No. 1 (Previously Approved):	\$ <u>1,067,395.00</u>
New Contract Price:	\$ <u>1,155,569.00</u>
Percent Change:	<u>8.3%</u>
Additional Days Change Order No. 2	<u>40</u>
Total Additional Days	<u>          </u>

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The Above Changes are Recommended for Approval:

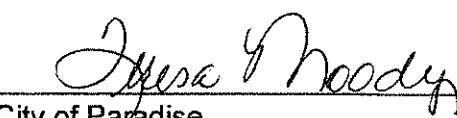
  
\_\_\_\_\_  
Engineer  
By: Justin Angel - Perkins Engineering Consultants, Inc.

Dated: 10/30/20

  
\_\_\_\_\_  
Contractor  
By: MARK PATTERSON

Dated: 10/30/20

The Above Changes are Accepted by:

  
\_\_\_\_\_  
City of Paradise  
By: TERESA MOODY - City Secretary

Dated: 11-3-20





PERKINS  
ENGINEERING  
CONSULTANTS, INC.

6001 Interstate 20 West  
Suite 219  
Arlington, TX 76017  
Office: 817-719-0372  
Fax: 817-719-0122  
www.perkinsconsultants.com

November 3, 2020

Mr. Raphael Castro  
Texas Water Development Board  
1515 East Kerney, Suite 401  
Mesquite, TX 75149

RE: City of Paradise  
Waterline Extensions and Elevated Storage Tank Change Order #2 Categorical  
Exclusion Description

Dear Mr. Castro

Below is a description of the additions to the Paradise Waterline Extension and Elevated Storage tank project where equipment is being installed outside of the original project area.

Change Order #2 includes installing five (5) automatic flushing valves and sampling stations at existing water hydrants. Three (3) out of the five (5) locations where these valves and sampling stations will be installed were not part of the original project that was granted a FONSI on 02/25/2019. The automatic flushing valves are being installed to maintain proper residual levels within the water system and provide a higher quality water to the City's water customers. The areas that the three (3) valves and sampling stations will be installed are within existing utility easements with existing utilities.

Please let me know if you need any more information regarding the installation of these automatic flushing valves and sampling stations.

Sincerely,

Justin Angel, P.E. 129386  
Project Manager  
TBPE Firm No. 8699

## **CATEGORICAL EXCLUSION / DETERMINATION OF NO EFFECT REQUEST FORM**

### **What is a Categorical Exclusion?**

Categories of actions which do not individually, cumulatively over time, or in conjunction with other Federal, State, local or private actions have a significant adverse effect on the quality of the human environment may qualify for a categorical exclusion from a full environmental review. For a project to be eligible, it generally relates to existing infrastructure which is either: (1) a sewer collection network and treatment system; (2) a system to collect, treat, store and distribute drinking water; or (3) a stormwater system (including combined sewer overflow system). The requirements for a federal Categorical Exclusion (CE) (funded by one of the federal State Revolving Funds) must meet the standards of the National Environmental Policy Act (NEPA). A Determination of No Effect (DNE) is the state equivalent of a CE. A DNE is issued by the Texas Water Development Board (TWDB) when a project funded through a state funding program (e.g., WDF/DFund, SWIFT, EDAP) qualifies for a categorical exclusion under State funding requirements.

### **What is the purpose of this form?**

The information in this form will be used by TWDB Environmental Reviewers to determine: (1) if a project fits into one of the categories of actions that are exempt from a full environmental review, and (2) if an extraordinary circumstance associated with an individual project would disqualify the project for this type of exemption because of a significant adverse effect on the quality of the human environment.

### **Timing: When should this form be submitted?**

This form may be submitted with the application, or during the TWDB technical review of the application (TWDB Environmental Reviewer may request this form during the application review if the project appears to be the kind that may qualify for a categorical exclusion), or during the planning phase of the project after a loan commitment has been secured. The timing will depend on how clearly defined the project is at the application phase and how quickly the project proponent would like to progress to engineering design and construction. Please note that the issuance of an environmental determination is required prior to approval of the Engineering Feasibility Report and release of design and/or construction funds.

### **General Notes**

Please be aware, once issued, the CE/DNE will cover specific work at a specific location. Deviations in the proposed construction area will not be covered (there are limited exceptions to this rule for trivial deviations). It is not uncommon for pipeline replacement projects to have a surplus of unused funds left over at the end of the project. The TWDB encourages clients to identify contingent pipeline replacements in the enclosed form in case this situation arises.

**CE/DNE Request Form for \_\_\_\_\_**  
**Project # \_\_\_\_\_ (if known)**

Please contact the TWDB Environmental Reviewer to discuss the project prior to preparing or submitting the CATEGORICAL EXCLUSION / DETERMINATION OF NO EFFECT REQUEST FORM. For assistance with any questions, please contact your Regional Team Manager.

Table 1. General Categories of Projects That Qualify for a CE/DNE	
Minor actions relating to an existing infrastructure system (a sewer collection network and treatment system; a system to collect, treat, store and distribute drinking water; or a stormwater or combined sewer system) may qualify for a CE/DNE. Answer 1 to 3.	
<b>1. Is the project for minor upgrade or minor expansion of system capacity?</b> This may include, but is not limited to: <u>minor</u> extensions of sanitary sewers, force mains and drinking water extensions of the existing system to primarily serve existing development; stormwater detention pond and retention pond cleaning and dredging or minor storage increase or culvert upgrades.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>2. Is the project for rehabilitation of existing facilities?</b> This includes, but is not limited to: infiltration and inflow corrections in the existing wastewater collection system or equipment rehabilitation at the existing wastewater plant, pumping, or storage facilities; drinking water system equipment replacement or modifications at an existing water plant, or pumping and storage facilities; stormwater culvert rehabilitation and repair, rip-rap renewal or other flow dissipation structure rehabilitation, or storm sewer to grass swale conversions.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>3. Is the project for new minor ancillary facilities adjacent to or on the same property as existing facilities?</b> This includes, but is not limited to: new wastewater facilities and equipment for sludge handling, odor control, screening, flow equalization, disinfection, or laboratory facilities; new drinking water facilities such as alum sludge handling, filtration, flow equalization, chemical storage, chlorination, or laboratory facilities; innovative facilities at stormwater control locations, such as sedimentation basins, infiltration trenches, detention pond to retention pond retrofits, or oil and grit separators.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If the answer to all of the above is No, then the project does not qualify for a CE/DNE. If any answer is Yes, proceed to Table 2.	

Table 2. Excluding Factors	
1. Project will involve new or relocated discharges to surface or ground water	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Project will result in substantial increases in the volume of discharge or the loadings of pollutant to the receiving water	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. The project will increase the capacity of the system (e.g., treatment, production, storage, delivery capacity), AND the capacity increase will be designed to provide service to a population 30 percent or greater than the existing system is capable of providing. NOTE: If there is no actual change in capacity, check 'No'*	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Project will be in conflict with state or other regional growth plan or strategy	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Project will directly or indirectly relate to upgrading or extending infrastructure systems primarily for the purposes of future development	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If any answer (1-5) is Yes, then project does not qualify for a CE, but may still qualify for a DNE. If all answers (1-5) are No, proceed to Table 3. (*Question #3 about capacity change does not disqualify a State-funded project from a DNE. For federal funds, an EID will be required, but discuss with the TWDB environmental reviewer to determine the level of detail required)	

CE/DNE Request Form for \_\_\_\_\_  
 Project # \_\_\_\_\_ (if known)

Table 3. Extraordinary Circumstances That Disallow a CE	
1. The action is known or expected to have a significant effect on the quality of the human environment, either individually or cumulatively over time.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. The action is known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority communities, low-income communities, or federally-recognized Indian tribal communities.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. The action is known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. The action is known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric, archeological, or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. The action is known or expected to significantly affect environmentally important natural resource areas such as wetlands, floodplains, significant agricultural lands, aquifer recharge zones, coastal zones, barrier islands, wild and scenic rivers, and significant fish or wildlife habitat.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. The action is known or expected to cause significant adverse air quality effects.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. The action is known or expected to have a significant effect on the pattern and type of land use or growth and distribution of population including altering the character of existing residential area, or be inconsistent with state of local government, or federally-recognized Indian tribe approved land use plans or federal land management plans.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. The proposed action is known or expected to cause significant public controversy about a potential environmental impact of the proposed action.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. The proposed action is known or expected to conflict with federal, state, or local government, or federally-recognized Indian tribe environmental resource-protection, or land-use laws or regulations.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If all of the answers (1-9) are No, then the project <b>may</b> be eligible for a CE/DNE. If any of the answers to the questions in Table 3 is Yes, then project does not qualify for a CE/DNE.	

Please attach a file (s) with responses to the following questions:

1. **Please include a brief project description (bulleted list of project components preferred).**
2. **For Pipeline Replacement/Rehabilitation Project Components (including minor extensions or additional looping lines if linear footage is less than 5 percent of the total water distribution system), please include the following information in addition to the above table:**
  - a. Please provide a USGS topographic map with all pipeline work overlain. In most cases, you do not need to include yard piping on an existing facility site, but please confirm this with the TWDB environmental reviewer. Make sure that street names can be read so that it is easy to determine the exact route of the linework. If there are any lines that are not replacing existing lines (e.g., extensions or new segments), distinguish/label these clearly.

Example project maps are provided online at:

<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1800.pdf>

CE/DNE Request Form for \_\_\_\_\_  
Project # \_\_\_\_\_ (if known)

In addition to the map, a GoogleEarth file (kmz) that identifies the pipeline route would be greatly appreciated, however, it is not required. The file can be submitted via email.

- b. FEMA floodplain map with the pipeline replacements overlain (not required if GoogleEarth kmz file is submitted).
- c. Provide a table listing: (a) approximately how many linear feet of pipeline will be replaced and, (b) the existing versus proposed diameter for each pipeline segment. This can be estimates of ranges for numerous pipelines.
- d. Is the project limited to the replacement of existing water pipelines? Will the City be installing any pipeline extensions to connect existing dead end pipelines (looping)? If so, clearly label these segments on the map.
- e. Approximate dimensions of the affected areas for the existing and proposed pipelines, including excavation depths.
- f. Method of installation. For example, open trenching, boring, pipe bursting, and other methodology used for special circumstances such as water or highway crossings.
- g. Specific location conditions (under pavement, under cleared roadside right of way).
- h. Approximate distances from existing lines. For example, within 3 ft., within 20ft., etc.
- i. What does the City plan to do with the old lines? Abandon in place, removal, removal and reuse?
- j. **Crossing creeks:** Please provide a discussion about the permit requirements for any potential creek crossings (e.g., explain why the work should be authorized by a USACE general permit such as Nationwide or Regional General permit without pre-construction notification).

**Application for Public Access to Records  
Pursuant of Public Information Act**

**DATE REQUESTED:** October 20, 2020

**REQUEST SUBMITTED BY:** E-MAIL

**REQUEST SUBMITTED TO** (Agency name & address): City of Paradise, Wise County, TX

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**NAME OF REQUESTER:** Donna Post on behalf of General Code, LLC

**STREET ADDRESS:** 781 Elmgrove Road

**CITY/STATE/COUNTY/ZIP** (Required): Rochester, NY, 14624

**TELEPHONE** (Optional): 585-328-1810 x: 131      **EMAIL:** [dpost@generalcode.com](mailto:dpost@generalcode.com)

**RECORDS REQUESTED:** \*Provide as much specific detail as possible so the agency can identify the information.

The City recently collected bids/proposals/RFP documents from codification companies to take over publication and maintenance of its Code. General Code was not selected to do this work. Please provide the bids/proposals/RFP documents provided by the other vendor(s).

PDF documents via email preferred.

Document cannot be altered to answer the questions below. Our answers. No - No - No - Yes for ANY cost. Thank you. – Donna Post

DO YOU WANT COPIES? NO

DO YOU WANT TO INSPECT THE RECORDS? NO

DO YOU WANT CERTIFIED COPIES OF RECORDS? NO

DO YOU WANT TO BE NOTIFIED IN ADVANCE IF THERE IS A COST INVOLVED? YES

**\*\* PLEASE NOTE: RETAIN A COPY OF THIS REQUEST FOR YOUR FILES \*\***

**\*\* IT IS A REQUIRED DOCUMENT IF YOU WOULD NEED TO FILE AN APPEAL \*\***

ATTACHMENT XII



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**DATE:** November 10, 2020

**SUBJECT:** AGENDA ITEM NO. XII

**CONSIDER AND ACT UPON AUTHORIZING THE EXECUTION OF CHANGE ORDER NO. 1 FOR THE CITY KRUM  
WATER WELL PROJECT**

**ISSUE**

Consider and act upon authorizing the execution of Change Order No. 1 for the City of Krum Water Well Project with THI Water Well.

**BACKGROUND**

The Authority, on behalf of the City of Krum is financing the construction of a water well to supplement the City's existing water supply. This project will enable the City of Krum to continue to grow by allowing them enough water production capacity to satisfy the Texas Commission on Environmental Quality.

In 2017, the City requested the Authority's assistance in obtaining funding through the Texas Water Development Board ("TWDB") Drinking Water State Revolving Fund Program ("DWSRF"), which offers below market interest rates. In September of 2017, the Authority closed on a \$1,225,000 loan from the DWSRF to finance the planning, design, and construction of a water well to supplement their existing water supply.

At the July 2020 meeting, the Board authorized award of contract to THI in the amount of \$1,026,774.96.

After award of contract, the water well driller informed the Engineer that they believed that they could get more water at this well location by upsizing the casing and well pump. The City currently has issues with meeting the TCEQ's 0.6 gpm per connection rule and the upsizing of this well and pump would give the City more capacity to grow. The City of Krum is currently experiencing a lot of growth relative to their population.

**CONSIDERATIONS**

As of the drafting of this memorandum, the Authority has not seen a formal change order. The City is very anxious to get this approved so that the construction of the water well can continue. This change order will be emailed under separate cover to the Board after it is been reviewed by the Authority staff.

**STAFF RECOMMENDATIONS**

Staff will have a recommendation at the meeting after having the opportunity to review the proposed Change Order.

**PREPARED AND SUBMITTED BY:**

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Drew Satterwhite, P.E., General Manager



ATTACHMENT XIII



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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DATE: November 6, 2020

SUBJECT: AGENDA ITEM NO. XIII

### CONSIDER AND ACT UPON ADMINISTRATIVE SERVICE CONTRACT WITH THE RED RIVER GROUNDWATER CONSERVATION DISTRICT FOR 2021

#### ISSUE

Administrative Services contract with the Red River Groundwater Conservation District ("RRGCD") for 2021.

#### BACKGROUND

The RRGCD will consider the renewal of the Administrative Services contract with Greater Texoma Utility Authority at their November 19, 2020 meeting. The Authority has provided administrative services to the RRGCD since 2010. The current contract expires on December 31, 2020.

#### CONSIDERATIONS

The administrative services provided to the RRGCD are paid by the RRGCD and have been a great help in offsetting the administrative costs of the Authority. This agreement provides a significantly more cost-effective mechanism for operating the RRGCD than procuring an office and hiring full-time staff. This contract is scheduled to be on the November 19, 2020 RRGCD Board Meeting agenda and the costs for these services have been budgeted in the RRGCD's 2021 budget.

#### STAFF RECOMMENDATIONS

The staff recommends authorizing the execution of the Administrative Services Contract with the Red River Groundwater Conservation District.

#### ATTACHMENTS

2021 Administrative Services Contract

#### **PREPARED AND SUBMITTED BY:**

---

Drew Satterwhite, P.E. General Manager

**ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN THE GREATER TEXOMA UTILITY AUTHORITY AND  
THE RED RIVER GROUNDWATER CONSERVATION DISTRICT**

STATE OF TEXAS	§	STATE OF TEXAS
	§	
GREATER TEXOMA UTILITY AUTHORITY	§	RED RIVER GROUNDWATER
	§	CONSERVATION DISTRICT

This Agreement, made and entered into by and between the Greater Texoma Utility Authority, hereinafter referred to as (“Authority”) and the Red River Groundwater Conservation District in Fannin and Grayson Counties, Texas, hereinafter referred to as (“District”).

WITNESSETH:

WHEREAS, the District is experiencing a need for administrative services in order to achieve the objectives provided in its enabling legislation and Chapter 36 of the Texas Water Code; and

WHEREAS, the Authority has staff experienced in water related activities; and

WHEREAS, the District has determined that it is in the best interest of the District to engage the Authority to assist in providing administrative assistance in establishing the District’s programs and activities; and

WHEREAS, the District has determined that the proposal dated November 19, 2020 from the Authority, as said proposal is modified and supplemented herein, is in the best interest of the District and that the Authority is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and of the terms and conditions hereinafter set forth, the parties agree as follows:

1. The Scope of Services. The term "Scope of Services" as used herein refers to the Scope of Services made and submitted by the Authority to the District dated November 19, 2020, as amended, modified, or supplemented herein. (attached hereto as “Exhibit A”)

The Scope of Services is a general guideline for the commencement of administrative activities and related services. Said Scope of Services is amended and superseded by specific terms of this Agreement, which may be amended in writing from time to time upon agreement of the Authority and the District.

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President’s direction does not conflict with any District, State or Federal Laws, or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached Scope of Services. Administrative services shall include, but not be limited to recording and communication

services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the "General Manager" as set forth in the District's Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District's Rules.

3. Charges and Payment. Monthly payments shall be made by the District to the Authority for actual costs incurred including hourly wages and benefits of the Authority employees, insurance costs, extra travel costs to and from the District, overhead, and other direct costs, including fees for professional services. The Authority shall invoice the District for any such services performed hereunder during the preceding thirty (30) day period, said invoice to be presented by the 25<sup>th</sup> day of the following month. Said invoice shall be itemized in such a manner that the District may determine the reasonableness of the charges submitted. The District shall pay the full amount of invoices received from the Authority by the tenth day of the month following receipt of any such invoice unless notice of protest or disagreement is given to the Authority within seven (7) business days after receipt of said invoice. Failure of the Authority and the District to agree upon payment of such invoice within thirty (30) days of protest shall be grounds for termination under Paragraph 4 unless the parties can otherwise agree in writing to a schedule of payment.

4. Terms of Agreement. The Term of this Agreement shall be for a 12-month period commencing as of the effective date of this Agreement, which shall be the later date that the District or the Authority executes this Agreement. This Agreement may be renewed upon expiration of the 12-month term of this Agreement by written agreement between the parties. Either the District or the Authority may terminate this agreement for any reason at any time upon ninety (90) days written notice of termination to the other party. Should the Authority or the District elect to terminate this Agreement, the District shall remain responsible for its share of any costs for which it is obligated that remain existing and unpaid as of the effective date of termination.

5. Indemnity. Neither the District nor the Authority shall be liable to the other for loss, either direct or consequential. All such claims for any and all loss, however caused, are hereby waived. Said absence of liability shall exist whether or not the damage, destruction, injury, or loss of life is caused by the negligence of either party or of any of their respective agents, servants, or employees. It is contemplated that each party shall look to its respective insurance carriers for reimbursement of any such loss. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless it is specifically covered therein as an additional insured. Nothing contained in this Agreement is intended by either party to create a partnership or joint venture, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint any party as an agent of any other party, for any purpose whatsoever. It is understood and agreed that by execution of this Agreement, no governmental powers or immunities are waived or surrendered by either the District or the Authority.

6. Independent Contractor. The Authority is, and shall perform this agreement as, an independent contractor, and as such, shall have and maintain complete control over all of its employees, subcontractors, agents, and operations. Neither the Authority nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, subcontractor, employee, officer or servant of the District. No employee or agent of the District shall be, represent, act, or purport to act or be deemed to be the agent,

representative, subcontractor, employee, officer, or servant of the Authority.

7. Surety Bond. Any officer, employee, or agent of the Authority who collects, pays, or handles any funds of the District shall furnish good and sufficient bond payable to the District in an amount determined by the District Board to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. The bond shall be signed or endorsed by a surety company authorized to do business in Texas. The District Board hereby determines that the initial amount of each bond shall be set at \$50,000.00, and may alter the amount pursuant to a minute order or resolution adopted at a properly noticed meeting. The District Board shall provide the Authority with notice of any such alternative amount. The District shall reimburse the Authority for costs incurred in connection with providing administrative services to the District. Any such out-of-pocket costs exceeding \$2,500.00 per year shall require prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

8. No Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties hereto, and all duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the parties hereto, and not for the benefit of any other party. There are no third party beneficiaries to this Agreement.

9. Assignment. This Agreement shall not be assignable except at the written consent of the Authority and the District hereto, and if so assigned, shall extend to and be binding upon the successors and assigns of the Authority and the District thereto.

10. Notices. All notices given under this agreement shall be deemed properly served if delivered in writing personally, or sent by certified mail to Mark Patterson, President, Red River Groundwater Conservation District, PO Box 1214, Sherman, TX 75091-1214, and to the Authority addressed to the President, Greater Texoma Utility Authority, 5100 Airport Drive, Denison, TX 75020-8448. Date of service of notice served by mail shall be the date on which such notice is deposited in a post office of the United States Postal Service. Either party may change their respective addresses for notice by providing notice of such address change in the aforesaid manner with specific reference to this Agreement.

11. Authority Financial Obligations. Nothing in this agreement shall be construed to require the Authority to expend funds from any source other than the revenues received hereunder. All costs required by valid rules, regulations, laws, or orders passed or promulgated by the United States of America, the State of Texas, and regulatory or judicial branches thereof having lawful jurisdiction shall be the responsibility of the District.

12. Entire Agreement. This agreement embodies the entire understanding between the Authority and the District hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect except in writing signed by the Authority and the District.

13. Governing Law and Severability. This agreement shall be governed by the laws of the State of Texas and the venue in Grayson County, Texas. The provisions of this agreement shall be deemed to be severable and the invalidity of or inability to enforce other provisions hereof. In the event of a conflict between the terms of

this Agreement and any exhibit attached hereto, the terms and conditions of this Agreement shall take precedence. Venue shall be in Grayson County, Texas.

14. Interpretation. Although drawn by the Authority, this contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto, having been duly approved by the respective governing bodies and effective on the last date of execution as set forth below.

GREATER TEXOMA UTILITY AUTHORITY  
5100 AIRPORT DRIVE  
DENISON TX 75020-8448

RED RIVER GCD  
PO BOX 1214  
SHERMAN TX 75091-1214

BY: \_\_\_\_\_  
President

BY: \_\_\_\_\_  
President

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary-Treasurer

\_\_\_\_\_  
Secretary-Treasurer

## Exhibit "A"

### Scope of Services

- I. Recording and Communication Services
  - Act as point of contact for well owners by answering questions regarding rules
  - Provide all postings for meetings
  - Provide notice postings in timely manner
  - Mail notices and rules as needed
  - Prepare agenda after consultation with President
  - Prepare and e-mail draft minutes to Board of Directors
  - Complete minutes after review by Board of Directors
  - Maintain website as needed
  - Establish and maintain paper and electronic filing system
  - Provide written communications to well owners, TWDB and others as needed
  - Draft correspondence for signature by designated persons
  
- II. Database Collection for Registered and Non-Registered Wells in the District
  - Work with chosen database development firm to create the well registration system for the District
  - Operate and maintain well registration website and map, which will depict wells in each District county
  - Work with well owners to register wells and collect well registration fees
  - Employ field technician to locate and verify wells in each District county
  
- III. Development of Personnel and Other Policies
  - Prepare and present drafts of personnel policies for review by appropriate committee and Board of Directors
  - Prepare and present drafts of operating procedures for future staff to follow
  - Assist Board of Directors in training personnel for District at appropriate time
  
- IV. Assistance for Rule Development
  - Assist Board of Directors in development of permanent rules
  - Assist Board of Directors in the development and implementation of a Management Plan
  
- V. Accounting
  - Provide accounting services including keeping financial records, issuing invoices, paying invoices, etc.
  - Prepare and present monthly financial statements
  - Assist Board of Directors with development of budget
  - Prepare and provide documentation for audit

### Approach to Provision of Services

- Staff is able to work diplomatically with well owners and others
- Use 800 number on all letterhead and other communication for calls to make contact easier for well owners
- Well-acquainted with TWDB staff
- Utilize assistance from Texas Alliance of Groundwater District members
- Coordinate District activities with GMA 8 activities
- Develop records and procedures in a manner that will make for easy transition when desired

### Estimated Cost of Services

The Authority is a public agency. The Board's approach to provision of services has always been to seek reimbursement for the costs of providing the services requested. These costs include:

- The salary and employer personnel costs (social security, worker's compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$110,000 for administration and accounting, \$80,000 for the field technician, and \$35,000 for field permitting specialist without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates:
  - General Manager – \$115 per hour
  - Project Coordinator - \$45 per hour
  - Administrative Assistant - \$32 per hour
  - Finance Officer - \$74 per hour
  - Accounting Assistant - \$34 per hour
  - Accounting Assistant (2) - \$30 per hour
  - Office Clerk - \$34 per hour
  - Field Technician - \$49 per hour
  - Field Technician (2) - \$46 per hour
  - Technician Lead - \$38 per hour
  - Operation Supervisor - \$66 per hour



ATTACHMENT XIV



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

---

**DATE:** November 6, 2020

**SUBJECT:** AGENDA ITEM NO. XIV

**CONSIDER AND ACT UPON ADMINISTRATIVE SERVICE CONTRACT WITH THE NORTH TEXAS GROUNDWATER  
CONSERVATION DISTRICT FOR 2021**

**ISSUE**

Administrative Services contract with the North Texas Groundwater Conservation District ("NTGCD") for 2021.

**BACKGROUND**

The NTGCD Board of Directors authorized the 2020 Administrative Services contract with Greater Texoma Utility Authority at their November 10, 2020 meeting. This contract has been revised to a 5-year term at the request of the NTGCD Board of Directors which is the only significant change from years past. The Authority has provided administrative services to the NTGCD since 2010. The current contract expires on December 31, 2020.

**CONSIDERATIONS**

The administrative services provided to the NTGCD are paid by the NTGCD and have been a great help in offsetting the administrative costs of the Authority. This agreement provides a significantly more cost-effective mechanism for operating the NTGCD than procuring an office and hiring full-time staff. This contract was approved at the NTGCD's November 10, 2020. Board Meeting and the costs for these services have been budgeted in the NTGCD's 2021 budget.

**STAFF RECOMMENDATIONS**

The staff recommends authorizing the execution of the Administrative Services Contract with the North Texas Groundwater Conservation District.

**ATTACHMENTS**

2021 Administrative Services Contract

**PREPARED AND SUBMITTED BY:**

---

Drew Satterwhite, P.E. General Manager

**ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN THE GREATER TEXOMA UTILITY AUTHORITY AND  
THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

STATE OF TEXAS	§	STATE OF TEXAS
	§	
GREATER TEXOMA UTILITY AUTHORITY	§	NORTH TEXAS GROUNDWATER
	§	CONSERVATION DISTRICT

This Agreement, made and entered into by and between the Greater Texoma Utility Authority, hereinafter referred to as (“Authority”) and the North Texas Groundwater Conservation District in Collin, Cooke, and Denton Counties, Texas, hereinafter referred to as (“District”).

WITNESSETH:

WHEREAS, the District is experiencing a need for administrative services in order to achieve the objectives provided in its enabling legislation and Chapter 36 of the Texas Water Code; and

WHEREAS, the Authority has staff experienced in water related activities and has provided administrative services to the District since November 2010; and

WHEREAS, the District has determined that it is in the best interest of the District to engage the Authority to assist in providing administrative assistance in establishing the District’s programs and activities; and

WHEREAS, the District has determined that the Scope of Services dated November 10, 2020 from the Authority, is in the best interest of the District and that the Authority is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and of the terms and conditions hereinafter set forth, the parties agree as follows:

1. The Scope of Services. The term "Scope of Services" as used herein refers to the Scope of Services made and submitted by the Authority to the District dated November 10, 2020, as amended, modified, or supplemented herein. (attached hereto and fully incorporated herein as “Exhibit A”)

The Scope of Services is a general guideline for the commencement of administrative activities and related services. Said Scope of Services is superseded by specific terms of this Agreement, which may be amended in writing from time to time upon agreement of the Authority and the District.

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President’s direction does not conflict with any District or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached

Proposal. Administrative services shall include, but not be limited to recording and communication services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the "General Manager" as set forth in the District's Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District's Rules.

3. Charges and Payment. Monthly payments shall be made by the District to the Authority for actual costs incurred including, but not limited to hourly wages and benefits of the Authority employees as set forth in the Scope of Services, extra travel costs to and from the District, and other direct costs, including fees for professional services. The Authority shall invoice the District for any such services performed hereunder during the preceding thirty (30) day period, said invoice to be presented by the 25<sup>th</sup> day of the following month. Said invoice shall be itemized in such a manner that the District may determine the reasonableness of the charges submitted. The District shall pay the full amount of invoices received from the Authority by the tenth day of the month following receipt of any such invoice unless notice of protest or disagreement is given to the Authority within seven (7) business days after receipt of said invoice. Failure of the Authority and the District to agree upon payment of such invoice within thirty (30) days of protest shall be grounds for termination under Paragraph 4 unless the parties can otherwise agree in writing to a schedule of payment.

4. Terms of Agreement. The Term of this Agreement shall be for a five (5) year period commencing as of the effective date of this Agreement, which shall be the later date that the District or the Authority executes this Agreement. This Agreement may be renewed upon expiration of the Term of this Agreement by written agreement between the parties. Either the District or the Authority may terminate this agreement for any reason at any time upon ninety (90) days written notice of termination to the other party. Should the Authority or the District elect to terminate this Agreement, the District shall remain responsible for its share of any costs for which it is obligated that remain existing and unpaid as of the effective date of termination.

5. Indemnity. Neither the District nor the Authority shall be liable to the other for loss, either direct or consequential. All such claims for any and all loss, however caused, are hereby waived. Said absence of liability shall exist whether or not the damage, destruction, injury, or loss of life is caused by the negligence of either party or of any of their respective agents, servants, or employees. It is contemplated that each party shall look to its respective insurance carriers for reimbursement of any such loss. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless it is specifically covered therein as an additional insured. Nothing contained in this Agreement is intended by either party to create a partnership or joint venture, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint any party as an agent of any other party, for any purpose whatsoever. It is understood and agreed that by execution of this Agreement, no governmental powers or immunities are waived or surrendered by either the District or the Authority.

6. Independent Contractor. The Authority is, and shall perform this agreement as, an independent

contractor, and as such, shall have and maintain complete control over all of its employees, subcontractors, agents, and operations. Neither the Authority nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, subcontractor, employee, officer or servant of the District. No employee or agent of the District shall be, represent, act, or purport to act or be deemed to be the agent, representative, subcontractor, employee, officer, or servant of the Authority.

7. Surety Bond. Any officer, employee, or agent of the Authority who collects, pays, or handles any funds of the District shall furnish good and sufficient bond payable to the District in an amount determined by the District Board to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. The bond shall be signed or endorsed by a surety company authorized to do business in Texas. The District Board hereby determines that the initial amount of each bond shall be set at \$50,000.00, and may alter the amount pursuant to a minute order or resolution adopted at a properly noticed meeting. The District Board shall provide the Authority with notice of any such alternative amount. The District shall reimburse the Authority for costs incurred in connection with providing administrative services to the District. Any such out-of-pocket costs exceeding the threshold set forth the District's Bylaws shall require prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

8. No Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties hereto, and all duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the parties hereto, and not for the benefit of any other party. There are no third party beneficiaries to this Agreement.

9. Assignment. This Agreement shall not be assignable except at the written consent of the Authority and the District hereto, and if so assigned, shall extend to and be binding upon the successors and assigns of the Authority and the District thereto.

10. Notices. All notices given under this agreement shall be deemed properly served if delivered in writing personally, or sent by certified mail to Thomas Smith, President, North Texas Groundwater Conservation District, PO Box 508, Gainesville, TX 76241, and to the Authority addressed to the Brad Morgan, President, Greater Texoma Utility Authority, 5100 Airport Drive, Denison, TX 75020-8448. Date of service of notice served by mail shall be the date on which such notice is deposited in a post office of the United States Postal Service. Either party may change their respective addresses for notice by providing notice of such address change in the aforesaid manner with specific reference to this Agreement.

11. Authority Financial Obligations. Nothing in this agreement shall be construed to require the Authority to expend funds from any source other than the revenues received hereunder. All costs required by valid rules, regulations, laws, or orders passed or promulgated by the United States of America, the State of Texas, and regulatory or judicial branches thereof having lawful jurisdiction shall be the responsibility of the District.

12. Entire Agreement. This agreement embodies the entire understanding between the Authority and the District hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect except in writing signed by the Authority and the District.

13. Governing Law and Severability. This agreement shall be governed by the laws of the State of Texas and the venue in Cooke County, Texas. The provisions of this agreement shall be deemed to be severable and the invalidity of or inability to enforce other provisions hereof. In the event of a conflict between the terms of this Agreement and any exhibit attached hereto, the terms and conditions of this Agreement shall take precedence.

14. Interpretation. Although drawn by the Authority, this contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto, having been duly approved by the respective governing bodies and effective on the last date of execution as set forth below.

GREATER TEXOMA UTILITY AUTHORITY  
5100 AIRPORT DRIVE  
DENISON TX 75020-8448

NORTH TEXAS GCD  
PO BOX 508  
GAINESVILLE TX 76241

BY: \_\_\_\_\_  
President

BY: \_\_\_\_\_  
President

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary-Treasurer

\_\_\_\_\_  
Secretary

## Exhibit “A”

### Scope of Services – Dated November 10, 2020

- I. Recording and Communication Services
  - Act as point of contact for well owners by answering questions regarding rules
  - Provide all postings for meetings
  - Provide notice postings in timely manner
  - Mail notices and rules as needed
  - Prepare agenda after consultation with President
  - Prepare and e-mail draft minutes to Board of Directors
  - Complete minutes after review by Board of Directors
  - Maintain website as needed
  - Establish and maintain paper and electronic filing system
  - Provide written communications to well owners, TWDB and others as needed
  - Draft correspondence for signature by designated persons
  
- II. Database Collection for Registered and Non-Registered Wells in the District
  - Operate and maintain well registration website and map, which depicts wells in each NTGCD county
  - Work with well owners to register wells and collect well registration and water production fees
  - Employ field technicians to locate and verify wells in each NTGCD county
  
- III. Development of Personnel and Other Policies
  - Prepare and present drafts of policies for review by appropriate committee and Board of Directors
  - Prepare and present drafts of operating procedures for future staff to follow
  - Assist Board of Directors in training personnel for District at appropriate time
  
- IV. Assistance for Rule Development
  - Assist Board of Directors in development of permanent rules
  - Assist Board of Directors in the development and implementation of a Management Plan
  
- V. Accounting
  - Provide accounting services including keeping financial records, issuing invoices, paying invoices, etc.
  - Prepare and present monthly financial statements
  - Assist Board of Directors with development of budget
  - Prepare and provide documentation for audit
  
- VI. Groundwater Management Area 8
  - Coordinate Groundwater Management Area 8 (GMA 8) as directed by President and GMA 8 Representative

## Exhibit “A”

### Approach to Provision of Services

- Staff is able to work diplomatically with well owners and others
- Use 800 number on all letterhead and other communication for calls to make contact easier for well owners
- Well-acquainted with TWDB staff
- Utilize assistance from Texas Alliance of Groundwater District members
- Coordinate District activities with GMA 8 activities
- Develop records and procedures in a manner that will make for easy transition when desired

### Estimated Cost of Services

The Authority is a public agency. The Board’s approach to provision of services has always been to seek reimbursement for the costs of providing the services requested. These costs include:

- The salary and employer personnel costs (social security, worker’s compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$152,000 for administration, \$33,000 for accounting, and \$195,000 for the field technician during the first year of the Term, and thereafter not more than five percent (5%) from the previous year thereafter during the Term, without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates, which may be adjusted each year during the Term as necessary to recoup actual costs as set forth herein and the Agreement:
  - General Manager – \$115 per hour
  - Project Coordinator - \$45 per hour
  - Administrative Assistant - \$32 per hour
  - Finance Officer - \$74 per hour
  - Accounting Assistant - \$34 per hour
  - Accounting Assistant (2) - \$30 per hour
  - Office Clerk - \$34 per hour
  - Field Technician - \$46 per hour
  - Field Technician (2) - \$38 per hour
  - Technician Lead - \$52 per hour
  - Operation Supervisor - \$66 per hour



ATTACHMENT XV



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

---

DATE: November 10, 2020

SUBJECT: AGENDA ITEM NO. XV

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE APPROVAL AND EXECUTION OF A WATER SUPPLY AND SEWER SERVICE FACILITIES CONTRACT WITH THE GOBER MUNICIPAL UTILITY DISTRICT, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO..**

## **ISSUE**

Approval of a Water Supply and Sewer Service Facilities Contract with Gober MUD

## **BACKGROUND**

The Gober MUD Board President, Jan Johnson, contacted the Authority General Manager requesting assistance in obtaining funding for improvements to the District's water system. These improvements include construction of new water lines, electrical work, new generator, and a ground storage tank liner.

The Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF) was selected as the funding source for these improvements. The DWSRF program offers below-market interest rates and is often the best source for funding projects of this nature.

The Authority Board approved a resolution authorizing the submission of an application for financial assistance with the Texas Water Development Board in the amount of \$830,000 in August 2020. The Texas Water Development Board staff has indicated that the application will be considered by the TWDB at their November 19, 2020 board meeting.

The previous bond issue the Authority issued on behalf of the Gober MUD was paid in full earlier this year. The facilities contracts that the Authority maintains with debt partners expire upon retirement of debt with the Authority. Therefore, a new Water Supply and Sewer Service Facilities Contract is necessary between the Authority and the Gober MUD for the new debt to be issued for the water system improvements project.

## **CONSIDERATIONS**

Kristen Savant with Norton Rose Fulbright has drafted the proposed new facilities contract. This standard contract has remained largely the same for over 30 years. A copy is attached for the Board's consideration.

## **STAFF RECOMMENDATIONS**

Staff recommends the Board approve the attached resolution / Water Supply and Sewer Facilities Contract.

## **ATTACHED**

Water Supply and Sewer Service Facilities Contract  
Resolution

## **PREPARED AND SUBMITTED BY:**

---

Drew Satterwhite, P.E., General Manager

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the execution and delivery of a "Water Supply and Sewer Service Facilities Contract" with Gober Municipal Utility District and resolving other matters incident and related to the execution and delivery of such Contract

WHEREAS, negotiations have been conducted between the Greater Texoma Utility Authority (the "Authority") and the Gober Municipal Utility District (the "District"), with respect to the execution of a water and sewer facilities contract whereby the Authority would provide water supply and transmission and sewer collection and treatment facilities to the District; and

WHEREAS, a contract has been prepared and submitted to this governing body for approval, and it has been determined by the Board of Directors of the Authority that such contract should be approved; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1. The "Water Supply and Sewer Service Facilities Contract" by and between the Authority and the District substantially in the form and content attached hereto as **Exhibit A** and incorporated herein for all purposes is hereby approved for and on behalf of the Authority. The President and Secretary of the Board of Directors of the Authority are hereby authorized and directed to execute such Contract for and on behalf of the Authority and as its act and deed.

SECTION 2. This Resolution shall take effect and be in force from and after its passage.

PASSED AND APPROVED, this November 16, 2020.

GREATER TEXOMA UTILITY AUTHORITY

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

(Authority Seal)

**EXHIBIT A**

**WATER SUPPLY AND SEWER SERVICE FACILITIES CONTRACT**

WATER SUPPLY AND SEWER SERVICE FACILITIES CONTRACT

THE STATE OF TEXAS                    §  
  §  
THE COUNTY OF FANNIN                §

THIS AGREEMENT is made and entered into as of November \_\_\_\_\_, 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 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 GOBER MUNICIPAL UTILITY DISTRICT a political subdivision in the County of Fannin, Texas (hereinafter referred to as the "District"), 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 District, (ii) an additional supply of water to the District and/or (iii) certain water supply facilities in order to store and transport water to the District; and

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

WHEREAS, the Authority and the District, acting through their duly constituted governing bodies pursuant to authority granted by law, 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 to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues, or any bonds issued to refund same.

(e) “Contract” shall mean this Contract for Water Supply and Sewer Service Facilities Contract, including any and all Exhibits hereto and any and all amendments or supplements hereto that may be adopted from time to time as herein permitted. This Contract may also at times be referred to as this “Agreement.”

(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) “District” shall mean the Gober Municipal Utility District.

(h) “Engineer” shall mean a registered, professional engineer (who may be the District’s Engineer or the Authority’s Engineer). The District 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 District.

(i) “Fiscal Year” shall mean the twelve (12) month operating period (under this Contract) commencing October 1<sup>st</sup> of each year, provided such twelve (12) month period may be changed one time in any three (3) calendar year period by agreement of the Authority and the District (which agreement, if made, shall be attached hereto as an exhibit).

(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 that 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 District.

(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, acquired, or improved 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 District 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 order or resolution of the District, 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) "Water Project" shall mean collectively the water supply, storage, and transmission facilities which are to be (i) constructed, acquired, or improved 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 District 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 order or resolution of the District, 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 District's Representations and Agreements. In connection with its undertakings hereunder, the District represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly organized and created political subdivision of the State of Texas, 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 utility service adequate to pay all District obligations secured by and made payable from the revenues derived from the operation of the District's 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 District and agrees with the District 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 District 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 District 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 District.

(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 District.

(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 that 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 District 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 District 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 District 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 District 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 District'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 District to the Authority under this Contract, and the District 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 District) under the Bond Resolution in order



to establish, maintain, or replenish the Reserve Fund for the security and payment of Bonds similarly secured.

(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 District and the Authority.

(e) Maintenance and Operation Costs of the Project--- Such amounts as are necessary to pay or reimburse the Authority for costs of Maintenance and Operation Expense 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 the Making of Payments. The District agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments – The District 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 (12) months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six (6) 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 District 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 District shall commence making these payments on the 20<sup>th</sup> day of the following month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Bond Resolution(s) authorizing such Bonds.

(c) Administrative Payment – The District shall commence making the administrative payment on the 20<sup>th</sup> day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 20<sup>th</sup> day of each month thereafter throughout the term of this Contract.

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

(e) Maintenance and Operating Expenses: (i) If the District is designated as the Operator, such expenses shall be paid by the District as the same becomes due; or (ii) if the Authority is designated as the Operator, the District shall pay (up to the amount annually budgeted for such expenses) the amount that the Authority determines shall be required in such months, such payments to be made on or before the 20<sup>th</sup> 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 District, which may

indicate exceptions or suggestions, and any such exceptions or suggestions that are indicated by the District shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree that 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 District is the Operator under this Section, the District 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 that 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 District 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 as such term is assigned meaning in Section 4.13 hereto. The District recognizes the fact that the Authority will use the payment received from the District 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 District.

SECTION 3.06: Late Payment Penalty. Should the District 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 - District to Fix Adequate Rates.

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

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

SECTION 3.08:Nature of Obligation of District. The payments required to be made by the District 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 District shall be and are separate and independent covenants, and the District 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 District 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 District pursuant to this Contract are to be collected from the sources referenced herein, and from no other.

#### ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 4.01:Contract Term. The obligation of the District 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 District and Authority agree and mutually find that the anticipated useful life of the 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 District 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 District may, during the term of this Contract, 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 District choose to discontinue the operation of all or part of the Project, the District 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 District, and any money realized from such salvage will serve as a reduction of such expense. The District 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 District to the Authority provided for by this Contract, and all payments provided for by this Contract shall remain obligations of the District 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 District. 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 that will affect adversely the payment when due of all moneys required to be paid by the District under the terms of this Contract, and no such change will be effective that affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the District 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 District 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 an operating expense 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 District.

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 District:            Gober Municipal Utility District  
                                  P.O. Box 63  
                                  Gober, Texas 75443-0063  
                                  Attn: \_\_\_\_\_

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 District 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 District Default. The Authority and the District 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 District 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 District has heretofore issued, sold, and delivered revenue bonds that were payable from

and secured by a lien on and pledge of the net revenue of its Utility System and to the extent such bonds so issued and delivered are outstanding, the District has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the District represents to the Authority:

- (a) There is no provision in any ordinance of the District that prohibits the District 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 any contract by and between the District and any other person. The Project is in furtherance of governmental policy and not inconsistent with the existing contractual obligations of the District.

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 District; it is further agreed that the Operator without hindrance from the Authority or the District, 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 said 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 the District 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 District 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 of force majeure shall relieve the District 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 the 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 the District 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 the part of the Operator, provided all reasonable effort is used by the Operator to provide the District 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 District agrees that the Authority may have such easements over any easements, right of way, or property held by the District 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 District.

(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 that is to be maintained by the Authority utilizing any part of the base monthly payments, the District 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 District shall, by order or resolution, 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 improved; if the Bonds are to be negotiated or are refunding bonds, the governing body of the District shall, by order or resolution approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the refunding bonds.

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

(d) The District 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 is held 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

GOBER MUNICIPAL UTILITY DISTRICT

(District Seal)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ADJOURN