

**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
FEBRUARY 28, 2022**

**GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**

**NOTICE OF PUBLIC MEETING
OF THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
Monday, February 28, 2022, 12:30 p.m.**

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 28th day of February, 2022, at 12:30 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered and acted upon, including the expenditure of funds:

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Administer Oath of Office.
- IV. 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.
- V. * Consider and act upon approval of Minutes January 26, 2022 Meeting.
- VI. * Consider and act upon approval of accrued liabilities for January 2022.
- VII. Citizens to be Heard.
- VIII. Receive Quarterly Investment Report.
- IX. Discussion and possible action on Audit selection process for the 2021-2022 audit.
- X. Discussion and possible action regarding the date for the May 2022 Board Meeting.
- XI. Executive Session

Pursuant to Government Code, Section 551,074, the Board of Directors may adjourn into closed Executive Session to discuss the following:

- A. Seeking the advice of the Authority's attorney about pending or contemplated litigation, settlement offers, or any matters related to the duty of the attorney to the Authority.
- B. Personnel Matters
 - (i) Consider duties of Authority General Manager

(ii) Consider duties of administrative and operational personnel

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

XIII. Adjourn.

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

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

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

ATTACHMENT V

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

WEDNESDAY, JANUARY 26, 2022

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

Members Present: Scott Blackerby, Stanley Thomas, Ken Brawley, Brad Morgan, and Donald Johnston

Members Absent: Matt Brown, Anthony Richardson

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

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel: Kristen Savant, Norton Rose Fulbright

Visitors: Mrs. Donald Johnston
Carl Deaton, Auditor

I. Call to Order

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

II. Pledge of Allegiance

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

III. Administer Oath of Office.

Velma Starks, Notary, administered the Oath of Office to Scott Blackerby, Donald Johnston, and Stanley Thomas.

IV. Consider and act upon Officers for 2022 Calendar Year.

The Committee, consisting of Scott Blackery, Ken Brawley, and Stanley Thomas, presented the same officers (Brad Morgan, President, Donald Johnston, Vice President, and Scott Blackerby, Secretary/Treasurer) for the 2022 Calendar Year. Board Member Stanley Thomas made the motion to accept the slate of officers as presented by the Committee. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

VI. 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.

VII. * Consider and act upon approval of Minutes of December 20, 2021, Meeting.

VIII. * Consider and act upon approval of accrued liabilities for December 2021.

General Manager Drew Satterwhite reviewed the liabilities with the Board.

Board Member Scott Blackerby made the motion to approve the Consent Agenda as presented. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

IX. Citizens to be Heard.

There were no citizens requesting to address the Board.

X. Consider and act upon Audited Financial Statements for Fiscal Year Ending September 30, 2021.

Board President Brad Morgan introduced Carl Deaton, auditor, with Hankins, Eastup, Deaton, Tonn & Seay. Carl Deaton reviewed the audit with the Board. Board Member Ken Brawley made the motion to adopt the audit as presented. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Princeton Project)", including the adoption of a resolution authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the Authority.

Board President Brad Morgan provided background information for the Board. The City of Princeton requested assistance in obtaining funding for improvements to the City's water system. These improvements include a new elevated storage tank, appurtenances, water line to connect the EST to their system, and other water system projects as funds allow. Delegated sale authority is being requested so that the General Manager can accept bids shortly after they are received. The City of Princeton council is on the schedule to consent to the issuance of the bonds following the receipt of bids on February 14, 2022. The Bond Issuance is scheduled to close on March 3, 2022. The parameters contained in the resolution are as follows: 1) The aggregate original principal amount of the Bonds shall not exceed \$14,500,000, 2) The true interest cost of the Bonds shall not exceed 3.5%, and 3) The maximum maturity date of the Bonds shall be September 1, 2052. Kristen Savant, Norton Rose Fulbright, provided details. Board Member Donald Johnston made the motion to adopt the resolution and to authorize the General Manager to operate as Pricing Officer for the sale of the Bonds on behalf of the City of Princeton. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XII. Consider and act upon authorization of General Manager to advertise for bids for Princeton Water System Improvements Project.

Board President Brad Morgan provided background information for the Board. It is routine for the Board to authorize the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete. Board Member Stanley Thomas made the motion to approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/Princeton Bonds. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XIII. Consider and act upon Change Order No. 1 to the contract with Piazza Construction for the construction of the City of Sherman Post Oak WWTP Operations Building Improvements Project.

Board President Brad Morgan provided background information for the Board. This project consists of remodeling the existing Operations Building. During the demolition process, the contractor noticed that there was vinyl tile underneath the ceramic tile which was bonded to the floor with a black colored mastic. The contractor had a test done on this mastic which verified that it contained asbestos. Asbestos must be handled as a hazardous material which is outside of the original scope of the project and must be done by a qualified contractor. The cost for Change Order No. 1, removing/abating asbestos materials, is \$5,932.30. Board Member Scott Blackerby made the motion to authorize the execution of Change Order No. 1 to the contract with Piazza Construction LLC in the amount of \$5,932.30, resulting in a revised contract amount of \$1,264,569.30. Board Member Ken Brawley 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 informed the Board that we are looking for a generator and hope to have a contract in the next few days. The TCEQ requires the issue to be resolved by July.

Nichole Sims is working on SWIFT applications – Gainesville, CGMA

We will be closing on six bond issuances in May or June. We are expecting to present resolutions to the Board for Bells, Valley View, Northwest Grayson, Henrietta, Dorchester, and Pottsboro

XV. Adjourn

Board Member Scott Blackerby made the motion to adjourn. Board President Brad Morgan declared the meeting adjourned at 12:58 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT VI

RESOLUTION NO. _____

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Texas Water Conservation Association (Renewal Level C membership)	815.00		
Red River Valley Association (Annual membership dues for 2022)	250.00		
<u>Fuel and Reimbursements for Mileage</u>			
Kim Wilkins (Reimbursement for Office Chair and space heater)	167.51		
Velma Starks (Reimbursement for mileage)	10.72		
Drew Satterwhite (Fuel)	13.18		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,442.48		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting)	650.00		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	279.00		
<u>Meetings and Conferences</u>			
Feast on This (BOD Lunches)	205.00		
TWCA (Conference)	141.66		
<u>Miscellaneous</u>			
City of Denison Lab (Northern Hills Water Tests December 2021, January 2022)	42.00		
<u>Postage</u>			
UPS (Postage, Water Tests for Munson for enviromental labs)	137.87		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Discount Tire & Wheel (F150 2012 break repair, and 2 new tires)	1,042.10		
Whistlestop Car Spa - (Oil Change for F150 2014 & 2019)	128.71		
<u>Supplies</u>			
American Express (General Office Supplies)	691.09		
Bank of Texas Visa (General Office Supplies)	31.86		
Office Depot (General Office Supplies)	73.57		
Hillierby Printing (Business cards for S.W.)	24.00		
Home Depot Pro (Janitorial Supplies & Field Supplies)	332.40		
Pitney Bowes (Office Supplies - Red magnetic ink for postage machine)	161.48		
<u>Training</u>			
Steve White (Class D Water License renewal)	111.00		
<u>Utilities</u>			
Steve White (Reimbursement for cell phone expenses)	25.00		
Wayne Eller (Reimbursement for cell phone expenses)	25.00		
AT&T Mobility (Cell Phones)	71.68		
City of Denison (Water)	228.35		
City of Sherman (Trash services)	93.50		
8x8, Inc.(phone lines - local & long distance)	184.67		
MP2 Energy Texas	317.19		
ATMOS Energy	320.97		
TOTAL:	\$ 9,601.99	\$ 7,093.49	\$ 12,218.11
SOLID WASTE:			
<u>Groundwater Testing</u>			
Davis Groundwater Testing (4th year groundwater monitoring)	5,424.00		
<u>Utilities</u>			

	CURRENT	PRIOR MONTH	PRIOR YEAR
Grayson-Collin Electric	149.22		
Starr Water Supply	60.30		
TOTAL:	\$ 5,633.52	\$ 205.51	\$ 175.89

WASTEWATER:

Construction Contracts

Red River Construction (Sherman 2020-Post Oak WWTP Aeration Basin. Pay App #6)	232,484.90
Red River Construction (Sherman 2020-Post Oak WWTP Aeration Basin. Pay App #7)	214,352.91
Red River Construction (Kaufman 2019-WWTP Improvements Pay App #16)	21,036.34

Engineering Fees

Binkley & Barfield Consulting (Sherman 2021-Sanitary Sewer replacement for December 2021)	2,800.00
Freese & Nichols Inc. (Sherman 2021-Waste Water Master Plan. 43.46% basic services complete)	22,542.65
Perkins Engineering (Sherman 2019-December engineering services for Post Oak WWTP Aeration & Sec. Treatment)	2,652.50

Miscellaneous

BLX Group (Kaufman 2019 -Arbitrage reports for period ending 9/30/21)	500.00
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Paving Agent Fees

Bank of Texas Trust (Kaufman 2019-GTUAKAUF2020 2/15/22)	300.00
Bank of Texas Trust (Krum 2012-GTUACOKCRB12 2/15/22)	300.00
Bank of Texas Trust (Krum 2014-GTUACRBS2014 2/15/22)	300.00

TOTAL:	\$ 497,269.30	\$ 224,812.64	\$ 40,748.98
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WATER:

Construction Costs

Associated Construction (Princeton 2018-Forest Grove Pump Station Improvements. Pay App #28)	193,112.50
Bel Air Village SFR (Sherman 2021-Legacy Waterline FM1417 Watermain. Pay Apps 1 & 2)	338,000.89
Crescent Construction (Bear Creek SUD-Phase 2 Underground Storage tank. Pay App #6)	714,701.74

Engineering Fees

Building & Earth Sciences (Princeton 2018-Steel inspections for Forest Grove Pumpstation)	1,033.75
Freese & Nichols (Sherman 2021-Water Master Plan 47.64% basic services complete)	23,809.75

Groundwater

8x8, Inc. (NTGCD - 800 line, local & long distance)	184.66
8x8, Inc. (RRGCD - 800 line, local & long distance)	184.66
American Express (NTGCD - TAGD & TWCA.)	231.67
American Express (RRGCD - TAGD & TWCA)	231.67
AT & T Mobility (NTGCD - W. Parkman - cell phone)	77.69
Allen Burks (RRGCD - cell phone reimbursement)	25.00
Bank of Texas Visa (NTGCD - BOD Chick-Fil-A, GoDaddy Domain renewal, TCEQ Lic for WP.)	326.82
Bank of Texas Visa (RRGCD - BOD Bay by the Lake)	170.90
Paul Sigle (NTGCD - cell phone reimbursement, BOD mileage)	89.35
Paul Sigle (RRGCD - cell phone reimbursement.)	12.50
Velma Starks (NTGCD - mileage reimbursement)	4.15
Velma Starks (RRGCD - mileage reimbursement)	6.57
Whistlestop Car Spa (NTGCD - Oil Change)	69.55

Legal

Wynne & Smith (Gunter 2018-(Discussed Legion Contractor subcontractor debts and close out with the City)	437.50
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Miscellaneous

BLX Group (Whitewright 2019-arbitrage rebate reports for bond)	500.00
FAO, USASCE, Tulsa (Sherman 2021-O&M Repair, Rehab and replacement for LK Texoma water storage)	2,876.64

Paving Agent Fees

Bank of Texas Trust (Bear Creek 2019-GTUABEARCR19 2/15/22)	300.00
Bank of Texas Trust (Krum 20212-GTUACOKCRB12 2/15/22)	300.00
Bank of Texas Trust (LK Kiowa 2014-GTUALKIOWA14 2/15/22)	300.00
Bank of Texas Trust (LK Kiowa 2017-GTUALKIOWA17 2/15/22)	300.00
Bank of Texas Trust (Gunter 2018-GTUAGUNT18A 2/15/22)	300.00
Bank of Texas Trust (Gunter 2018-GTUAGUNTER18 2/15/22)	300.00
Bank of Texas Trust (Krum 2017-GTUAKRUM17 2/15/21)	300.00

CGMA Equipment

CGMA Repair & Maintenance

Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	7,391.67
City of Denison Lab (CGMA - Water Tests December 2021 and January 2022)	42.00
Douglas Distributing (CGMA - Grease & Oil for pump stations)	834.30
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83
Pump Solutions (CGMA-Changed motor oil on 3 existing simflo vertical turbine model SM14 Pumps per quote.)	1,200.00

	CURRENT	PRIOR MONTH	PRIOR YEAR
Steve White (CGMA-Pump lever for Bloomdale Pump Station)	21.64		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	122.55		
Uline (CGMA-4 drum spill container pallet with drain, shed work ramp and shed to store corrosive materials at pump stations)	4,539.29		
USA Bluebook (CGMA - Magna-Trak 102 locator ferromagnetic, standard valve box lid and marking flags, probes etc.)	1,947.35		
<u>Supplies</u>			
<u>Lowe's (CGMA - Marking Paint, tape, trashbags etc.)</u>	328.65		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
North Texas Municipal Water District (Water Usage)	228,980.00		
MP2 Energy Texas (Bloomdale Pump Station)	8,535.05		
TOTAL:	<u>\$ 1,532,623.75</u>	<u>\$ 1,152,315.87</u>	<u>\$ 1,122,548.60</u>
GRAND TOTAL:	<u>\$ 2,045,128.56</u>	<u>\$ 1,384,427.51</u>	<u>\$ 1,175,691.58</u>

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

On motion of _____ and

seconded by _____, the foregoing

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

AYE:
NAY:

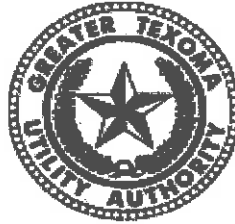
At a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT VIII



Greater Texoma Utility Authority
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2021

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.

Drew Satterwhite
General Manager

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	September 30, 2021		December 31, 2021	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.23%	\$ 720,365	\$ 720,365	\$ 392,832	\$ 392,832
NOW/MMA/MMF/ICS	0.12%	28,194,371	\$ 28,194,371	36,047,186	\$ 36,047,186
Local Government Pools	0.01%	16,940,371	\$ 16,940,371	11,421,389	\$ 11,421,389
CDs/Securities	0.29%	39,163,817	\$ 39,163,817	28,491,681	\$ 28,491,681
Totals		\$ 85,018,924	\$ 85,018,924	\$ 76,353,087	\$ 76,353,087

Quarter End Average Yield (1)

Total Portfolio 0.17%

Rolling Three Month Treasury 0.06%
Rolling Six Month Treasury 0.08%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.17%

Rolling Three Month Treasury 0.06%
Rolling Six Month Treasury 0.08%
TexPool 0.04%

Interest Revenue

Quarterly Interest Income \$ 73,721 Approximate
Year-to-date Interest Income \$ 73,721 Approximate

Bank Fee Offset

Quarterly Bank Fees Offset \$ 442
Year-to-date Bank Fees Offset \$ 442

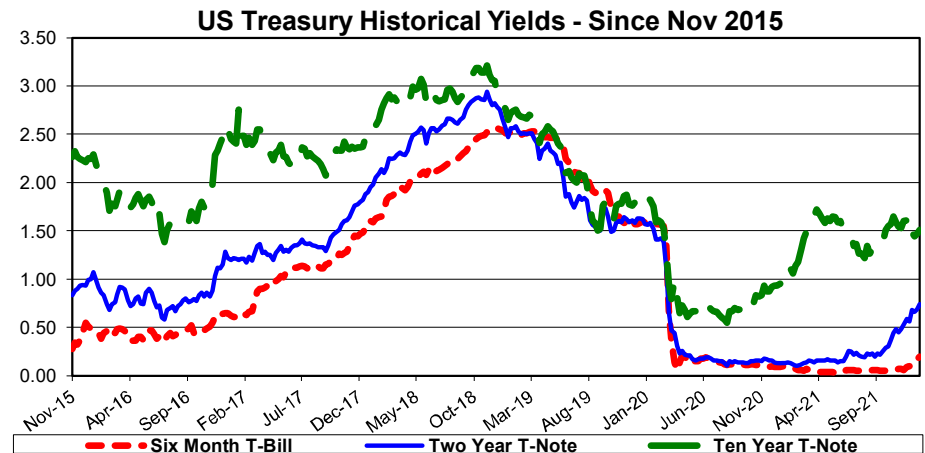
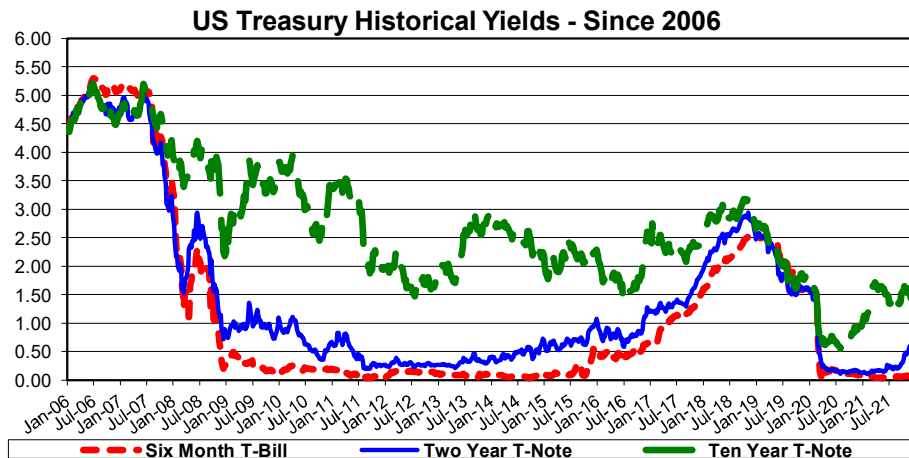
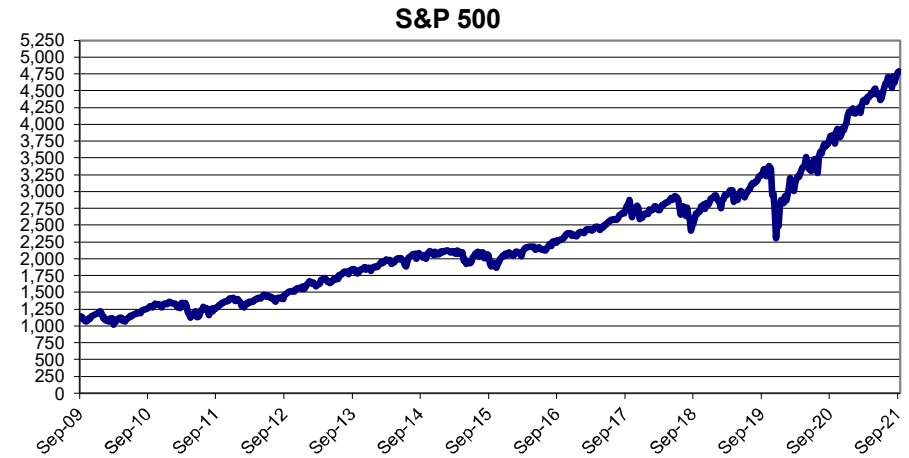
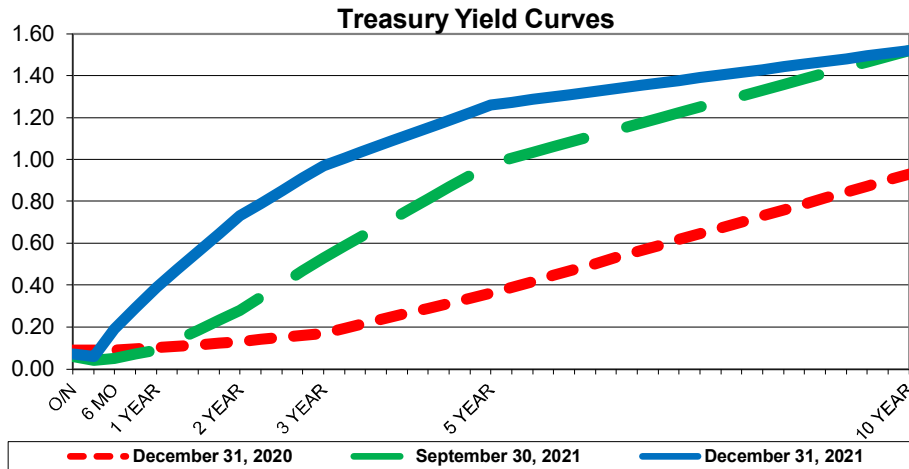
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

12/31/2021

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%). The FOMC began reducing monthly security purchases during Nov 2021 and then increased the paced at the December meeting. Projections for target range increases shortened to late spring or early summer 2022. Third Quarter GDP posted +2.3% (Final). December employment reflected U-2 dropping to 3.9% and Non-Farm Payroll adding 199k net new jobs (Three Month Average NFP = 365). Crude oil reversed recent declines and bounced back to +/- \$75 per barrel. The Stock Markets reached new highs. Many domestic economic indicators remain positive. The Build Back Better legislation stalled in the Senate. The Debt Ceiling was increased to \$31+ trillion, easing any near-term funding pressures. Inflation remained well over the FOMC 2% target and does not appear positioned to decline in the near term. The Yield Curve shifted higher primarily six months and longer.



Investment Holdings
December 31, 2021

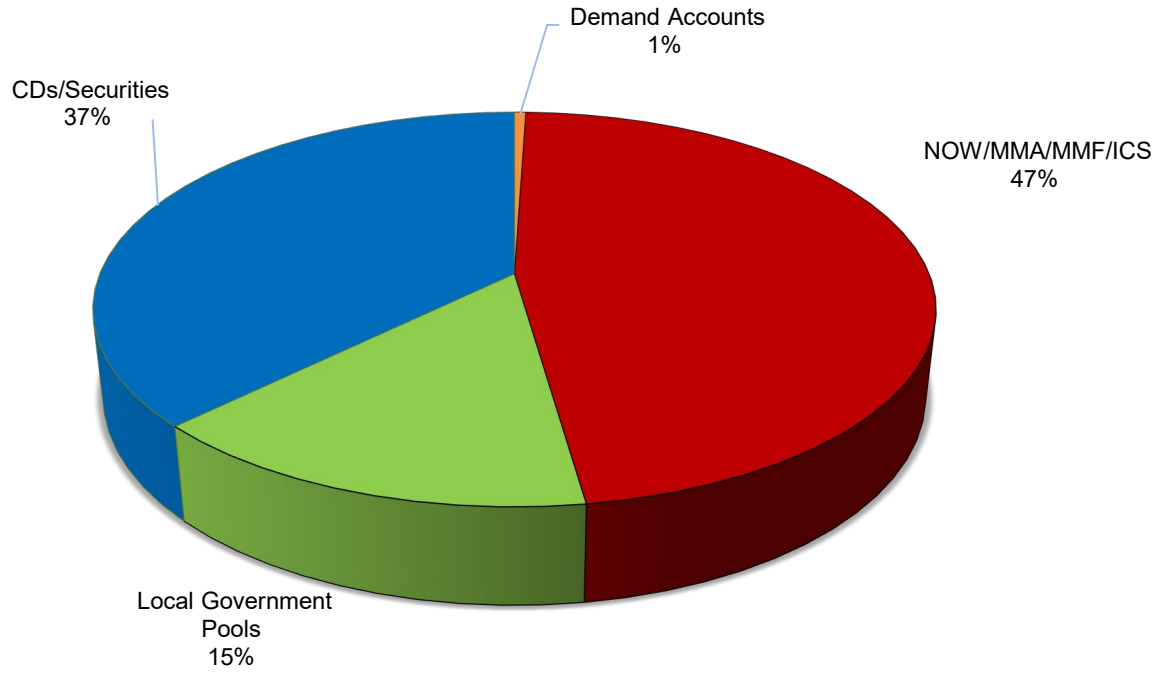
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
BOT DDA (3)		0.23%	01/01/22	12/31/21	\$ 392,832	\$ 392,832	1.00	\$ 392,832	1	0.23%
BOT Escrow MMF		0.03%	01/01/22	12/31/21	20,368,960	\$ 20,368,960	1.00	\$ 20,368,960	1	0.03%
Prosperity MM (Sherman 20/21)		0.15%	01/01/22	12/31/21	11,000,944	\$ 11,000,944	1.00	\$ 11,000,944	1	0.15%
Veritex Bank MMA		0.08%	01/01/22	12/31/21	250,118	\$ 250,118	1.00	\$ 250,118	1	0.08%
NexBank ICS		0.45%	01/01/22	12/31/21	4,427,164	\$ 4,427,164	1.00	\$ 4,427,164	1	0.45%
TexPool	AAAm	0.04%	01/01/22	12/31/21	36,583	\$ 36,583	1.00	\$ 36,583	1	0.04%
TexSTAR	AAAm	0.01%	01/01/22	12/31/21	11,384,805	\$ 11,384,805	1.00	\$ 11,384,805	1	0.01%
East West Bank		0.09%	01/13/22	05/13/21	800,000	800,000	100.00	800,000	13	0.09%
Prosperity Bank		0.20%	01/26/22	01/26/21	1,000,000	1,000,000	100.00	1,000,000	26	0.20%
Prosperity Bank		0.20%	01/26/22	01/26/21	1,000,000	1,000,000	100.00	1,000,000	26	0.20%
Prosperity Bank		0.20%	01/26/22	01/26/21	2,000,000	2,000,000	100.00	2,000,000	26	0.20%
East West Bank		1.64%	01/31/22	01/31/20	1,354,000	1,354,000	100.00	1,354,000	31	1.64%
East West Bank		0.10%	02/11/22	05/13/21	1,000,000	1,000,000	100.00	1,000,000	42	0.10%
East West Bank		0.10%	02/11/22	05/13/21	2,000,000	2,000,000	100.00	2,000,000	42	0.10%
East West Bank		0.10%	03/11/22	05/13/21	200,000	200,000	100.00	200,000	70	0.10%
East West Bank		0.10%	03/11/22	05/13/21	200,000	200,000	100.00	200,000	70	0.10%
Bank OZK		0.13%	05/13/22	05/13/21	1,200,000	1,200,000	100.00	1,200,000	133	0.13%
Bank OZK		0.13%	05/13/22	05/13/21	600,000	600,000	100.00	600,000	133	0.13%
Bank OZK		0.13%	05/13/22	05/13/21	400,000	400,000	100.00	400,000	133	0.13%
Bank OZK		0.13%	05/13/22	05/13/21	850,000	850,000	100.00	850,000	133	0.13%
Prosperity Bank		0.20%	05/24/22	05/24/21	1,000,000	1,000,000	100.00	1,000,000	144	0.20%
Bank OZK		0.13%	07/13/22	05/13/21	400,000	400,000	100.00	400,000	194	0.13%
Bank OZK		0.13%	07/13/22	05/13/21	934,500	934,500	100.00	934,500	194	0.13%
Prosperity Bank		0.20%	07/28/22	07/28/21	1,100,000	1,100,000	100.00	1,100,000	209	0.20%
Prosperity Bank		0.20%	07/28/22	07/28/21	1,000,000	1,000,000	100.00	1,000,000	209	0.20%
Prosperity Bank		0.20%	07/28/22	07/28/21	1,100,000	1,100,000	100.00	1,100,000	209	0.20%
Prosperity Bank		0.20%	07/28/22	07/28/21	1,000,000	1,000,000	100.00	1,000,000	209	0.20%
Legend Bank CDARS		0.42%	07/28/22	10/29/20	1,913,481	1,913,481	100.00	1,913,481	209	0.42%
Legend Bank CDARS		0.50%	09/10/22	09/10/20	1,320,000	1,320,000	100.00	1,320,000	253	0.50%
Allegiance Bank		0.30%	11/30/22	11/30/20	1,708,000	1,708,000	100.00	1,708,000	334	0.30%
East West Bank		0.32%	12/28/22	12/28/21	1,416,700	1,416,700	100.00	1,416,700	362	0.32%
East West Bank		0.32%	12/28/22	12/28/21	1,000,000	1,000,000	100.00	1,000,000	362	0.32%
East West Bank		0.32%	12/28/22	12/28/21	1,000,000	1,000,000	100.00	1,000,000	362	0.32%
Bank OZK		0.21%	03/23/23	03/23/21	995,000	995,000	100.00	995,000	447	0.21%
					\$ 76,353,087	\$ 76,353,087		\$ 76,353,087	66	0.17%
									(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.

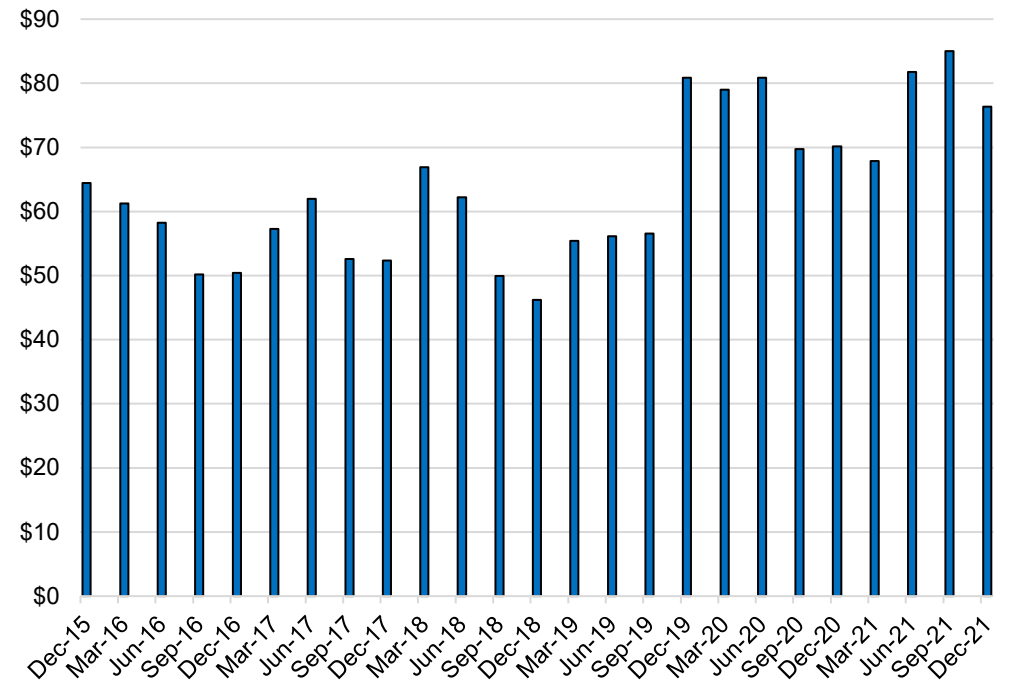
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(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.

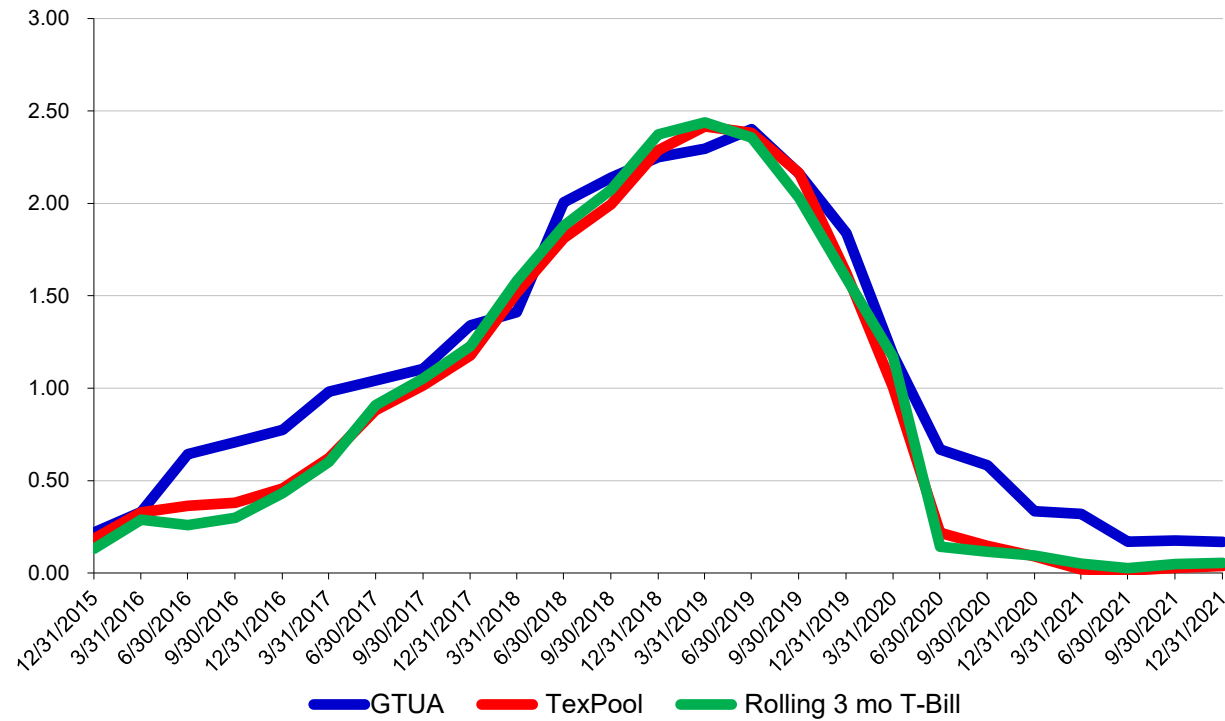
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/21	Increases	Decreases	Book Value 12/31/21	Market Value 09/30/21	Change in Market Value	Market Value 12/31/21
BOT	0.23%	01/01/22	\$ 720,365	\$ -	\$ (327,533)	\$ 392,832	\$ 720,365	\$ (327,533)	\$ 392,832
BOT Escrow MMF	0.03%	01/01/22	23,317,073	-	(2,948,113)	20,368,960	23,317,073	(2,948,113)	20,368,960
Prosperity MM (Sherman 20/21)	0.15%	01/01/22	-	11,000,944	-	11,000,944	-	11,000,944	11,000,944
Veritex Bank MMA	0.08%	01/01/22	450,134	-	(200,016)	250,118	450,134	(200,016)	250,118
NexBank ICS	0.45%	01/01/22	4,427,164	-	-	4,427,164	4,427,164	-	4,427,164
TexPool	0.04%	01/01/22	36,580	3	-	36,583	36,580	3	36,583
TexSTAR	0.01%	01/01/22	16,903,792	-	(5,518,986)	11,384,805	16,903,792	(5,518,986)	11,384,805
East West Bank	0.21%	10/15/21	1,000,000	-	(1,000,000)	-	1,000,000	(1,000,000)	-
East West Bank	0.21%	10/15/21	3,500,000	-	(3,500,000)	-	3,500,000	(3,500,000)	-
Independent Bank	0.35%	10/25/21	825,000	-	(825,000)	-	825,000	(825,000)	-
East West Bank	0.09%	11/08/21	2,750,000	-	(2,750,000)	-	2,750,000	(2,750,000)	-
East West Bank	0.09%	11/13/21	500,000	-	(500,000)	-	500,000	(500,000)	-
East West Bank	0.09%	11/13/21	400,000	-	(400,000)	-	400,000	(400,000)	-
Bank OZK	0.40%	11/15/21	825,000	-	(825,000)	-	825,000	(825,000)	-
East West Bank	0.20%	12/15/21	1,000,000	-	(1,000,000)	-	1,000,000	(1,000,000)	-
East West Bank	0.20%	12/15/21	2,000,000	-	(2,000,000)	-	2,000,000	(2,000,000)	-
East West Bank	1.64%	12/23/21	1,284,500	-	(1,284,500)	-	1,284,500	(1,284,500)	-
East West Bank	0.09%	01/13/22	800,000	-	-	800,000	800,000	-	800,000
Prosperity Bank	0.20%	01/26/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Prosperity Bank	0.20%	01/26/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Prosperity Bank	0.20%	01/26/22	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
East West Bank	1.64%	01/31/22	1,354,000	-	-	1,354,000	1,354,000	-	1,354,000
East West Bank	0.10%	02/11/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	0.10%	02/11/22	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
East West Bank	0.10%	03/11/22	200,000	-	-	200,000	200,000	-	200,000
East West Bank	0.10%	03/11/22	200,000	-	-	200,000	200,000	-	200,000
Bank OZK	0.13%	05/13/22	1,200,000	-	-	1,200,000	1,200,000	-	1,200,000
Bank OZK	0.13%	05/13/22	600,000	-	-	600,000	600,000	-	600,000
Bank OZK	0.13%	05/13/22	400,000	-	-	400,000	400,000	-	400,000
Prosperity Bank	0.13%	05/13/22	850,000	-	-	850,000	850,000	-	850,000
Prosperity Bank	0.20%	05/24/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Bank OZK	0.13%	07/13/22	400,000	-	-	400,000	400,000	-	400,000
Bank OZK	0.13%	07/13/22	934,500	-	-	934,500	934,500	-	934,500
Prosperity Bank	0.20%	07/28/22	1,100,000	-	-	1,100,000	1,100,000	-	1,100,000
Prosperity Bank	0.20%	07/28/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Prosperity Bank	0.20%	07/28/22	1,100,000	-	-	1,100,000	1,100,000	-	1,100,000
Prosperity Bank	0.20%	07/28/22	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Legend Bank CDARS	0.42%	07/28/22	1,912,888	593	-	1,913,481	1,912,888	593	1,913,481
Legend Bank CDARS	0.50%	09/10/22	1,324,929	-	(4,929)	1,320,000	1,324,929	(4,929)	1,320,000
Allegiance Bank	0.30%	11/30/22	1,708,000	-	-	1,708,000	1,708,000	-	1,708,000
East West Bank	0.32%	12/28/22	-	1,416,700	-	1,416,700	-	1,416,700	1,416,700
East West Bank	0.32%	12/28/22	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/21	Increases	Decreases	Book Value 12/31/21	Market Value 09/30/21	Change in Market Value	Market Value 12/31/21
East West Bank	0.32%	12/28/22	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Bank OZK	0.21%	03/23/23	995,000	-	-	995,000	995,000	-	995,000
TOTAL / AVERAGE	0.17%		\$ 85,018,924	\$ 14,418,240	\$ (23,084,077)	\$ 76,353,087	\$ 85,018,924	\$ (8,665,837)	\$ 76,353,087

**Allocation by Fund
Book & Market Value**

December 31, 2021

		Investment					
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve
BOT	12/31/2021	\$ 392,832	\$ 392,832				
BOT Escrow MMF	12/31/2021	20,368,960		20,368,960			
Prosperity MM (Sherman 20/21)	12/31/2021	11,000,944		11,000,944			
Veritex Bank MMA	12/31/2021	250,118		250,118			
NexBank ICS	12/31/2021	4,427,164		3,566,875	860,289		
TexPool	12/31/2021	36,583	36,583				
TexSTAR	12/31/2021	11,384,805	749,297	5,486,597	3,110,435	1,770,792	267,685
East West Bank	01/13/22	800,000		800,000			
Prosperity Bank	01/26/22	1,000,000		1,000,000			
Prosperity Bank	01/26/22	1,000,000		1,000,000			
Prosperity Bank	01/26/22	2,000,000		2,000,000			
East West Bank	01/31/22	1,354,000					1,354,000
East West Bank	02/11/22	1,000,000		1,000,000			
East West Bank	02/11/22	2,000,000		2,000,000			
East West Bank	03/11/22	200,000		200,000			
East West Bank	03/11/22	200,000		200,000			
Bank OZK	05/13/22	1,200,000		1,200,000			
Bank OZK	05/13/22	600,000		600,000			
Bank OZK	05/13/22	400,000		400,000			
Bank OZK	05/13/22	850,000		850,000			
Prosperity Bank	05/24/22	1,000,000		1,000,000			
Bank OZK	07/13/22	400,000		400,000			
Bank OZK	07/13/22	934,500					934,500
Prosperity Bank	07/28/22	1,100,000		1,100,000			
Prosperity Bank	07/28/22	1,000,000		1,000,000			
Prosperity Bank	07/28/22	1,100,000		1,100,000			
Prosperity Bank	07/28/22	1,000,000		1,000,000			
Legend Bank CDARS	07/28/22	1,913,481					1,913,481
Legend Bank CDARS	09/10/22	1,320,000					1,320,000
Allegiance Bank	11/30/22	1,708,000					1,708,000
East West Bank	12/28/22	1,416,700					1,416,700
East West Bank	12/28/22	1,000,000		1,000,000			
East West Bank	12/28/22	1,000,000		1,000,000			
Bank OZK	03/23/23	995,000					995,000
Totals		\$ 76,353,087	\$ 1,178,712	\$ 59,523,493	\$ 3,970,724	\$ 1,770,792	\$ 9,909,366

ATTACHMENT IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 23, 2022

SUBJECT: AGENDA ITEM NO. IX

DISCUSSION AND POSSIBLE ACTION ON AUDIT SELECTION PROCESS FOR THE 2021-2022 AUDIT

ISSUE

The 5-year term for auditing services concluded with the 2020-2021 fiscal year.

BACKGROUND

In 2014, the Authority solicited for proposals to ensure the cost and quality of the audit was competitive. The Authority staff solicited for proposals and only received one (1) proposal, which was from Schalk and Smith. After contacting the other firms post-submittal, the reasons provided by the firms for not submitting a proposal were due to 1) some of the firms had prior engagements and did not have staff to perform another audit, 2) it is difficult to compete financially with an existing auditing firm, and 3) having a good working relationship with Schalk and Smith.

At the February 2015 meeting, the Board directed staff to solicit for audit proposals due to the extended period of time, 15-years, that the Authority had been engaging with Schalk and Smith. The solicitations were to exclude Schalk and Smith from proposing. This recommendation did not come as a result of the quality of the product being delivered, but simply a best management practice. Adami, Lindsey and Company was ultimately awarded the contract for audit services. After performing 2 audits, Adami, Lindsey & Co., LLP informed the Authority that they were unable to perform the Authority's audit going forward due to a shortage of staff. After hearing of this circumstance, Authority staff immediately began developing a solicitation for audit proposals. The solicitation was sent out on July 13, 2017 and with a response deadline of August 8, 2017. We received two (2) proposals from 1) Hankins, Eastup, Deaton, Tonn and Seay, and 2) Schalk and Smith. Hankins, Eastup, Deaton, Tonn and Seay were ultimately selected to perform the audits.

Proposal Summary

	<u>Schalk and Smith</u>	<u>Hankins, Eastup....</u>
2017	\$ 37,275	\$ 34,800
2018	\$ 38,400	2017 + Cost of Living
2019	\$ 39,550	2018 + Cost of Living
2020	\$ 40,750	2019 + Cost of Living
2021	\$ 42,000	2020 + Cost of Living

We have now reached the end of the 5-year term with Hankins, Eastup, Deaton, Tonn and Seay. The staff is now requesting direction from the Board whether to include our current auditors in the upcoming solicitation.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

OPTIONS/ALTERNATIVES

The Authority has the option to include or exclude current audit firm in the next solicitation. The Authority also has the option to exclude the current Lead Auditor and therefore providing a fresh set of eyes from the current firm.

CONSIDERATIONS

Authority staff is of the opinion that Hankins, Eastup, Deaton, Tonn and Seay has provided thorough and quality audits during their tenure with the Authority. The Authority is not required to switch auditors after any length of time. However, some entities consider it a best practice to rotate auditors and/or audit firms every 5 years.

STAFF RECOMMENDATIONS

The staff requests that the Board provide guidance in this matter.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

PREPARED BY:

Debi Atkins, Finance Officer

ADJOURN