

**GREATER TEXOMA UTILITY AUTHORITY  
BOARD MEETING  
JUNE 20, 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, June 20, 2022, 12:30 p.m.**

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Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 20th day of June, 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. Presentation of 10 -Year Service Plaques to GTUA Employees.
- V. 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.
- VI. \* Consider and act upon approval of Minutes May 23, 2022, Meeting.
- VII. \* Consider and act upon approval of accrued liabilities for April 2022 and May 2022.
- VIII. Citizens to be Heard.
- IX. Consider appointment of a Budget Committee.
- X. Consider and act upon an Engagement Letter for independent audit services for FY 2021-2022
- XI. Consider and act upon the Authority's Authorized Investment Broker/Dealers
- XII. Discussion and possible action regarding all matters incident and related to the Greater Texoma Utility Authority's Retirement Plan.
- XIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Pottsboro Project)", including the adoption of a resolution approving the issuance of such bonds

XIV. Consider and act upon Change Order No. 2 Correction to the contract with Hayes Construction for the City of Sherman North Travis Street Waterline Replacement

XV. Executive Session

Pursuant to Government Code, Section 551.074, the Board of Directors may adjourn into closed Executive Session to discuss the following:

A. Request for Proposals for Depository Services

XVI. Regular Session

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

XVIII. 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 VI

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

**MONDAY, MAY 23, 2022**

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

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

Members Absent:

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

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel: Kristen Savant, Norton Rose Fulbright

Visitors: David Howerton, City of Sherman  
David Bedgood, guest of Mike Wynne

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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. Consider and act upon accepting resignation of Anthony Richardson.

Board Member Ken Brawley made the motion to accept the resignation of Anthony Richardson. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

IV. Presentation of plaque to Anthony Richardson.

Board President Brad Morgan thanked Anthony Richardson for his service on the Board.

V. 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.

VI. \* Consider and act upon approval of Minutes of April 18, 2022, Meetings.

Board Member Scott Blackerby made the motion to approve the Minutes of the April 18, 2022, Meeting. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

VII. \* Consider and act upon approval of accrued liabilities for April 2022. Next month

General Manager Drew Satterwhite informed the Board that the liabilities for April 2022 were inadvertently omitted from the packet and recommended tabling the item until next month. Board Member Matt Brown made the motion to table the liabilities until next meeting. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

VIII. Citizens to be Heard.

There were no citizens requesting to address the Board.

IX. Receive Quarterly Investment Report

Debi Atkins, GTUA Finance Officer, reviewed Quarterly Investment Report with the Board. Next meeting will have Broker Dealer list update on agenda. Discussion was held.

X. Consider and act upon Change Order No. 5 and closeout of the contract with Patterson Professional Services, LLC for the City of Gunter Downtown Wastewater Treatment Plant Replacement Project.

General Manager Drew Satterwhite provided background information for the Board. The new WWTP is necessary to meet the new effluent requirements from their discharge permit issued by the TCEQ. This permit was renewed in 2017 and the City had three years from the date of issuance to get in compliance with the new permit. Change Order No. 5 would result in a decrease of \$24,784.80 and includes 1) removal of some of the core sampling requirements in the retired ponds and 2) removal of the blower mufflers from the contract. The TCEQ offered lenience to the City and allowed them not to take the final core samples in the retired pond. In an effort not to hold the project up, it was agreed to remove these from the scope of this contract and allow the City to install on their own. Change Order No. 5 would result in a decrease of \$24,784.80 resulting in a revised contract amount of \$2,171,962.70. Contingent upon the City of Gunter's approval, the staff recommends 1) approving Change Order No. 5 to the contract with Patterson Professional Services in the amount of (\$24,784.80 resulting in a revised contract amount of \$2,171,962.70) and 2) authorizing the closeout of the contract. Board Member Donald Johnston made the motion contingent upon the City of Gunter's approval of Change Order No. 5 for the Board to approve Change Order No. 5 to the contract with Patterson Professional Services in the amount of (\$24,784.80 resulting in a revised contract amount of \$2,171,962.70) and authorizing the closeout of the contract. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XI. Consider and act upon Change Order No. 1 & 2 to the contract with Hayes Construction for the City of Sherman's North Travis Street and US 75 Waterline Replacements Project.

General Manager Drew Satterwhite provided background information for the Board. Change Order No. 1 would result in a \$52,013.00 increase. This Change Order work was performed under an emergency order from the City of Sherman. The City had an 8" sewer line failure,

under railroad tracks, that the City crews are unequipped to repair or replace. The quickest solution to this emergency repair was to request that Hayes Construction perform this work as they were already mobilized in the City with boring equipment and crews. The City Council has already approved this Change Order. Change Order No. 2 would result in a \$7,990 increase and includes 1) 3 additional water services, 2) an additional 8" gate valve, 3) deleting 19 SY asphalt street repair due to closing of street to Knollwood, and 4) deletion of water service bore. Order No. 2 would result in an increase of \$7,990.00, and when combined with Change Order No. 1 would result in a revised contract in the amount of \$534,842.00. The City of Sherman Council will be considering Change Order No. 2 at an upcoming council meeting. Board Member Matt Brown made the motion authorizing the approval of Change Order No. 1 & 2 to the contract with Hayes Construction, which would result in a revised contract amount of \$534,842.00. Action would be contingent upon the Sherman City Council taking similar action. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

- XII. Consider all matters incident and related to providing for the redemption of certain outstanding "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2007 (Argyle Water Supply Corporation Project)", including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite provided background information for the Board. In 2007, the Authority issued debt on behalf of Argyle WSC for storage facilities, transmission and distribution pipelines, and other water system appurtenances as necessary. The debt was issued through the Texas Water Development Board. The total amount of the initial issuance was \$1,605,000. In a standard bond issuance, the Authority and our client entities are allowed to redeem (or pay off) the outstanding bonds after 10 years without penalty. Argyle WSC would like to redeem these bonds early and has the cash-on-hand to pay the remaining bonds. Board Member Scott Blackerby made the motion, contingent upon Argyle WSC taking a similar action, that the Board authorizes a resolution which would allow us to redeem the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2007 (Argyle Water Supply Corporation Project)" Bonds. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

- XIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Bells Project)" including the adoption of a resolution approving the issuance of such bonds.

General Manager Drew Satterwhite provided background information for Board. The City of Bells requested the Authority to assist the City in obtaining funding from the Texas Water Development Board for rehabilitation of water distribution lines, a new water well, ground storage tank, pump station, generators at well sites, replacing water meters, SCADA, repairs to the wastewater treatment plant and likely some improvements to their wastewater collection system. Board Member Matt Brown made the motion, contingent upon City of Bells adopting a resolution authorizing the issuance that the Board approves the City of Bells Bond Resolution authorizing the issuance of \$7,200,000 through the TWDB's DFund. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XIV. Consider and act upon authorization of General Manager to advertise for bids for City of Bells Project.

Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids for the City of Bells Project. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XV. Consider all matters incident and related to the approval and execution of a Water and Sewer Facilities Contract with the City of Henrietta, Texas, including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite provided background information for the Board. The City of Henrietta has never been funded before. Due to the Authority not having an active bond issuance with the City of Henrietta, a facilities contract must be entered into prior to issuing debt. Kristen Savant with Norton Rose Fulbright drafted the proposed new facilities contract. This standard contract has remained largely the same for over 30 years and establishes the relationship between the Authority and the City that will enable the Authority to issue debt on their behalf. Board Member Matt Brown made the motion, contingent upon the City of Henrietta's approval, that the Board approves the Water and Sewer Facilities Contract with the City of Henrietta. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

- XVI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Henrietta Project)", including the adoption of a resolution approving the issuance of such bonds.

General Manager Drew Satterwhite informed the Board that the background information is the same as provided for the previous item. To proceed with the Bond issuance, the Authority and the City need to adopt a resolution authorizing the issuance. The Henrietta City Council is set to consider this at their June 13, 2022, meeting. Board Member Matt Brown made the motion, contingent upon the City of Henrietta adopting the resolution approving the issuance of bonds, that the Board approves the City of Henrietta Bond Resolution which authorizes the issuance of \$10,235,000 through the TWDB's DFund. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XVII. Consider and act upon authorization of General Manager to advertise for bids for City of Henrietta Project.

Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids for the City of Henrietta Project. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XVIII. Consider all matters incident and related to the approval and execution of a Water and Sewer Facilities Contract with the City of Valley View, Texas, including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite provided background information for Board. The City of Valley View has not been funded before. Due to the Authority not having an active bond issuance with the City of Valley View, a facilities contract must be entered into prior to issuing debt. Kristen Savant with Norton Rose Fulbright drafted the proposed new facilities contract. This standard contract has remained largely the same for over 30 years and establishes the



relationship between the Authority and the City that will enable the Authority to issue debt on their behalf. Board Member Ken Brawley made the motion, contingent upon the City of Valley View's approval, that the Board approves the Water and Sewer Facilities Contract with the City of Valley View. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XIX. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Valley View Project)", including the adoption of a resolution approving the issuance of such bonds.

General Manager Drew Satterwhite provided background information for the Board. To proceed with the Bond issuance, the Authority and the City need to adopt a resolution authorizing the issuance. The City Council is set to consider this at their June 9, 2022, meeting. Board Member Scott Blackerby made the motion, contingent upon the City of Valley View adopting the resolution approving the issuance of bonds, that the Board approves the City of Valley View Bond Resolution which authorizes the issuance of \$700,000 through the TWDB's DFund. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

- XX. Consider and act upon authorization of General Manager to advertise for bids for City of Valley View Project.

Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids for the City of Valley View Project. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

- XXI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Dorchester Project)", including the adoption of a resolution approving the issuance of such bonds.

General Manager Drew Satterwhite provided background information for the Board. The City of Dorchester requested assistance in obtaining funding for improvements to the City's water system. To proceed with the Bond issuance, the Authority and the City need to adopt a resolution authorizing the issuance. Kristen Savant with Norton Rose Fulbright provided details. The City Council is set to consider this at their June 6, 2022, meeting. Board Member Matt Brown made the motion, contingent upon the City of Dorchester adopting the resolution approving the issuance of bonds, that the Board approves the City of Dorchester Bond Resolution which authorizes the issuance of \$4,625,000 through the TWDB's DFund. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

- XXII. Consider and act upon authorization of General Manager to advertise for bids for City of Dorchester Project.

Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids for the City of Dorchester Project. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XXIII. Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (Northwest Grayson County WCID #1 Project)”, including the adoption of a resolution approving the issuance of such bonds.

General Manager Drew Satterwhite provided background for the Board. The Northwest Grayson County WCID #1 requested assistance in obtaining funding for improvements to their water system. To proceed with the Bond issuance, the Authority and the Northwest Grayson County WCID #1 will need to adopt a resolution authorizing the issuance. The Northwest Grayson County WCID #1 is set to consider this at their June 14, 2022, meeting. Board Member Scott Blackerby made the motion, contingent upon the Northwest Grayson County WCID #1 adopting the resolution approving the issuance of bonds, that the Board approves the Northwest Grayson County WCID #1 Bond Resolution which authorizes the issuance of \$2,360,000 through the TWDB’s DFund. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XXIV. Consider and act upon authorization of General Manager to advertise for bids for Northwest Grayson County WCID #1 Project.

Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids for the Northwest Grayson County WCID #1 Project. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XXV. Consider and act upon selection of a firm for audit services.

General Manager Drew Satterwhite provided background information for Board. Previously auditing services were provided for a 5-year term. An RFP was sent out to six (6) auditing firms with whom we have worked with in the past and/or are doing work for cities in the region. We received one (1) response from Patillo, Brown & Hill. Discussion was held. Board Member Matt Brown made the motion to select Patillo, Brown & Hill. Board Member Ken Brawley seconded the motion. Motion passed unanimously. The suggestion was made that in the future to talk to current firm at end of 5-year term before sending out RFP.

- XXVI. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Sherman 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.

General Manager Drew Satterwhite provided background information for the Board. Given the rising interest rate environment, our Financial Advisor expressed concern that the interest rate ceiling adopted by the Board last month for the upcoming Sherman open market issuance may not be high enough when it comes time to price the bonds. In an abundance of caution, Garry Kimball (ours and Sherman's FA) is recommending that we raise the ceiling to 5.5%, which is 50 basis points higher than adopted in April. This will ensure that we don't significantly delay Sherman's efforts to prepare for TI. Kristen Savant with Norton Rose Fulbright provided details. Board Member Matt Brown made the motion to repeal the previous parameters resolution approved in April and to approve the current parameters resolution as presented. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

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

CGMA SWIFT application

Gainesville SWIFT Application

CGMA Generator Connection Project update

XXVIII. Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Stanley Thomas seconded the motion. Board President Brad Morgan declared the meeting adjourned at 1:33 p.m.

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Recording Secretary

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Secretary-Treasurer

ATTACHMENT VII

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

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
<b>GENERAL:</b>			
<u>Fuel and Reimbursements for Mileage</u>			
Nichole Sims (Reimbursement for mileage)	32.18		
Tasha Hamilton (Reimbursement for mileage)	7.72		
Theda Anderson (Reimbursement for mileage)	30.88		
Velma Starks (Reimbursement for mileage)	38.02		
Drew Satterwhite (Fuel)	219.64		
Valero Fleet Plus (Fuel - operations vehicles)	1,911.55		
<u>Insurance</u>			
Bayless Hall (Crime bond renewal 2022)	747.00		
Drew Satterwhite (2017 Ford F150, March & April)	172.50		
TWCA Risk Management (Workers' compensation insurance)	512.00		
<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 & Special Meeting)	1,056.25		
<u>Maintenance Agreements</u>			
Novatech (Konica-Minolta copier)	481.58		
<u>Meetings and Conferences</u>			
American Express (TWCA)	131.66		
Feast on This (BOD Lunches)	200.00		
Theda Anderson (BOD snacks)	19.96		
Velma Starks (BOD special meeting, bagles)	20.26		
<u>Miscellaneous</u>			
American Express (Interest charged for the month)	25.20		
Awards Unlimited (Plaque for BOD Anthony Richard resignation)	104.50		
Judy's Flower Shoppe (Flowers for Atkins Family)	62.25		
<u>Professional Services</u>			
Final Details (Cleaning Service, March and April)	1,170.00		
<u>Repair &amp; Maintenance - Building &amp; Equipment</u>			
Flores Heating & Air Conditioning (DS AC water pump not getting power. Reset power strip.)	105.00		
<u>Repair &amp; Maintenance - Administrative and Operations Vehicles</u>			
Auto Works Service Center & Tire (Repaired 2012 Ford F150 - removed transmission, fixed flex plate & installed new starter.)	1,261.92		
Discount Tire (2019 F150 tire repair)	36.50		
Whistlestop Car Spa - (Oil Change 2016 F150 oil change and truck wash. LP 1286579)	74.56		
<u>Supplies</u>			
American Express (General Office Supplies)	15.74		
Bank of Texas Visa (General Office Supplies)	57.23		
Greenwood Office Supplies (General Office Supplies)	343.13		
Hillerby Printing (GTUA shipping labels)	41.78		
Lowe's (airfilters)	319.96		
Tasha Hamilton (GTUA dish soap for office)	2.53		
Office Depot (General Office Supplies)	220.71		
Valero Fleet Plus (Ice)	10.75		
<u>Utilities</u>			
Steve White (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)	131.44		
AT&T Mobility (Cell Phones)	70.54		
City of Denison (Water)	215.04		
City of Sherman (Trash services)	85.00		
8x8, Inc.(phone lines - local & long distance)	183.64		
MP2 Energy Texas	348.29		
ATMOS Energy	159.23		

	<b>CURRENT</b>	<b>PRIOR MONTH</b>	<b>PRIOR YEAR</b>
<b>TOTAL:</b>	<b>\$ 13,168.62</b>	<b>\$ 10,205.99</b>	<b>\$ 11,910.29</b>
<b>SOLID WASTE:</b>			
<u>Supplies</u>			
Dave Tomlinson (Keys for Landfill)	4.85		
Lowes (Small hand tools, misc. parts and materials for repairs at Landfill)	2,008.92		
<u>Utilities</u>			
Grayson-Collin Electric	143.69		
Starr Water Supply	60.30		
<b>TOTAL:</b>	<b>\$ 2,217.76</b>	<b>\$ 945.03</b>	<b>\$ 215.63</b>
<b>WASTEWATER:</b>			
<u>Construction Contracts</u>			
Piazza Construction (Sherman 2020 - WWTP Ops Bdg addition and Remodel Pay App #4)	198,818.19		
Red River Construction (Kaufman 2019 - WWTP Improvements Pay App #17)	29,589.15		
Red River Construction (Sherman 2020 - Post Oak WWTP Aeration & other 2nd treatment improvements Pay App #10)	425,712.27		
<u>Engineering Fees</u>			
Binkley & Barfield (Sherman 2021 - WWTP South side industrial sewer. Engineering consulting services for March 2022)	22,404.00		
Perkins Engineering (Sherman 2017 - March 2022 engineering services for Post Oak WWTP Aeration & Sec. Treatment)	2,652.50		
<u>Paving Agent Fees</u>			
Bank of Texas Trust (Sadler 2016 - GTUASADLER16 4/1/22)	300.00		
<b>TOTAL:</b>	<b>\$ 679,476.11</b>	<b>\$ 2,722,995.93</b>	<b>\$ 673,058.95</b>
<b>WATER:</b>			
<u>Advertising</u>			
Herald Ban & Gain Classify (CGMA - Public announcement to bid installation of emergency generator for Bloomdale P.S.)	663.60		
Herald Democrat (CGMA - Public bid notice for electrical to install commercial emergency generator)	354.28		
Starr Local Media (CGMA - Public announcement to bid installation of emergency generator for Bloomdale P.S.)	832.50		
<u>Construction Costs</u>			
Associated Construction (Princeton 2018 - Pump Station improvements Pay App #31)	31,446.90		
Bel Air Village SFR (Sherman 2021 - Legacy Water Main 20% complete construction management)	550.00		
Crescent Constructors (Bear Creek 2019 - Phase 2 undergrd. storage tank, Pump station with 12" & 16" wtr lines. Pay App #9)	371,906.25		
THI Water Well - (Krum 2017 - Masch Branch water well. Pay App #7)	39,187.50		
Underwood (Whitewright 2019 - Water line improvement project Pay App #2)	40,886.64		
<u>Equipment</u>			
Drew Satterwhite (CGMA - Samsung Galaxy Tab S6 Lite 65GB with Wi-Fi includes S pen and Book cover for Ops Mgr. S.W.)	411.34		
<u>Engineering Fees</u>			
Gober MUD (Gober MUD 2021 - Wtr. System Imprv. 100% Application, 100% Environmental Assistants)	6,000.00		
City of Princeton (Princeton 2018 - Forest Grove Pump Station January 2022 Engineering fees)	677.50		
Freeman-Millican (CGMA - Engineering services for Bloomdale P.S. Phase 2 project Water study final invoice.)	44,000.00		
Hayter (Gober MUD 2021 - Water System Improvements. 90% design survey complete & 40% design complete)	16,400.00		
Hayter (Gober MUD 2021 - Water System Improvements. 50% design survey complete & 20% design complete)	8,200.00		
Hayter (Gober MUD 2021 - Water System Improvements. 30% design survey complete & 10% design complete)	6,700.00		
McManus & Johnson (Van Alstyne 2021 - Planning basic engineering fees 60% complete for Elevated Storage Tank.)	30,000.00		
<u>Groundwater</u>			
8x8, Inc. (NTGCD - 800 line, local & long distance)	183.65		
8x8, Inc. (RRGCD - 800 line, local & long distance)	183.65		
American Express (NTGCD - Best Buy Monitor for K.E., Laptop for K.E., TAGD, Uniform Shirts, TWCA)	1,102.40		
American Express (RRGCD - Best Buy Monitor for K.E. , GoDaddy, MSOffice 365 essentials, Laptop K.E., TAGD, TWCA)	1,887.12		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	64.53		
Allen Burks (RRGCD - cell phone reimbursement)	25.00		
Bank of Texas Visa (NTGCD - BOD Chick-Fil-A, GoDaddy, TAGD)	414.88		
Bank of Texas Visa (RRGCD - BOD Bay at the Lake, TAGD, GoDaddy)	696.31		
Diamond Computers - (NTGCD - Labor on system, site visit and remote login to configure KE computer)	180.00		
Diamond Computers - (RRGCD - Labor on system, site visit and remote login to configure KE computer)	180.00		
Lowes (NTGCD - armor all, windex, tuffstuff cleaner)	7.38		
Lowes (RRGCD - armor all, windex, tuffstuff cleaner)	7.38		
Paul Sigle (NTGCD - cell phone reimbursement)	58.01		
Paul Sigle (RRGCD - cell phone reimbursement.)	12.50		
Kenneth Elliott (NTGCD - Cell phone reimbursement & office Chair)	131.57		
Kenneth Elliott (RRGCD - Cell phone reimbursement & office Chair)	131.57		
Valero (NTGCD - Fuel, Valero Fleet Plus)	281.59		
Valero (RRGCD - Fuel, Valero Fleet Plus)	219.36		
Velma Starks (NTGCD - mileage reimbursement)	11.77		
Velma Starks (RRGCD - mileage reimbursement)	25.89		
<u>Legal</u>			

	CURRENT	PRIOR MONTH	PRIOR YEAR
Wynne & Smith (Gunter 2018 - Reviewed letter from Legion Constructions bonding company)	140.00		
<u>Miscellaneous</u>			
BLX Group (CGMA - Investment review for bond series 2007)	250.00		
<u>CGMA Equipment</u>			
Stewart & Stevenson (CGMA - Bloomdale Pump Station emergency generator lease. Feb-April)	13,778.00		
<u>CGMA Repair &amp; Maintenance</u>			
Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	3,908.33		
City of Denison Lab (CGMA - Water Tests)	21.00		
Home Depot (CGMA - concrete, rocks, janitorial supplies for pump station, 4 port connector, 3 port connector, pebbles)	272.23		
Integrity Control Services (CGMA - 2 service calls. Created program for pump #3 Micro PLC for 10 minute stop for pressure equalization)	2,263.90		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83		
Lowe's (CGMA - small hand tools, misc. parts and materials for repairs)	881.92		
National Wholesale Supply (CGMA - meter box valve, manhole pick extractor, pipe cutter oxygen tank, bottle refill, valve box etc)	2,239.09		
Steve White (CGMA - small hand tools for repairs)	67.07		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	179.55		
USA Bluebook (CGMA - IBBM flap valves, socket wrench & JCM master wrench, valve box, flange, gaskets, probe tips)	1,600.14		
<u>Supplies</u>			
USA Bluebook (CGMA - water pipeline decals and letters)	148.11		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station)	43.01		
North Texas Municipal Water District (Water Usage)	228,980.00		
MP2 Energy Texas (Bloomdale Pump Station)	11,007.40		
<b>TOTAL:</b>	<u>\$ 870,294.11</u>	<u>\$ 487,868.59</u>	<u>\$ 1,071,793.41</u>
<b>GRAND TOTAL:</b>	<u>\$ 1,565,156.60</u>	<u>\$ 3,222,015.54</u>	<u>\$ 1,756,978.28</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

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

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
<b>GENERAL:</b>			
<u>Dues and Subscriptions</u>			
Lake Texoma Association (2022 Membership dues renewal)	250.00		
<u>Equipment</u>			
USA Bluebook (Sension + pH Electrode field)	502.22		
<u>Fuel and Reimbursements for Mileage</u>			
Theda Anderson (Reimbursement for mileage)	21.06		
Velma Starks (Reimbursement for mileage)	35.95		
Drew Satterwhite (Fuel)	64.14		
Valero Fleet Plus (Fuel - operations vehicles)	1,763.48		
<u>Insurance</u>			
Drew Satterwhite (2017 Ford F150, April)	86.25		
TWCA Risk Management (Workers' compensation insurance)	514.00		
<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)	731.25		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	346.11		
<u>Meetings and Conferences</u>			
Feast on This (BOD Lunches)	236.00		
American Express (TWCA)	69.16		
<u>Miscellaneous</u>			
Valley View Consulting (Investing fees, 1st. Qtr. 2022)	10,094.79		
<u>Postage</u>			
United States Postal Service (Meter refill)	500.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair &amp; Maintenance - Building &amp; Equipment</u>			
Orkin Franchise 926 (Pest Control)	140.73		
<u>Repair &amp; Maintenance - Administrative and Operations Vehicles</u>			
Whistlestop Car Spa - (Oil Change air cabin filter replaced for F150 2019 LP 1397006)	115.34		
<u>Supplies</u>			
American Express (General Office Supplies, Zoom)	15.74		
Bank of Texas Visa (General Office Supplies, GoDaddy renewal, Adobe, Gallery Collection)	1,462.66		
Office Depot (General Office Supplies)	38.23		
USA Bluebook (Field supplies, Hach monoclор F powder pillows, Hach free ammonia reagent solution, etc.)	828.15		
Valero Fleet Plus (ICE)	8.60		
<u>Training</u>			
American Express - Sun Coast Learning, Training for WE)	700.00		
<u>Utilities</u>			
8x8, Inc.(phone lines - local & long distance)	183.78		
ATMOS Energy	86.10		
AT&T Mobility (Cell Phones)	74.00		
City of Denison (Water)	236.62		
City of Sherman (Trash services)	85.00		
MP2 Energy Texas	361.02		
Dave Tomlinson (Reimbursement for cell phone expenses)	25.00		
Drew Satterwhite (Reimbursement for cell phone expense)	25.00		



	CURRENT	PRIOR MONTH	PRIOR YEAR
Justin Barnes (Reimbursement for cell phone expenses)	25.00		
Steve White (Reimbursement for cell phone expenses)	25.00		
Wayne Eller (Reimbursement for cell phone expenses)	25.00		
<b>TOTAL:</b>	<b>\$ 22,702.86</b>	<b>\$ 13,168.62</b>	<b>\$ 12,347.13</b>

**SOLID WASTE:**

Fuel

Valero Fleet Plus (Fuel - operations vehicles) 85.89

Repair & Maintenance - Building & Equipment

Double J. Equipment Repair (Dozer repair) 1,643.02

Supplies

Lowe's (Weed eater trimming line and gas / oil mix) 80.86

Utilities

Grayson-Collin Electric 131.94  
 Starr Water Supply (includes April, prior payment not received) 145.60

<b>TOTAL:</b>	<b>\$ 2,087.31</b>	<b>\$ 2,217.76</b>	<b>\$ 230.23</b>
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**WASTEWATER:**

Advertising

Herald-Ban & Gain (Whitewright 2019 - Public notice to bid waste water improvements.) 1,058.00

Construction Contracts

Lynn Vessels (Sherman 2019 - Northwest Lift Station Pay Apps #1) 13,427.25  
 Lynn Vessels (Sherman 2019 - Northwest Lift Station Pay App #2) 49,803.41  
 Lynn Vessels (Sherman 2019 - Northwest Lift Station Pay App #3) 29,117.50  
 Lynn Vessels (Sherman 2019 - Northwest Sewer and Force Main Pay App #3) 57,134.65  
 Lynn Vessels (Sherman 2019 - Northwest Sewer and Force Main Pay App #4) 180,784.11  
 Lynn Vessels (Sherman 2019 - Northwest Sewer and Force Main Pay App #5) 74,088.41  
 Lynn Vessels (Sherman 2020 - Storm Water Management project. Pay App #12 Final) 46,666.74  
 Piazza Construction (Sherman 2020 - WWTP Ops Bldg Addition and Remodel. Pay App #5) 159,505.00  
 Red River Construction (Sherman 2020 - Post Oak WWTP Aeration & other 2nd treatment improvements. Pay App #11) 179,871.01  
 Twin Oaks Wholesale (Shrman 2020 - WWTP Lift Station project, 3 bags of bermuda grass) 777.00

Engineering Fees

Binkley & Barfield (Sherman 2021 - WWTP South Side Industrial Sewer. Consulting services for February 2022) 9,480.00  
 Binkley & Barfield (Sherman 2021 - WWTP South Side Industrial Sewer. Consulting services for April 2022) 17,699.13  
 Freeman-Millican (Sherman 2019 - WWTP Ops Bldg Addition & Remodel. 60% construction complete) 3,255.00  
 Freese & Nichols (Sherman 2021 - Wastewater Master Plan Basic Services 32.78% completed) 12,726.00  
 Freese & Nichols (Sherman 2021 - Wastewater Master Plan Basic Services 52.61% completed) 8,981.25  
 Perkins Engineering (Sherman 2017 - Post Oak WWTP Aeration & Secondary Treatments for April 2022) 9,283.75

Paving Agent Fees

Bank of Texas Trust (Pottsboro 2006 - POTTSBORO06 6/1/22) 225.00  
 Bank of Texas Trust (Pottsboro 2019 - GTUAPOTTS19 6/1/22) 300.00  
 Bank of Texas Trust (Van Alstyne 2014 - GTUAVANAL14B 6/1/22) 300.00  
 Bank of Texas Trust (Anna/Melissa 2006 - GRTEXUACRB06 6/1/22) 475.00  
 Bank of Texas Trust (Anna/Melissa 2007 - GTUACRBS07AM 6/1/22) 475.00  
 Bank of Texas Trust (Melissa 2009 - GTUACRBMP09A 6/1/22) 300.00  
 Bank of Texas Trust (Melissa 2009 - GTUACRBMP09B 6/1/22) 300.00

<b>TOTAL:</b>	<b>\$ 856,033.21</b>	<b>\$ 679,476.11</b>	<b>\$ 577,524.96</b>
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**WATER:**

Advertising

Star Local Media (Whitewright 2019 - Public notice to bid city well #5. Run date 4/24/22) 721.50  
 Star Local Media (Whitewright 2019 - Public notice to bid project #6. Run date 5/1/22) 721.50

Construction Costs

Associated Construction (Princeton 2018 - Forest Grove Pump Station Improvements pay App #32) 49,661.25  
 Bel Air Village (Sherman 2021 - Legacy Water Main Pay App #8) 12,482.98  
 Crescent Constructors (Bear Creek 2019 - Phase 2 underground storage tank. Pump station with 12" & 16" water lines Pay #10) 371,731.58  
 Crescent Constructors (Bear Creek 2019 - Phase 2 underground storage tank. Pump station with 12" & 16" water lines Pay # 11) 220,045.76  
 Legion Development (Gunter 2018 - Water Improvement project. Pay App #15 Final - paid to bond company as directed) 99,387.90  
 Murley Plumbing (CGMA - Repairing vaults and air valves for water lines and other repairs) 9,645.10  
 Murley Plumbing (CGMA - Repairs to water lines Blithe Rd. Van Palestine / Howe Line and Hwy 5) 2,435.17

Engineering Fees

City of Gunter (Gunter 2018 - reimbursed engineering fees 100% Task Billing complete) 1,982.50  
 City of Princeton (Princeton 2018 - Forest Grove Pump Station February 2022 engineering fees) 1,175.00  
 CobbFendley (LK Kiowa 2017 - Water Main PH4 100% Design complete.) 6,580.84

	CURRENT	PRIOR MONTH	PRIOR YEAR
CobbFendley (LK Kiowa 2021 - Water Main PH4 100% Design complete.)	88,419.16		
Freeman-Millican (CGMA - Regional Water Study update Final)	1,350.00		
Freese & Nichols (Sherman 2021 - Water Master Plan Basic Services 29.20% completed.)	5,461.15		
Freese & Nichols (Sherman 2021 - Water Master Plan Basic Services 71.20% completed.)	8,845.73		
Hayter Engineering (Sherman 2021 - Design eng. and Record Drawings for South Surface or Legacy water lines)	1,251.07		
Hayter Engineering (Sherman 2021 - Surface water line & SW booster pump station mods engineering serv for March 2022)	875.00		
KSA (Whitewright 2019 - Water System Improvements engineering services for 10/31/21-11/27/21)	1,813.00		
KSA (Whitewright 2019 - Water System Improvements engineering services for 1/1/22-1/29/22)	19,173.52		
<u>Fuel</u>			
Valero Fleet Plus (CGMA Fuel)	262.78		
<u>Groundwater</u>			
8x8, Inc. (NTGCD - 800 line, local & long distance)	183.79		
8x8, Inc. (RRGCD - 800 line, local & long distance)	183.78		
American Express (NTGCD - TWCA, TRWA, TAGD)	212.15		
American Express (RRGCD - TWCA, TRWA, TAGD)	212.18		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	64.53		
Allen Burks (RRGCD - cell phone reimbursement)	25.00		
Bank of Texas Visa (NTGCD - BOD Chick-Fil-A)	183.79		
Paul Sigle (NTGCD - cell phone reimbursement & mileage for BOD meeting)	58.01		
Paul Sigle (RRGCD - cell phone reimbursement,)	12.50		
Kenneth Elliott (NTGCD - Cell phone reimbursement, and uniform shirts)	44.96		
Kenneth Elliott (RRGCD - Cell phone reimbursement, and uniform shirts)	44.96		
Office Depot (NTGCD - MS365 for KE)	74.99		
Office Depot (RRGCD - MS365 for KE)	75.00		
Theda Anderson (RRGCD - Mileage, snacks for BOD meeting)	22.80		
Valero (NTGCD - Fuel, Valero Fleet Plus)	213.08		
Valero (RRGCD - Fuel, Valero Fleet Plus)	233.34		
Velma Starks (NTGCD - mileage reimbursement)	17.70		
Velma Starks (RRGCD - mileage reimbursement)	23.20		
<u>Miscellaneous</u>			
American Express - Industrial Networking, renewal cradle point - Emergency communications for pump stations)	76.50		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Dorchester 2002 - GRETEUTIL02 6/1/22)	200.00		
Bank of Texas Trust (Pottsboro 2007 - GTUACRB07CPP 6/1/22)	325.00		
Bank of Texas Trust (Van Alstyne 2014 - GTUAVANAL14A 6/1/22)	300.00		
Bank of Texas Trust (Van Alstyne 2015 - GTUAVANAL15 6/1/22)	300.00		
<u>CGMA Repair &amp; Maintenance</u>			
Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	3,270.48		
City of Denison Lab (CGMA - Water Tests)	21.00		
Integrity Control Services (CGMA - Bloomdale Pump Station service calls for pumps 2 & 3)	1,858.00		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	190.95		
USA Bluebook (CGMA - 3 rail marking post white, Dial 811 patch decals, elite ph pocket tester)	899.92		
<u>Supplies</u>			
Bank of Texas Visa - (CGMA - Bernsten International water line decals)	702.00		
Lowes (CGMA - concrete, rocks, gravel, bucket, dig bar other materials used to repair lines and vault casings)	972.27		
Home Depot Pro (CGMA - quick mix concrete, pvc pipe, batteries, rebar to fix water lines)	150.05		
National Wholesale (CGMA - Misc. materials 18" round valve box - bass and Hayes for water lines)	100.00		
National Wholesale (CGMA - DeZurik cover gasket 2" seat durc mbr. 3" seat suro mbr.)	738.50		
Steve White (CGMA - reimburse. for 12 piece Heavy duty Hex key set and 24 piece socket bit set for pump stations & general)	49.98		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station)	43.01		
North Texas Municipal Water District (Water Usage)	228,980.00		
MP2 Energy Texas (Bloomdale Pump Station)	10,613.49		
<b>TOTAL:</b>	<b>\$ 1,156,191.86</b>	<b>\$ 870,294.11</b>	<b>\$ 1,281,247.27</b>
<b>GRAND TOTAL:</b>	<b>\$ 2,037,015.24</b>	<b>\$ 1,565,156.60</b>	<b>\$ 1,871,349.59</b>

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.

**CURRENT    PRIOR MONTH    PRIOR YEAR**

\_\_\_\_\_  
President

ATTEST:

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

ATTACHMENT X



# GREATER TEXOMA UTILITY AUTHORITY

## AGENDA COMMUNICATION

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DATE: June 14, 2022

SUBJECT: AGENDA ITEM NO. X

### CONSIDER AND ACT UPON AN ENGAGEMENT LETTER FOR INDEPENDENT AUDIT SERVICES FOR FY 2021-2022

#### ISSUE

Consideration of an engagement letter for independent audit services for FY 2021-2022.

#### BACKGROUND

The Authority is required by its enabling legislation and the bond holders of securities issued by the Authority to provide an annual independent audit of its operations.

At the February 2015 meeting, the Board directed staff to solicit for audit proposals due to the length of time 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 pursuant to the Request for Proposals.

Adami, Lindsey & Co., LLP informed the Authority staff last month that they are unable to perform the Authority's audit this year due to a shortage of staff. After hearing of this circumstance, Authority staff immediately began developing a solicitation for audit proposals. At the August 2017 meeting, the Board reviewed two (2) proposals from 1) Hankins, Eastup, Deaton, Tonn and Seay, and 2) Schalk and Smith. Hankins, Eastup, Deaton, Tonn and Seay were selected to perform the auditing services for the Board for a 5-year term.

Earlier this year, the staff discussed the audit solicitation process for the selection of an auditing firm. Following that meeting, the staff put together an RFP and sent out to six (6) auditing firms who we have worked with in the past and/or are doing work for cities in the region. We received one (1) response and that was from Patillo, Brown & Hill.

#### CONSIDERATIONS

Patillo, Brown & Hill appear to be well qualified to perform the work. At the May 2022 meeting, the Board selected Patillo, Brown & Hill as a qualified firm and requested that we get an engagement letter to consider at the June 2022 meeting. The cost of the audit would be \$53,900.

#### STAFF RECOMMENDATIONS

The staff recommends the Board authorize an engagement letter with Patillo, Brown & Hill to perform the Authority's FY 2021-2022 Audit.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

PREPARED AND SUBMITTED BY:

Debi Atkins, Finance Officer



June 13, 2022

Greater Texoma Utility Authority  
5100 Airport Drive  
Denison, Texas 75020

To the Board of Directors and Management:

You have requested that we audit the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greater Texoma Utility Authority (the "Authority"), as of September 30, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In addition, we will audit the Authority's compliance over major federal award programs for the period ended September 30, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Authority's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Authority complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

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## OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis.

Supplementary information other than RSI will accompany the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and Individual Fund Financial Statements and Schedules
- Debt Schedules.

#### **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section.

#### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### **Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to those charged with governance of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any



reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of the Authority's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Authority's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Authority's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management's Responsibilities**

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the Authority is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the Authority complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;

14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report, (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the Authority involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Non-attest Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority in conformity with U.S. generally accepted accounting principles and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. These services are limited to preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority as previously outlined.

We will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities.

The Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are limited to our assistance in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority as previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise with regard to financial reporting, but the Authority must make all decisions with regard to those matters.

### **Engagement Administration, Fees and Timing**

We will schedule the engagement based in part on deadlines, working condition, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase

the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	Aug or Sept 2022
Mail confirmations	October 2022
Perform year-end audit procedures	Nov-Dec 2022
Issue audit reports	January 2023

Todd Pruitt is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$53,900. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges data over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to investment information to verify valuation. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take

reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Authority's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,  
Pattillo, Brown & Hill, L.L.P.



Todd Pruitt, CPA  
Waco, Texas

**RESPONSE:**

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Greater Texoma Utility Authority by:

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 25, 2019

To the Partners of  
Pattillo Brown & Hill, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.



## Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, an audit performed under FDICIA, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Pattillo Brown & Hill, LLP has received a peer review rating of *pass*.

*Haddox Reid Eulank Betts PLLC*

ATTACHMENT XI



# GREATER TEXOMA UTILITY AUTHORITY

## AGENDA COMMUNICATION

---

**DATE:** June 15, 2022

**SUBJECT:** AGENDA ITEM NO. XI

### CONSIDER AND ACT UPON THE AUTHORITY'S AUTHORIZED INVESTMENT BROKER DEALERS

#### ISSUE

Our Financial Advisor, Valley View Consulting, is recommending that we add Wells Fargo as an authorized investment broker/dealer.

#### 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.

Each year when we review this policy the Board authorizes a list of broker/dealers for the Authority to utilize.

#### CONSIDERATIONS

Attached you will find a memo from Valley View Consulting with their reasoning and recommendation.

Recent market conditions have made the Government Securities a much more attractive option for the Authority to utilize in addition to CD's. Because of that, we are now actively exploring those opportunities and Wells Fargo is very competitive as a broker/dealer and safekeeping agent.

#### STAFF RECOMMENDATIONS

The staff recommends the Board authorize Wells Fargo Bank as an authorized broker/dealer in addition to the four (4) current broker/dealers.

#### ATTACHMENTS

Memo from Valley View Consulting

**PREPARED AND SUBMITTED BY:**

Drew Satterwhite, P.E., General Manager

**RECOMMENDED BY:**

Debi Atkins, Finance Officer



May 5, 2022

To: Drew Satterwhite  
Debi Atkins

Fr: Dick Long  
Ben Day

Re: Wells Fargo Safekeeping and Broker/Dealer Services

GTUA's investment horizon has been radically altered with the Federal Open Market Committee's (FOMC) interest rate increase plan. Financial Institutions have generally been slow to adjust their deposit rates, while government security yields have risen dramatically. Therefore, it is to GTUA's advantage to invest in government securities instead of CDs.

Government securities require access to a Federal Reserve Bank safekeeping account. The BOKF Escrow accounts already have this access, but the non-Escrow funds need to establish a safekeeping account.

The Authority's primary depository bank (Bank of Texas) can provide this service, but the cost is excessive (estimated at over \$24,000 per year). Wells Fargo Bank offers safekeeping, if Wells Fargo Securities is allowed to compete for the investment business. The fees are a combination of fixed and variable fees that are estimated at +/- \$260/month or \$3,120/year.

GTUA has four Authorized Broker/Dealers:

- BOKF Financial
- FHN Financial
- Multi-Bank Securities
- SAMCO Capital Markets

The Wells Fargo Securities – Dallas office has a dedicated public funds team that will complement the current B/Ds.

We recommend approving Wells Fargo Securities as an Authorized Broker/Dealer and opening a Wells Fargo Bank Safekeeping account.

ATTACHMENT XII



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**DATE:** June 15, 2022

**SUBJECT:** AGENDA ITEM NO. XII

## DISCUSSION AND POSSIBLE ACTION REGARDING ALL MATTERS INCIDENT AND RELATED TO THE GREATER TEXOMA UTILITY AUTHORITY'S RETIREMENT PLAN

### ISSUE

Discussion and possible action regarding the Greater Texoma Utility Authority's ("Authority") retirement plan.

### BACKGROUND

The Authority's old retirement plan was a single portfolio which was managed jointly by all employees. The plan required that all employees maintain an identical retirement strategy and investments were made following an email vote which was circulated amongst staff any time an investment was recommended. The plan performed well for the employees of the Authority, but became outdated with changes in legislation and more modern plans becoming available.

In 2016, the Authority staff met with Dobbs Wealth Management Group, the Authority's Financial Advisor, to look at ways to modernize the Authority's Retirement Plan so that each employee could have complete control of their retirement contributions. Dobbs Wealth Management Group proceeded to reach out to three (3) separate retirement plan providers in an effort to screen and vet candidates that they believed would provide the most advantage to the employees of the Authority.

A committee was formed at the September 2016 meeting to assist with reviewing the retirement options. In October of 2016, the Board authorized the transfer of the Authority's retirement plan to a 401(a) plan.

### CONSIDERATIONS

The Internal Revenue Service (IRS) requires qualified retirement plans using pre-approved plan documents to be amended and restated every six years. The deadline for the current cycle is July 31, 2022. The amended and restated plan has no significant changes and will not change the costs of the plan. This amendment and restatement is simply to incorporate statutory and regulatory changes that have occurred over the last six (6) years.

This plan has been pre-approved by the IRS and the letter from the IRS is included in the attached documentation.

A representative from Dobbs Wealth Management Group will be in attendance at the Board meeting to help answer any questions the Board may have.

### STAFF RECOMMENDATIONS

Based upon the recommendation of the Authority's Retirement Plan Financial Advisors, Dobbs Wealth Management Group, the staff recommends authorizing the resolution which would allow for the Authority's Retirement Plan to be amended and restated.



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

---

**PAGE 2**

**ATTACHMENTS**

Resolution

IRS Letter

Money Purchase Pension Plan

Trust Agreement

**PREPARED AND SUBMITTED BY:**

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

Drew Satterwhite, P.E., General Manager

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "Debi Atkins", written over a horizontal line.

Debi Atkins, Financial Officer

**GREATER TEXOMA UTILITY AUTHORITY  
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of Greater Texoma Utility Authority (the "Employer").

With respect to the amendment and restatement of the Greater Texoma Utility Authority Money Purchase Pension Plan (the "Plan"), the following resolutions are hereby adopted:

**RESOLVED:** That the Plan be amended and restated effective 10/01/2021, in the form attached hereto, which Plan is hereby adopted and approved;

**RESOLVED FURTHER:** That the appropriate officers of the Employer be, and they hereby are, authorized and directed to execute the Plan on behalf of the Employer;

**RESOLVED FURTHER:** That Drew Satterwhite and Deborah Atkins are hereby retained as the Trustees of the Plan; and

**RESOLVED FURTHER:** That the officers of the Employer be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Plan Description: Non-Standardized Pre-Approved Money Purchase Pension Plan  
FFN: 317C083FT02-002 Case: 201900292 EIN: 13-3504158  
Letter Serial No: Q704060a  
Date of Submission: 12/31/2018

CCH INCORPORATED DBA FTWILLIAM COM  
1245 E. WASHINGTON AVE., SUITE 101  
MADISON, WI 53703

Contact Person:  
Janell Hayes  
Telephone Number:  
513-975-6319  
In Reference To: TEGE:EP:7521  
Date: 06/30/2020

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable for use by employers for the benefit of their employees under Internal Revenue Code (IRC) Section 401.

We considered the changes in qualification requirements in the 2017 Cumulative List of Notice 2017-37, 2017-29 Internal Revenue Bulletin (IRB) 89. Our opinion relates only to the acceptability of the form of the plan under the IRC. We did not consider the effect of other federal or local statutes.

You must provide the following to each employer who adopts this plan:

- . A copy of this letter
- . A copy of the approved plan
- . Copies of any subsequent amendments including their dates of adoption
- . Direct contact information including address and telephone number of the plan provider

Our opinion on the acceptability of the plan's form is a determination as to the qualification of the plan as adopted by a particular employer only under the circumstances, and to the extent, described in Revenue Procedure (Rev. Proc.) 2017-41, 2017-29 I.R.B. 92. The employer who adopts this plan can generally rely on this letter to the extent described in Rev. Proc. 2017-41. Thus, Employee Plans Determinations, except as provided in Section 12 of Rev. Proc. 2020-4, 2020-01 I.R.B. 148 (as updated annually), will not issue a determination letter to an employer who adopts this plan. Review Rev. Proc. 2020-4 to determine the eligibility of an adopting employer, and the items needed, to submit a determination letter application. The employer must also follow the terms of the plan in operation.

Except as provided below, our opinion doesn't apply to the requirements of IRC Sections 401(a)(4), 401(l), 410(b), and 414(s). Our opinion doesn't apply to IRC Sections 415 and 416 if an employer maintains or ever maintained another qualified plan for one or more employees covered by this plan. For this purpose, we will not consider the employer to have maintained another defined contribution plan provided both of the following are true:

- . The employer terminated the other plan before the effective date of this plan
- . No annual additions have been credited to any participant's account under the other plan as of any date within the limitation year of this plan

Also, for this purpose, we'll consider an employer as maintaining another defined contribution plan, if the employer maintains any of the following:

- . A welfare benefit fund defined in IRC Section 419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees as defined in IRC Section 419A(d)

- . An individual medical account as defined in IRC Section 415(l)(2), which is part of a pension or annuity plan maintained by the employer
- . A simplified employee pension plan

Our opinion doesn't apply to Treasury Regulations Section 1.401(a)-1(b)(2) requirements for a money purchase plan or target benefit plan where the normal retirement age under the employer's plan is lower than age 62.

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(d) governmental plan. This letter is not a ruling with respect to the tax treatment to be given contributions which are picked up by the governmental employing unit within the meaning of IRC Section 414(h)(2).

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(e) church plan.

Our opinion may not be relied on by a non-electing church plan for rules governing pre-ERISA participation and coverage.

Our opinion applies to the requirements of IRC Section 410(b) if 100 percent of all non-excludable employees benefit under the plan.

Employers who choose a safe harbor allocation formula and a safe harbor compensation definition may also rely on this opinion letter for the non-discriminatory amounts requirement under IRC Section 401(a)(4).

If this plan includes a cash or deferred arrangement (CODA) or otherwise provides for contributions subject to IRC Sections 401(k) and/or 401(m), the employer may rely on the opinion letter regarding the form of the non-discrimination tests of IRC Sections 401(k)(3) and 401(m)(2), if the employer uses a safe harbor compensation definition. For plans described in IRC Sections 401(k)(12) or (13) and/or 401(m)(11) or (12), employers may rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections unless the plan provides for the safe harbor contribution to be made under another plan. For SIMPLE plans described in IRC Sections 401(k)(11) and 401(m)(10), employers may also rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections.

The provisions of this plan override any conflicting provision contained in the trust or custodial account documents used with the plan, and an adopting employer may not rely on this letter to the extent that provisions of a trust or custodial account that are a separate portion of the plan override or conflict with the provisions of the plan document. This opinion letter does not cover any provisions in trust or custodial account documents.

An employer who adopts this plan may not rely on this letter when:

- . the plan is being used to amend or restate a plan of the employer which was not previously qualified
- . the employer's adoption of the plan precedes the issuance of the letter
- . the employer doesn't correctly complete the adoption agreement or other elective provisions in the plan
- . the plan is not identical to the pre-approved plan (that is, the employer has made amendments that cause the plan not to be considered identical to the pre-approved plan, as described in Section 8.03 of Rev. Proc. 2017-41)

Our opinion doesn't apply to what is contained in any documents referenced outside the plan or adoption agreement, if applicable, such as a collective bargaining agreement.

Our opinion doesn't consider issues under Title I of the Employee Retirement Income Security Act (ERISA) which are administered by the Department of Labor.

If you, the pre-approved plan provider, have questions about the status of this case, you can call the telephone number at the top of the first page of this letter. This number is only for the provider's use.

Individual participants or adopting eligible employers with questions about the plan should contact you.

You must include your address and telephone number on the pre-approved plan or the plan's adoption agreement, if applicable, so that adopting employers can contact you directly.

If you write to us about this plan, provide your telephone number and the best time to call if we need more information. Whether you call or write, refer to the letter serial number and file folder number at the top of the first page of this letter.

Let us know if you change or discontinue sponsorship of this plan.

Keep this letter for your records.

Sincerely Yours,



Khin M. Chow  
Director, EP Rulings & Agreements

**Letter 6186 (June-2020)  
Catalog Number 72434C**

**GREATER TEXOMA UTILITY AUTHORITY  
MONEY PURCHASE PENSION PLAN**

**GREATER TEXOMA UTILITY AUTHORITY  
MONEY PURCHASE PENSION PLAN**

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**ADOPTION AGREEMENT #002**  
**GOVERNMENTAL MONEY PURCHASE NON-STANDARDIZED PLAN**

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt plan under Code section 401(a). The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

**EMPLOYER INFORMATION**

*NOTE: An amendment is not required to change the responses in items 1-10 below.*

*NOTE: The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).*

1. Name of adopting employer (Plan Sponsor): Greater Texoma Utility Authority
2. Address: 5100 Airport Drive
3. City: Denison
4. State: Texas
5. Zip: 75020
6. Phone number: 903-786-4433
7. Fax number: \_\_\_\_\_
8. Plan Sponsor EIN: 75-1695421
9. Plan Sponsor fiscal year end: 09/30
10. State of organization of Plan Sponsor: Texas

**PLAN INFORMATION**

**SECTION A. GENERAL INFORMATION**

**Plan Name/Effective Date**

1. Plan Number: 001
2. Plan name:
  - a. Greater Texoma Utility Authority
  - b. Money Purchase Pension Plan

*NOTE: A.1 is optional.*

**3. Effective Date**

- a. Original effective date of Plan: 10/01/1988
- b.  This is a restatement of a previously-adopted plan. Effective date of Plan restatement: 10/01/2021

*NOTE: The dates specified above in A.3a or A.3b may not be earlier than the first day of the Plan Year during which the Plan is adopted or amended and restated by the Plan Sponsor.*

**4. Plan Year**

- a. Plan Year means each consecutive 12-month period ending on 09/30 (e.g. December 31)
- b.  The Plan has a Short Plan Year. The Short Plan Year begins \_\_\_\_\_ and ends \_\_\_\_\_
  - i. In the event of a Short Plan Year, service conditions will be pro-rated based on months for the following purposes:
    - None
    - All purposes (i.e., eligibility, allocation conditions, and vesting)
    - Other: \_\_\_\_\_

*NOTE: The provisions of A.4b apply only in the event of an initial Plan Year. A Short Plan Year for reasons other than the initial Plan Year requires a Plan amendment.*

**5. Limitation Year means:**

- a.  Plan Year
- b.  calendar year
- c.  Other: \_\_\_\_\_

*NOTE: If "Other" is selected, the Limitation Year must be a consecutive 12-month period.*

**6. Frozen Plan**

- a.  The Plan is frozen as to eligibility effective: \_\_\_\_\_

- b.  The Plan is frozen as to benefit accruals effective: \_\_\_\_\_

**Plan Features**

**7. Employee Contributions (Section 4.01)**

- a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:
- i.  Yes, \_\_\_\_\_% of Plan Compensation
  - ii.  Yes, salary schedule according to the chart below:  

<u>Salary Range</u>	<u>Mandatory Employee Contributions</u>
---------------------	---
  - iii.  Yes, other fixed method: Up to the maximum allowed under 402(g) of the IRS Code. Only 6 percent of compensation is mandatory and will be matched based on the Employer Contribution Schedule.
  - iv.  No
- b. Voluntary (After-Tax) Contributions are permitted under the Plan:
- i.  Yes
  - ii.  No
  - iii.  Formerly Allowed
- c. Mandatory After-Tax Employee Contributions are permitted under the Plan:
- i.  Yes, \_\_\_\_\_% of Plan Compensation
  - ii.  Yes, salary schedule according to the chart below:  

<u>Salary Range</u>	<u>Mandatory After-Tax Employee Contributions</u>
---------------------	---
  - iii.  Yes, other fixed method: \_\_\_\_\_
  - iv.  No

*NOTE: If A.7a is "No", questions regarding Mandatory Employee Contributions are disregarded.*

*NOTE: If other method (A.7a.iii or A.7c.iii) is selected, the method must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**Compensation**

**8. Statutory Compensation**

- a. Definition of Statutory Compensation (as defined in Article 2 of the Basic Plan Document):
- i.  Section 415 Compensation
  - ii.  W-2 Compensation
  - iii.  Withholding Compensation
  - iv.  Section 415 Safe Harbor Option
- b.  Include deemed Code section 125 compensation in definition of Statutory Compensation.
- c.  Include Post Severance Compensation in definition of Statutory Compensation.
- d.  Include Post Year End Compensation in definition of Statutory Compensation.

**9. Plan Compensation**

- a. Definition of Plan Compensation (as defined in Article 2 of the Basic Plan Document) for purposes of allocations will be Statutory Compensation with the following exclusions:

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
i. No Exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Pay earned before participation	<input type="checkbox"/>	<input type="checkbox"/>
iii. Amounts which are contributed by the Employer pursuant to a salary reduction agreement and not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457	<input type="checkbox"/>	<input type="checkbox"/>
iv. All of the following benefits (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits (Treas. Reg. section 1.414(s)-1(c)(3))	<input type="checkbox"/>	<input type="checkbox"/>
v. Differential military pay as defined in Code section 3401(h)(2)	<input type="checkbox"/>	<input type="checkbox"/>
vi. Final Paycheck Pay	<input type="checkbox"/>	<input type="checkbox"/>
vii. Post Severance Compensation	<input type="checkbox"/>	<input type="checkbox"/>

- viii. Post Year End Compensation
- ix. Other adjustments (e.g., commissions, bonuses, etc.):

**NOTE:** If any exclusions are selected which do not meet the safe harbor exclusions as described under Section 414(s) Compensation, the definition of Plan Compensation will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or safe harbor contributions.

**NOTE:** If "Other adjustments" is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

**NOTE:** See Section 4.01(c) for rules regarding elections for bonuses or other special pay.

- b. Plan Compensation is determined over the period specified below ending with or within the Plan Year:
  - i.  Plan Year
  - ii.  calendar year
  - iii.  Plan Sponsor Fiscal Year
  - iv.  Limitation Year
  - v.  Other 12-month period beginning on: \_\_\_\_\_ (enter month and day)

**Definitions**

**10. Disability**

Definition of Disability

- a.  The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
- b.  Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
- c.  Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
- d.  Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
- e.  Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
- f.  Other: \_\_\_\_\_

**NOTE:** If "Other" is selected, the definition provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

**11. Choice of Law/State Law**

- a. Name of state or commonwealth for choice of law (Section 12.05): Texas
- b. Enter any state law provisions that apply to the Plan: \_\_\_\_\_

**NOTE:** Only state law and regulations may be entered in A.11b. The Plan may not violate applicable state law.

**SECTION B. ELIGIBILITY**

**Exclusions**

**1. The term "Eligible Employee" shall not include (Check items as appropriate):**

	<b>Mandatory/Voluntary/Mandatory After-Tax Contributions</b>	<b>Pension Contributions</b>
a. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>
b. Union Employees	<input type="checkbox"/>	<input type="checkbox"/>
c. Leased Employees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. Non-Resident Alien	<input type="checkbox"/>	<input type="checkbox"/>
e. Other Employees (Section 3.06(a)): <b><u>Part Time Employees</u></b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**NOTE:** If "Other Employees" is selected, the definition provided must be objectively determinable and may not name a specific individual or be specified in a manner that is subject to Employer discretion.



**2. Opt-Out**

An Employee may irrevocably elect not to participate in the Plan.

*NOTE: If the Plan provides for Mandatory Employee Contributions (A.7a.iv is not selected), B.2 shall not apply to Mandatory Employee Contributions.*

**Eligibility Service Rules**

**3. Other Employer Service**

Count service with employers other than the Employer for eligibility purposes. List other employers along with any limitations: \_\_\_\_\_

**4. Special Participation Date**

a.  Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed on \_\_\_\_\_ shall become eligible to participate in the Plan as of \_\_\_\_\_

b.  The Plan provides conditions or limitations on immediate participation: \_\_\_\_\_

*NOTE: Describe the conditions or limitations that apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**Eligibility for All Contribution Types**

**5. Age Requirement for Plan Participation**

	<b>Mandatory/Voluntary/Mandatory After-Tax Contributions</b>	<b>Pension Contributions</b>
a. Age Requirement	None	None

**6. Service Requirement for Plan Participation**

	<b>Mandatory/Voluntary/Mandatory After-Tax Contributions</b>	<b>Pension Contributions</b>
a. No Minimum Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Completion of _____ Year(s) of Eligibility Service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
c. Completion of _____ Hours of Service (not to exceed 1,000) in a _____ month period (not to exceed 12; hours of service failsafe applies)	<input type="checkbox"/>	<input type="checkbox"/>
d. Completion of _____ Hours of Service (not to exceed 1,000) within a 12-month period. The service requirement shall be deemed met at the time the specified number of Hours of Service are completed	<input type="checkbox"/>	<input type="checkbox"/>
e. Completion of _____ month(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
f. Completion of _____ day(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
g. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>
h. Additional Requirements: _____	<input type="checkbox"/>	<input type="checkbox"/>

*NOTE: If "Other" is selected, the service requirements provided must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.*

*NOTE: Any "Additional Requirements" provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**7. Entry Dates**

	<b>Mandatory/Voluntary/Mandatory After-Tax Contributions</b>	<b>Pension Contributions</b>
a. Immediate	<input type="checkbox"/>	<input type="checkbox"/>
b. First day of each payroll period	<input type="checkbox"/>	<input type="checkbox"/>
c. First day of the calendar month	<input type="checkbox"/>	<input type="checkbox"/>
d. First day of each Plan quarter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

- e. First day of the first month and seventh month of the Plan Year
- f. First day of the Plan Year
- g. Other:

*NOTE: If B.7g is selected, the other entry date must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**8. Entry Timing for Plan Participation**

An Eligible Employee shall become a Participant on the entry date that is:

	<b>Mandatory/Voluntary/Mandatory After-Tax Contributions</b>	<b>Pension Contributions</b>
a. Coincident with or next following the date the eligibility requirements are met	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Next following the date the eligibility requirements are met	<input type="checkbox"/>	<input type="checkbox"/>
c. Coincident with or immediately preceding the date the eligibility requirements are met	n/a	<input type="checkbox"/>
d. Immediately preceding the date the eligibility requirements are met	n/a	<input type="checkbox"/>
e. Nearest to the date the eligibility requirements are met	n/a	<input type="checkbox"/>

*NOTE: If B.7a. is selected, an Eligible Employee shall become a Participant eligible to make Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions immediately upon meeting the eligibility requirements.*

**Transfers/Rehires**

**9. Transfers/Rehires**

- a. If an Employee either (1) upon rehire again qualifies as an Eligible Employee, (2) or if not previously an Eligible Employee who due to a change in status becomes an Eligible Employee, he shall become a Participant with respect to the contributions for which the eligibility requirements have been satisfied (Section 3.05):
  - i.  as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
  - ii.  on the entry date as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
- b. An individual who has satisfied the applicable eligibility requirements set forth in Article 3 before his rehire date, and who is subsequently reemployed by the Employer as an Eligible Employee shall resume or become a Participant (Section 3.05):
  - i.  immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied
  - ii.  on the entry date coincident with or next following his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied

**SECTION C. CONTRIBUTIONS**

**Voluntary Contributions**

*NOTE: If A.7b is "Yes" (Voluntary Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 shall be eligible to make Voluntary Contributions to the Plan as follows (Section 4.01):*

**1. Minimum and Maximum Voluntary Contributions**

- a. Minimum Voluntary Contribution: \_\_\_\_\_
- b. Maximum Voluntary Contribution: \_\_\_\_\_
- c. Other limits on Voluntary Contributions apply: \_\_\_\_\_

*NOTE: C.1a and C.1b may not be more than 100% of Plan Compensation.*

*NOTE: If C.1c is selected the requirements provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**Pension - Service**

*NOTE: An Eligible Employee who has met the requirements of B.5 through B.7 and who has satisfied the following requirements shall be*

eligible to receive an allocation of Pension Contributions during the applicable Plan Year.

**2. Allocation Service Requirements for Pension Contributions**

- a.  None
- b.  In order to share in the allocation of Pension Contributions, a Participant is required to complete at least the following number of Hours of Service in the applicable Plan Year \_\_\_\_\_
- c.  In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year
- d.  In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year or complete at least \_\_\_\_\_ Hours of Service in the applicable Plan Year

*NOTE: C.2b and C.2c are inapplicable if C.2a or C.2d is selected.*

**3. Exceptions to Allocation Service Requirements for Pension Contributions**

- a.  A Participant whose employment terminates on the last day of the Plan Year is treated as being employed by the Employer on the last day of the Plan Year.
- b. Modify Hour of Service requirement or last day requirement for a Participant who Terminates employment with the Employer during the Plan Year due to:
  - i.  death
  - ii.  Disability
  - iii.  attainment of Normal Retirement Age
  - iv.  attainment of Early Retirement Age
- c. Any Hour of Service requirement and last day requirement shall be modified as follows:
  - i.  Waive both the Hour of Service requirement and last day requirement
  - ii.  Waive the Hour of Service requirement only
  - iii.  Waive last day requirement only
- d.  The following other modifications shall be made to the requirements specified in C.2-3c: \_\_\_\_\_

*NOTE: Other modifications must be specified in a manner that is objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**Pension Contributions - Formula**

**4. Pension allocation formula.** The Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 as follows (Section 4.03):

- a.  Pro rata. In the amount of 12 Percent of Compensation to be allocated in the ratio that each Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants.
- b.  Points. In the amount of \_\_\_\_\_ to be allocated as described in C.5.
- c.  Fixed Amount. In the amount of \_\_\_\_\_ to be allocated by dividing the total amount by the number of Participants eligible to share in such contribution.
- d.  Defined Groups. See C.6
- e.  Other fixed formula: \_\_\_\_\_

*NOTE: If B.4e is selected, the other fixed formula must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

**5. Pension Contribution - Points**

If C.4b is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in the ratio that such Participant's points bears to the points of all eligible Participants.

Each Participant shall receive to the extent provided in C.5a: (a) the points described in C.5d for each year of age he has attained (as of his birthday during such Plan Year), (b) the points described in C.5c for each Plan Year, including the current Plan Year, during which he was eligible to participate in the Plan after meeting the requirements of Article 3 (regardless of any service or last day requirement in Article 4) applicable to Pension Contributions, and (c) the points described in C.5b for each \$\_\_\_\_\_ of Plan Compensation he has earned for such Plan Year.

- a. Points will be computed on basis of:
  - i.  Age, Service and Plan Compensation
  - ii.  Age and Service
  - iii.  Age and Plan Compensation
  - iv.  Service and Plan Compensation
  - v.  Age Only
  - vi.  Service Only
- b. Points awarded for \$\_\_\_\_\_ of Plan Compensation: \_\_\_\_\_
- c. Points awarded for each year of participation: \_\_\_\_\_
- d. Points awarded for each year of age: \_\_\_\_\_

*NOTE: C.5b, C.5c and C.5d apply to the extent that C.5a provides points for Plan Compensation, Years of Service or age, respectively.*

**6. Pension Contribution- Defined Groups**

If C.4d is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in an amount designated by the Employer to be allocated to each group described in C.6. The contribution for a group shall then be further allocated to the members of such group who are eligible to receive allocations of Pension Contributions in the method as specified in C.6 for such group. The amount allocated to one group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator in writing of the amount of contributions allocated to each group.

- a. Group One: \_\_\_\_\_ An amount equal to:
- i.  A percentage of Plan Compensation \_\_\_\_\_
  - ii.  A fixed dollar amount \_\_\_\_\_
  - iii.  the greater of i. or ii.

*NOTE: Groups must be defined in a manner that is objectively determined with no Employer discretion. Groups may not be designed so that the permanency requirement of Treas. Reg. section 1.401-1(b)(2) is violated.*

*NOTE: See Section 3.06 for rules regarding eligibility requirements.*

**7. Determination Period for Pension Contributions**

- a. Pension Contributions are determined at the following time(s):
- i.  End of Plan Year
  - ii.  Semi-annually
  - iii.  Quarterly
  - iv.  Each calendar month
  - v.  Each pay period
- b. Minimum and Maximum Pension Contributions
- i.  Allocations of Pension Contributions for a Participant shall be subject to a minimum amount: 12 Percent of Eligible Pay
  - ii.  Allocations of Pension Contributions for a Participant shall be subject to a maximum amount: 12 Percent of Eligible Pay

*NOTE: Any service requirements specified in C.2 through C.3 shall be applied pro rata to the period selected in this C.7a. Any last day rule specified in C.2 through C.3 shall be applied as of the end of each period selected in this C.7a.*

**8. Paid Time Off**

- a.  The Employer will contribute a Participant's unused paid time off (vacation or sick leave) as a Pension Contribution to the Plan. Unused paid time off shall be contributed to the Plan:
- i.  Each Plan Year
  - ii.  Upon Termination
- b.  The following limitations/conditions shall apply: \_\_\_\_\_

*NOTE: Any unused paid time off where the Participant has the right to request cash payment is not eligible for contribution to the Plan under this C.8.*

*NOTE: The unused paid time off contributions must be contributed by multiplication of the Participant's current daily rate of pay against the amount of accrued unpaid leave.*

*NOTE: Paid time off contributions must conform with Revenue Rulings 2009-31 and 2009-32.*

**9. Pension - Disability**

- Allocate Pension Contributions to Disabled Participants who do not meet the allocation service requirements (Section 4.03(d)). Allocations to Disabled Participants end as of the earliest of: (i) the last day of the Plan Year in which occurs the \_\_\_\_\_ anniversary of the start of the Participant's Disability or (ii) such other time specified in Section 4.03(d).

**10. Collective Bargaining Agreement**

- a.  In addition to the formula selected in C.4, an amount necessary to meet the Employer's requirements under an applicable collective bargaining agreement shall be allocated as follows: \_\_\_\_\_
- b. The collective bargaining allocations will offset other Employer contribution allocations that would otherwise be made to a Participant:
- i.  Yes - Pension contributions only
  - ii.  No
  - iii.  Other: \_\_\_\_\_

*NOTE: C.4-7 (amount, timing, maximum and minimum Pension Contributions) will not apply to collectively bargained contributions. Collectively bargained contribution allocation timing, maximums and minimums will be determined under the collective bargaining agreement unless otherwise specified in C.10b.*

**Other Contributions**

**11. Prevailing Wage**

- a.  The Employer will make a prevailing wage contribution for each Participant who performs an hour or more of service under a public contract subject to the Davis-Bacon Act. The formula for allocating prevailing wage contributions shall be specified in the Prevailing Wage Addendum to the Adoption Agreement. The contribution allocated will be dependent on the Participant's job classification and the hourly rate established:

- i.  by the applicable federal, state, or municipal prevailing wage laws.
- ii.  in the Prevailing Wage Addendum to the Adoption Agreement.
- b. Offset of other contributions:
  - i.  Any other Pension Contribution allocations that would otherwise be made to a Participant
  - ii.  Other: \_\_\_\_\_

**NOTE:** If C.11a.ii is selected, the Prevailing Wage Addendum entry should include job classifications and applicable hourly rates. To the extent the hourly rates established in the Prevailing Wage Addendum result in a smaller contribution than is required under the applicable federal, state, or municipal prevailing wage laws, the Plan Administrator retains the discretion to make the larger contribution as the prevailing wage contribution.

**12. Rollovers**

Rollover Contributions are permitted (Section 4.04):

- a.  No
- b.  Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan
- c.  Yes - Only active Participants may make a Rollover Contribution
- d.  Yes - \_\_\_\_\_ Participants may make a Rollover Contribution

**NOTE:** The Plan Administrator must use its discretion in a consistent and nondiscriminatory manner.

**13. Deemed IRAs**

- The Plan may accept voluntary contributions to deemed IRAs (Section 4.08)

**14. Death or Disability During Qualified Military Service**

- For benefit accrual purposes, a Participant that dies or becomes Disabled while performing qualified military service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on the day of death or Disability pursuant to Code section 414(u)(9) (Section 6.02).

**15. 415 Additional Language**

- Additional language necessary to satisfy Code section 415 because of the required aggregation of multiple plans: \_\_\_\_\_.

**SECTION D. VESTING**

**Vesting Schedules**

**1. Pension**

Pension Contribution Account Vesting Schedule:

- a.  100%
- b.  \_\_\_\_\_ year cliff
- c.  Other:
 

<ul style="list-style-type: none"> <li>i. Other Pension Schedule - less than 1 year: <u>0%</u></li> <li>ii. Other Pension Schedule - 1 years but less than 2 years: <u>0%</u></li> <li>iii. Other Pension Schedule - 2 years but less than 3 years: <u>20%</u></li> <li>iv. Other Pension Schedule - 3 years but less than 4 years: <u>40%</u></li> <li>v. Other Pension Schedule - 4 years but less than 5 years: <u>60%</u></li> <li>vi. Other Pension Schedule - 5 years but less than 6 years: <u>80%</u></li> <li>vii. Other Pension Schedule - 6 years but less than 7 years: <u>100%</u></li> <li>viii. Other Pension Schedule - 7 years but less than 8 years: <u>100%</u></li> <li>ix. Other Pension Schedule - 8 years but less than 9 years: <u>100%</u></li> <li>x. Other Pension Schedule - 9 years but less than 10 years: <u>100%</u></li> <li>xi. Other Pension Schedule - 10 years but less than 11 years: <u>100%</u></li> </ul>	<ul style="list-style-type: none"> <li>xii. Other Pension Schedule - 11 years but less than 12 years: <u>100%</u></li> <li>xiii. Other Pension Schedule - 12 years but less than 13 years: <u>100%</u></li> <li>xiv. Other Pension Schedule - 13 years but less than 14 years: <u>100%</u></li> <li>xv. Other Pension Schedule - 14 years but less than 15 years: <u>100%</u></li> <li>xvi. Other Pension Schedule - 15 years but less than 16 years: <u>100%</u></li> <li>xvii. Other Pension Schedule - 16 years but less than 17 years: <u>100%</u></li> <li>xviii. Other Pension Schedule - 17 years but less than 18 years: <u>100%</u></li> <li>xix. Other Pension Schedule - 18 years but less than 19 years: <u>100%</u></li> <li>xx. Other Pension Schedule - 19 years but less than 20 years: <u>100%</u></li> <li>xxi. Other Pension Schedule - 20 years: <u>100%</u></li> </ul>
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**NOTE:** A cliff vesting schedule means no vesting is provided until the Participant meets the number of Years of Vesting Service provided in D.1b.

*NOTE: D.1b and D.1c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10)(B), the limit is increased to 20.*

*NOTE: D.1c may provide for a graded vesting schedule of up to 5 to 20 years.*

**2. Other Vesting Schedule**

The Plan has another vesting schedule: \_\_\_\_\_

*NOTE: The vesting schedule in D.2 is in addition to the vesting schedule in D.1.*

*NOTE: The other vesting schedule must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.*

**Vesting Service Rules**

*NOTE: If D.1a is selected and D.2 is not selected, the remaining options in section D.3-7 are inapplicable.*

**3. Vesting Computation Period**

- a.  Calendar year
- b.  Plan Year
- c.  The consecutive 12-month period commencing on the date the Employee first performs an Hour of Service; each subsequent consecutive 12-month period shall commence on the anniversary of such date
- d.  Other: \_\_\_\_\_

*NOTE: D.3d must be based on creditable years of service.*

**4. Other Employer Service**

Count service with employers other than the Employer for vesting purposes. List other employers for which the service applies along with any limitations: \_\_\_\_\_

**5. Vesting Exceptions (Section 6.02)**

- a.  Death. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee.
- b.  Disability. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability while an Employee.
- c.  Early Retirement. Provide for 100% vesting upon the attainment of Early Retirement Age while an Employee.

**6. Vesting Exclusions**

- a.  Exclude Years of Vesting Service earned before age 18.
- b.  Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan.

**7. Vesting Forfeitures**

- a. Upon termination, nonvested account balances shall be forfeited
  - i.  as soon as administratively feasible
  - ii.  other timeframe: \_\_\_\_\_
- b. Upon receiving a distribution, the nonvested portion of the account shall be forfeited
  - i.  as soon as administratively feasible
  - ii.  other timeframe: \_\_\_\_\_

*NOTE: The other timeframes must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.*

**8. Forfeitures and Re-employment**

- a.  forfeited account balances shall be restored and continue to vest (select any of the following if applicable)
  - i.  only if the period of severance was less than or equal to the following period \_\_\_\_\_
  - ii.  only to the extent the vested account balance was not distributed
  - iii.  only to the extent the vested distributed account balance is restored to the Plan
- b.  forfeited account balances shall not be restored

**9. Use of Forfeitures**

Forfeitures will be used in the following manner (Article 6):

- a.  Any permissible method described in Section 6.03(d)
- b.  Other: \_\_\_\_\_

*NOTE: If D.9a is selected, forfeitures may be allocated in any manner at the discretion of the Plan Administrator.*

*NOTE: D.9b is limited to one or a combination of the options described in Section 6.03(d), may be used to further restrict the uses of forfeitures, and must be applied in a consistent and nondiscriminatory manner.*

**10. Special Vesting Provisions**

Provide for special vesting provisions (e.g., 100% vesting as of a certain date, or to set a different vesting schedule for employees based on division): \_\_\_\_\_

*NOTE: The special vesting provisions must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.*

**SECTION E. DISTRIBUTIONS**

**1. Normal Retirement**

Normal Retirement Age means:

- a.  Attainment of age (not to exceed 65): \_\_\_\_\_
- b.  Later of attainment of age 65 or the 5 anniversary of Plan participation.
- c.  Other: \_\_\_\_\_

*NOTE: Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section 1.401(a)-1(b) pursuant to IRS Notice 2012-29.*

**2. Early Retirement**

Early Retirement Age means:

- a.  None. The Plan does not have an early retirement feature.
- b.  Attainment of age \_\_\_\_\_
- c.  Later of attainment of age 55 or 10 service.
- d.  Other: \_\_\_\_\_

**3. Time of Payment (Other than Death)**

Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):

- a.  Immediate. As soon as administratively feasible with a final payment made consisting of any allocations occurring after such Termination of Employment.
- b.  End of Plan Year. As soon as administratively feasible after all contributions have been allocated relating to the Plan Year in which the Participant's Account balance becomes distributable.
- c.  Normal Retirement Age. When the Participant attains Normal Retirement Age.
- d.  Other: Administratively Feasible

*NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.*

**4. Form of Payment (Other than Death)**

Medium of distribution from the Plan:

- a.  Cash only
- b.  Cash or in-kind
- c.  Other: cash, installments, annuities, with spousal consent

**5. Default Form of Payment (Other than Death)**

- a. Unless otherwise elected by the Participant, distributions shall be made in the form of:
  - i.  Lump sum only
  - ii.  Other: cash, installments, annuities, with spousal consent
- b. In addition to the form described in E.5a, distributions from the Plan after Termination for reasons other than death may be made in the following forms (select all that apply):
  - i.  Lump sum only
  - ii.  Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the joint life expectancy of the Participant and his Beneficiary
  - iii.  Partial withdrawals - a Participant may withdraw such amounts at such times as he shall elect
  - iv.  Other: If balance including Rollover is greater than \$1,000, then Lump sum only, if greater than 1,000, then cash, installments, annuities with spousal consent

*NOTE: Any entry in E.5a.ii or E.5b.iv must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.*

**6. Permit Distributions as an Annuity**

- Permit distributions in the form of an annuity

*NOTE: If E.6 is selected, a Participant/Beneficiary may elect to have the Plan Administrator apply his entire vested Account toward the purchase of an annuity contract, which shall be distributed to the Participant/Beneficiary. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable.*

**7. Payment upon Participant's Death**

Distributions on account of the death of the Participant shall be made in accordance with the following:

- a.  Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) only
- b.  Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies
- c.  Allow extended payments for all Beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A) and (B)
- d.  Pay entire Account balance by end of fifth year for Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the Participant's spouse is the Participant's sole primary Beneficiary
- e.  Other: \_\_\_\_\_

*NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(b) and other requirements of Article 7.*

**8. Beneficiaries**

a. Death benefits when there is no designated beneficiary:

i.  In accordance with Section 7.04(b)

ii.  Other: \_\_\_\_\_

b.  A beneficiary designation to a spouse shall be automatically revoked upon the legal divorce of the Participant and the spouse.

*NOTE: If "Other" is selected, must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.*

**9. Force-Out Provisions**

a.  Maximum force-out amount for purposes of Section 7.03 (not to exceed \$5,000): \$5000

i.  Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance

ii. Force-outs will be subject to the automatic rollover provisions of 7.06(c) if over: \$1000

b. Force-out of a terminated Participant's Account balance is deferred under Section 7.03(b) until:

i.  Later of age 62 or Normal Retirement Age - payment made in a lump sum only

ii.  Required Beginning Date - Participant may elect payment in a lump sum or installments

iii.  Required Beginning Date - payment made in a lump sum only

*NOTE: If E.9a is less than \$1,000, E.9a.i may not be selected.*

**10. Required Beginning Date**

Required Beginning Date for a Participant:

a.  Retirement. April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or retires

b.  Age 70-1/2. April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2

c.  Election. The option provided in E.10a; provided that a Participant may elect to commence distributions pursuant to either E.10a or E.10b

**SECTION F. IN-SERVICE WITHDRAWALS**

*NOTE: See Section 8.05 for limits on in-service distributions.*

**In-Service Withdrawals**

**1. Retirement**

a.  Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: \_\_\_\_\_

**Other Withdrawals**

**2. At Any Time (Section 8.03(b))**

In-service withdrawals are allowed from the following Accounts at any time:

a.  Voluntary Contribution Account

b.  Rollover Contribution Account

*NOTE: If nothing is indicated, no in-service withdrawals are allowed under this Section.*

**3. Disability**

Allow distributions upon Disability.

**4. Other Conditions/Limitations**

The following limitations, conditions or special rules apply to in-service withdrawals: \_\_\_\_\_

*NOTE: Unless otherwise specified, the limitations will apply to all in-service withdrawals (F.1 through F.3).*

**SECTION G. PLAN OPERATIONS**

**1. Permitted Investments**

a.  Plan may invest in life insurance (Section 9.06)

b.  Participants may invest in a Qualifying Longevity Annuity Contract (Section 9.07)

**2. Participant Self-Direction**

a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):

i.  All Accounts

ii.  Some Accounts

iii.  None

b. If "Some Accounts" is selected, a Participant may self-direct the following Accounts:



- i.  Mandatory Employee Contribution Account
- ii.  Mandatory After-tax Employee Contribution Account
- iii.  Pension Contribution Account
- iv.  Voluntary Contribution Account
- v.  Rollover Contribution Account
- vi.  Transfer Account
- vii.  Other: \_\_\_\_\_

- c.  Participants may also establish individual brokerage accounts.
- d.  Participants may exercise voting rights with respect to investments (Section 9.05).

**3. Valuation Date**

Enter Valuation Date:

- a.  Last day of Plan Year
- b.  Last day of each Plan quarter
- c.  Last day of each month
- d.  Each business day
- e.  Other: \_\_\_\_\_ (Must be at least annually).

**4. Plan Administration**

- a. Designation of Plan Administrator (Section 10.01):
  - i.  Plan Sponsor
  - ii.  Committee appointed by Plan Sponsor
  - iii.  Other: \_\_\_\_\_
- b. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 10.01(c) and 10.02(c)):
  - i.  Plan Administrator and Investment Fiduciary adopt own procedures
  - ii.  Governing body of the Plan Sponsor sets procedures for Plan Administrator and Investment Fiduciary
- c. The Trustee is also the Investment Fiduciary (Section 10.02):
  - i.  Yes
  - ii.  No. The Investment Fiduciary is: \_\_\_\_\_
- d. Type of indemnification for the Plan Administrator and Investment Fiduciary:
  - i.  None - the Employer will not indemnify the Plan Administrator or the Investment Fiduciary
  - ii.  Standard according to Section 10.06
  - iii.  Provided pursuant to an outside agreement
- e.  The following modifications shall be made to the duties of the applicable parties: \_\_\_\_\_

**SECTION H. MISCELLANEOUS**

Failure to properly fill out the Adoption Agreement may result in disqualification of the Plan.

The Plan shall consist of this Adoption Agreement #002, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement.

The adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41 and any superseding guidance. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41 and any superseding guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Pre-Approved Plan Provider will inform the adopting Employer of any amendments made to the Plan or of the discontinuance or abandonment of the Plan. The Pre-Approved Plan Provider, CCH Incorporated, DBA ftwilliam.com may be contacted at 1245 E. Washington Ave., Ste. 101 Madison, WI 53703; 414-226-2442.

**SECTION I. EXECUTION PAGE**

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The parties have caused this Plan to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

GREATER TEXOMA UTILITY AUTHORITY:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

## SECURE/CARES/CAA ADDENDUM

This Addendum is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Addendum is to be construed in accordance with the Applicable Law and both the Addendum and the Applicable Law will supersede any inconsistent Plan provisions.

### **OPTIONAL PROVISIONS:**

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Qualified Birth or Adoption Distributions (see Section A. below)

*The Plan does not permit qualified birth or adoption distributions as a separate distribution event.*

- Effective \_\_\_\_\_ (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.
- The following limitations and conditions apply: \_\_\_\_\_.

2. Treatment of 2020 RMDs (see Section B. below)

*Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.*

Effective \_\_\_\_\_ (no earlier than 01/01/2020):

- Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.
- Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

3. 2020 RMDs as Direct Rollovers (see Section B. below)

*A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.*

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

- 2020 RMDs.
- 2020 RMDs and Extended 2020 RMDs.
- 2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code section 401(a)(9)(l).

4. Portability of Lifetime Income Options (see Section F. below)

*The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.*

- The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: \_\_\_\_\_ (no earlier than the plan year beginning after 12/31/2019).
- The following limitations and conditions apply: \_\_\_\_\_.

5. In-Service Withdrawals

*The existing Plan provisions, if any, remain in effect for distributions to a Participant who has not separated from employment (e.g., age cannot be less than 62).*

- Effective \_\_\_\_\_ (no earlier than 01/01/2020), the Plan permits distributions to a Participant who has not separated from employment if the Participant attains: \_\_\_\_\_ (age cannot be less than 59-1/2).

## **STANDARD PROVISIONS:**

### **A. Qualified Birth or Adoption Distributions**

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

### **B. Required Minimum Distributions**

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

### **C. Distribution on Account of Death for Certain Eligible Retirement Plans**

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

### **D. Qualified Automatic Contribution Arrangement (QACA)**

If a Qualified Automatic Contribution Arrangement (QACA) feature is elected, the Plan Administrator has the discretion to increase automatic elections subsequent to the initial period up to a maximum limitation of 15% of Plan Compensation.

### **E. Safe Harbor Notice**

If the non-elective contribution method is elected for safe harbor plan exemption (including under a Qualified Automatic Contribution Arrangement), effective for Plan years beginning on or after 01/01/2020, the safe harbor notice is not required for satisfying the conditions of Code sections 401(k)(12) or 401(k)(13).

### **F. Portability of Lifetime Income Investments**

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or "qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

#### **G. Disaster or Coronavirus-Related Relief**

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act, 2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the relief listed below in compliance with Applicable Law.

##### **A. Qualified Distributions**

- I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.
- II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.
- III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

##### **B. Expanded Loan Provisions**

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

#### **H. Difficulty of Care Payments Included in Statutory Compensation**

In determining the contribution limitation, Statutory Compensation will be increased by qualified foster care payments. Qualified foster care payments are difficulty of care payments excluded from gross income under Code section 131. Any contribution by the Participant which is allowable due to such increase is treated as an after-tax contribution.

#### **I. Long-Term, Part-Time Employees**

Notwithstanding any provision of the Plan to the contrary, effective for Plan years beginning after 12/31/2020, any Employee working at least 500

hours of service during each of three consecutive 12-month periods ("LTPT Employee") becomes a Participant eligible to make Elective Deferrals on the date specified in the Plan provided that he or she is an Eligible Employee and has attained the applicable age requirement, if any, on such date. No 12-month period beginning before 01/01/2021 is taken into account. Each 12-month period for which an LTPT Employee has at least 500 hours of service is treated as a year of service for vesting purposes.

**GREATER TEXOMA UTILITY AUTHORITY**  
**MONEY PURCHASE PENSION PLAN**  
**TRUST AGREEMENT**

2022  
CCH Incorporated, DBA ftwilliam.com  
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## TRUST AGREEMENT

THIS TRUST AGREEMENT is effective 01/01/2018, between Greater Texoma Utility Authority (the "Employer"), and Drew Satterwhite and Deborah Atkins (collectively, the "Trustee").

WHEREAS, the Employer sponsors the Greater Texoma Utility Authority Money Purchase Pension Plan (the "Plan") for the benefit of employees eligible to participate therein (the "Participants") and their beneficiaries (the "Beneficiaries");

WHEREAS, the Employer designates the Trustee to act as the trustee of a trust constituting a part of the Plan (the "Trust"), pursuant to which assets are being held to provide for the funding and payment of benefits under the Plan;

WHEREAS, the Trustee is willing to serve as trustee for the Plan and to hold in trust those assets of the Plan that have been and will be transferred to the Trustee in accordance with the provisions of this Agreement (the "Trust Fund");

WHEREAS, the Employer is, or has designated a person(s) to act as, the "Plan Administrator" as that term is defined in the Plan;

WHEREAS, the Employer has designated a fiduciary to select Trust Fund investments and perform other duties with respect to the investment of the Trust Fund (the "Investment Fiduciary");

WHEREAS, the Employer and the Trustee deem it necessary and desirable to enter into a written agreement of trust; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto, intending to be legally bound, hereby agree and declare as follows:

### ARTICLE I TRUST FUND

Section 1.01 Trust Fund. A Trust is hereby established or continued under the Plan and the Trustee will maintain a trust account for the Plan and, as part thereof, accounts for such individuals as the Employer shall from time to time give written notice to the Trustee are Participants in the Plan. The Trustee will accept and hold in the Trust Fund such contributions on behalf of Participants as it may receive from time to time from the Employer, including amounts transferred by any prior trustee of the Plan, and such earnings, income and appreciation as may accrue thereon; less losses, depreciation and payments made by the Trustee to carry out the purposes of the Plan. The Trust Fund shall be fully invested and reinvested in accordance with the applicable provisions of the Plan.

Section 1.02 Exclusive Benefit. All contributions made to the Plan are made for the exclusive benefit of the Participants and their Beneficiaries, and such contributions shall not be used for, or diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries (including the costs of maintaining and administering the Plan and corresponding Trust).

Section 1.03 Return of Contributions. Notwithstanding any other provision of the Plan: (a) as contributions made prior to the receipt of an initial determination letter are conditional upon a favorable determination as to the qualified status of the Plan under Code section 401(a), if the Plan receives an adverse determination with respect to its initial qualification, then any such contribution may be returned to the Employer within one year after such determination, provided the application for determination is made by the time prescribed by law; (b) contributions made by the Employer based upon mistake of fact may be returned to the Employer within one year of such contribution; (c) as all contributions to the Plan are conditioned upon their deductibility under the Code, if a deduction for such a contribution is disallowed, such contribution may be returned to the Employer within one year of the disallowance of such deduction; and (d) after all liabilities under the Plan have been satisfied, the remaining assets of the Trust shall be distributed to the Employer if such distribution does not contravene any provision of applicable law.

In the case of the return of a contribution due to mistake of fact or the disallowance of a deduction, the amount that may be returned is the excess of the amount contributed over the amount that would have been contributed had there not been a mistake or disallowance. Earnings attributable to the excess contributions may not be returned to the Employer but losses attributable thereto must reduce the amount to be so returned. Any return of contribution or distribution of assets made by the Trustee pursuant to this Section shall be made only upon the direction of the Employer, which shall have exclusive responsibility for determining whether the conditions of such return or distribution have been satisfied and for the amount to be returned.

Section 1.04 Assets Not Held by Trustee. The Trustee shall not be responsible for any assets of the Plan that are held outside of the Trust Fund. The Trustee is expressly hereby relieved of any responsibility or liability for any losses resulting to the Plan arising from any acts or omissions on the part of any insurance company holding assets outside of the Trust Fund. The Trustee may require the Employer to serve as custodian for all promissory notes and related documents issued in connection with the Plan's Participant loan program and require the Employer to be responsible for the safekeeping of same.

Section 1.05 Group Trust. In the event that the Trust is a part of any group trust (within the meaning of Internal Revenue Service Revenue Rulings 81-100 and 2011-1): (a) participation in the Trust is limited to (i) individual retirement accounts which are exempt under Code section 408(e), (ii) pension and profit-sharing trusts which are exempt under Code section 501(a) by qualifying under Code section 401(a) and (iii) accounts under Code sections 403(b)(7), 403(b)(9) and governmental retiree benefit plans under Code section 401(a)(24) to the extent the requirements of Revenue Ruling 2011-1 are met; (b) no part of the corpus or income which equitably belongs to any individual retirement account or Employer's trust may be used for or diverted to any purposes other than for the exclusive benefit of the individual or the Employees, respectively, or their Beneficiaries who are entitled to benefits under such participating individual retirement account or Employer's trust; (c) no part of the equity or



interest in the Trust Fund shall be subject to assignment by a participating individual retirement account or Employer's trust; and (d) the Trustee shall maintain separate accounts for each participating trust or individual retirement account.

## ARTICLE II DUTIES OF THE TRUSTEE

**Section 2.01** In General. The Trustee is not a party to, and has no duties or responsibilities under the Plan, other than those that may be expressly contained in this Article. The Trustee shall have no duties, responsibilities or liability with respect to the acts or omissions of any prior trustee. The Trustee shall discharge its assigned duties and responsibilities under this Article and the Plan with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

**Section 2.02** Contributions. The Trustee agrees to accept contributions that are paid to it by the Plan Administrator (as well as rollover contributions and direct transfers from other eligible retirement plans) in accordance with the terms of this Article. Such contributions shall be in cash or in such other form that may be acceptable to the Trustee. In-kind contributions of other than qualifying employer securities are permitted only in non-pension plans provided that the contribution is discretionary and unencumbered. Qualifying employer securities may be contributed to both pension and non-pension plans subject to the requirements of ERISA section 408(e). The Trustee shall have no responsibility for any property until it is received by the Trustee. The Plan Administrator shall have the sole duty and responsibility for the determination of the accuracy or sufficiency of the contributions to be made under the Plan, the transmittal of the same to the Trustee and compliance with any statute, regulation or rule applicable to contributions.

**Section 2.03** Distributions. The Trustee shall make distributions out of the Trust Fund pursuant to instructions described in Article V. The Trustee shall not have any responsibility or duty under this Article for determining that such are in accordance with the terms of the Plan and applicable law, including without limitation, the amount, timing or method of payment and the identity of each person to whom such payments shall be made. The Trustee shall have no responsibility or duty to determine the tax effect of any payment or to see to the application of any payment. In making payments, the Employer acknowledges that the Trustee is acting as a paying agent and not as the payor, for tax information reporting and withholding purposes. In the event that any dispute shall arise as to the persons to whom payment or delivery of any assets shall be made by the Trustee, the Trustee may withhold such payment or delivery until such dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.

**Section 2.04** Records. The Trustee shall keep full and accurate accounts of all receipts, investments, disbursements and other transactions hereunder, including such specific records as may be agreed upon in writing between the Employer and the Trustee. All such accounts, books and records shall be open to inspection and audit at all reasonable times by any authorized representative of the Employer or the Plan Administrator. A Participant may examine only those individual account records pertaining directly to him.

**Section 2.05** Accounting. The Trustee shall file with the Plan Administrator a written account of the administration of the Trust Fund showing all transactions effected by the Trustee subsequent to the period covered by the last preceding account and all property held at the end of the accounting period. The Trustee shall use its best effort to file such written account within ninety (90) days, but not later than one hundred twenty (120) days after the end of each Plan Year. Upon approval of such accounting by the Plan Administrator, neither the Employer nor the Plan Administrator shall be entitled to any further accounting by the Trustee. The Plan Administrator may approve such accounting by written notice of approval delivered to the Trustee or by failure to express objection to such accounting in writing delivered to the Trustee within six (6) months from the date on which the accounting is delivered to the Plan Administrator.

**Section 2.06** Participant Eligibility. The Trustee shall not be required to determine the facts concerning the eligibility of any Participant to participate in the Plan, the amount of benefits payable to any Participant or Beneficiary under the Plan, or the date or method of payment or disbursement. The Trustee shall be fully entitled to rely in good faith solely upon the written advice and directions of the Plan Administrator as to any such question of fact.

**Section 2.07** Indicia of Ownership. The Trustee shall not hold the indicia of ownership of any assets of the Trust Fund outside of the jurisdiction of the District Courts of the United States, unless in compliance with section 404(b) of ERISA and regulations thereunder.

**Section 2.08** Notice. The Trustee shall provide the Employer with advance notice of any legal actions the Trustee may take with respect to the Plan and Trust and shall promptly notify the Employer of any claim against the Plan and Trust.

**Section 2.09** Other Fiduciaries. The Trustee shall not be responsible for the acts or omissions of any other persons except as may be required by ERISA section 405.

## ARTICLE III GENERAL INVESTMENT POWERS

In addition to all powers and authority under common law, statutory authority and other provisions of this Article, the Trustee shall have the following powers and authorities to be exercised in accordance with and subject to the provisions of Article IV hereof:

**Section 3.01** Invest and reinvest the Trust Fund in any property, real, personal or mixed, wherever situated, and whether situated, and whether or not productive of income or consisting of wasting assets, including, without limitation, common and preferred stock, bonds, notes, debentures, options, mutual funds, leaseholds, mortgages (including without limitation, any collective or part interest in any bond and mortgage or note and mortgage), certificates of deposit, and oil, mineral or gas properties, royalties, interests or rights (including equipment pertaining thereto),

without being limited to the classes of property in which trustees are authorized by law or any rule of court to invest trust funds and without regard to the proportion any such property may bear to the entire amount of the Trust Fund;

Section 3.02 Hold property in nominee name, in bearer form, or in book entry form, in a clearinghouse corporation or in a depository, provided that such property is held in conformance with DOL Reg. section 2550-403a-1(b) and that such property is held by (i) a bank or trust company that is subject to supervision by the United States or a state, or a nominee of such bank or trust company, (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer; (iii) a "clearing agency," as defined in section 3(a)(23) of the Securities Exchange Act of 1934, or its nominee; or (iv) any other entity as provided in DOL Reg. section 2550-403a-1(b);

Section 3.03 Collect income payable to and distributions due to the Trust Fund and sign on behalf of the Trust any declarations, affidavits, certificates of ownership and other documents required to collect income and principal payments, including but not limited to, tax reclamations, rebates and other withheld amounts;

Section 3.04 To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition;

Section 3.05 Pursuant to the terms of Article VI, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

Section 3.06 Take all action necessary to pay for authorized transactions or make authorized distributions, including exercising the power to borrow or raise monies from any lender, upon such terms and conditions as are necessary to settle such transactions or distributions;

Section 3.07 To keep such portion of the Trust Fund uninvested in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

Section 3.08 To accept and retain for such time as the Trustee may deem advisable any securities or other property received or acquired as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

Section 3.09 To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

Section 3.10 To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Trust Fund, to commence or defend suits or legal or administrative proceedings, and to represent the Plan and/or Trust Fund in all suits and legal and administrative proceedings;

Section 3.11 To invest in Treasury Bills and other forms of United States government obligations;

Section 3.12 To deposit cash in accounts in the banking department of the Trustee or an affiliated banking organization;

Section 3.13 To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

Section 3.14 To invest and reinvest all or any portion of the Trust Fund collectively with funds of other retirement plan trusts exempt from tax under Code section 501(a), including, without limitation, the power to invest collectively with such other funds through the medium of one or more common, collective or commingled trust funds which have been or may hereafter be operated by the Trustee, the instrument or instruments establishing such trust fund or funds, as amended from time to time, being made part of this Trust so long as any portion of the Trust Fund shall be invested through the medium thereof;

Section 3.15 To sell, either at public or private sale, option to sell, mortgage, lease for a term of years less than or continuing beyond the possible date of the termination of the Trust created hereunder, partition or exchange any real property which may from time to time constitute a portion of the Trust Fund, for such prices and upon such terms as it may deem best, and to make, execute and deliver to the purchasers thereof good and sufficient deeds of conveyance therefor and all assignments, transfers and other legal instruments, either necessary or convenient for the passing of the title and ownership thereof to the purchaser, free and discharged of all trusts and without liability on the part of such purchasers to see to the proper application of the purchase price;

Section 3.16 To repair, alter, improve or demolish any buildings which may be on any real estate forming part of the Trust Fund or to erect entirely new structures thereon;

Section 3.17 To renew, extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default, whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce

any and all rights of foreclosure, to bid on property in foreclosure, to take a deed in lieu of foreclosure with or without paying a consideration therefor, and in connection therewith to release the obligation on the bond or note secured by the mortgage; and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any mortgage or guarantee;

Section 3.18 To purchase any authorized investment at a premium or at a discount;

Section 3.19 To purchase any annuity contract; and

Section 3.20 To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

#### ARTICLE IV OTHER INVESTMENT POWERS

Section 4.01 Requirement for Preapproval. The powers granted the Trustee under Article III shall be exercised by the Trustee upon the written direction from the Investment Fiduciary pursuant to Article V and VI. Any written direction of the Investment Fiduciary may be of a continuing nature, but may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall comply with any direction as promptly as possible, provided it does not contravene the terms of the Plan or the provision of any applicable law. The Investment Fiduciary, by written direction, may require the Trustee to obtain written approval of the Investment Fiduciary before exercising such of its powers as may be specified in such direction. Any such direction may be of a continuing nature or otherwise and may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall not be responsible for any loss that may result from the failure or refusal of the Investment Fiduciary to give any such required direction or approval.

Section 4.02 Prohibited Transactions. The Trustee shall not engage in any prohibited transaction within the meaning of the Code and ERISA.

Section 4.03 Legal Actions. The Trustee is authorized to execute all necessary receipts and releases and shall be under the duty to make efforts to collect such sums as may appear to be due (except contributions hereunder); provided, however, that the Trustee shall not be required to institute suit or maintain any litigation to collect the proceeds of any asset unless it has been indemnified to its satisfaction for counsel fees, costs, disbursements and all other expenses and liabilities to which it may in its judgment be subjected by such action. Notwithstanding anything to the contrary herein contained, the Trustee is authorized to compromise and adjust claims arising out of any asset held in the Trust Fund upon such terms and conditions as the Trustee may deem just, and the action so taken by the Trustee shall be binding and conclusive upon all persons interested in the Trust Fund.

Section 4.04 Retention of Advisors. The Trustee, with the consent of the Investment Fiduciary, may retain the services of investment advisors to invest and reinvest the assets of the Trust Fund, as well as employ such legal, actuarial, medical, accounting, clerical and other assistance as may be required in carrying out the provisions of the Plan. The Trustee may also appoint custodians, subcustodians or subtrustees as to part or all of the Trust Fund.

#### ARTICLE V INSTRUCTIONS

Section 5.01 Reliance on Instructions. Whenever the Trustee is permitted or required to act upon the directions or instructions of the Investment Fiduciary, Plan Administrator or Employer, the Trustee shall be entitled to act in good faith upon any written communication signed by any person or agent designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer. Such person or agent shall be so designated either under the provisions of the Plan or in writing by the Employer and their authority shall continue until revoked in writing. The Trustee shall incur no liability for failure to act in good faith on such person's or agent's instructions or orders without written communication, and the Trustee shall be fully protected in all actions taken in good faith in reliance upon any instructions, directions, certifications and communications believed to be genuine and to have been signed or communicated by the proper person.

Section 5.02 Designation of Agent.

(1) Employer. The Employer shall notify the Trustee in writing as to the appointment, removal or resignation of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer. After such notification, the Trustee shall be fully protected in acting in good faith upon the directions of, or dealing with, any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer until it receives notice to the contrary. The Trustee shall have no duty to inquire into the qualifications of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer.

(2) Trustee. If there is more than one Trustee, the Trustees may designate one or more of the Trustees to act on behalf of the Trustees. Such designated Trustee shall be authorized to take any and all actions and execute and deliver such documents as may be necessary or appropriate.

Section 5.03 Procedures. The Trustee may adopt such rules and procedures as it deems necessary, desirable, or appropriate including, but not limited to: (a) taking action with or without formal meetings; and (b) in the event that there is more than one Trustee, a procedure specifying whether action may be taken by a less than unanimous vote.

Section 5.04 Payment of Benefits. The Trustee shall pay benefits and expenses from the Trust Fund only upon the written direction

of the Plan Administrator. The Trustee shall be fully entitled to rely in good faith on such directions furnished by the Plan Administrator, and shall be under no duty to ascertain whether the directions are in accordance with the provisions of the Plan.

## ARTICLE VI INVESTMENT OF THE FUND

**Section 6.01 Investment Funds.** The Investment Fiduciary shall have the exclusive authority and discretion to select the investment funds available for investment under the Plan ("Investment Funds"). In making such selection, the Investment Fiduciary shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Subject to the first sentence of Section 6.02, the available investments under the Plan shall be sufficiently diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Investment Fiduciary shall notify the Trustee in writing of the selection of the Investment Funds currently available for investment under the Plan, and any changes thereto.

**Section 6.02 Participant Self-Direction.** To the extent permitted by the Plan Administrator, each Participant shall have the right, in accordance with the provisions of the Plan, to direct the investment by the Trustee of all amounts allocated to the separate accounts of the Participant under the Plan among any one or more of the available Investment Funds; provided that during any transition period as may be determined by the Investment Fiduciary, the Investment Fiduciary may direct the investment by the Trustee into the Investment Funds available during such period with respect to which individual Participant's directions shall not have been made or shall not have been permitted to be made under the Plan. All investment directions by Participants shall be timely furnished to the Trustee by the Plan Administrator, except to the extent such directions are transmitted telephonically or otherwise by Participants directly to the Trustee or its delegate in accordance with rules and procedures established and approved by the Plan Administrator and communicated to the Trustee. In making any investment of the assets of the Trust Fund, the Trustee shall be fully entitled to rely on such directions furnished to it by the Plan Administrator or by Participants in accordance with the Plan Administrator's approved rules and procedures, and shall be under no duty to make any inquiry or investigation with respect thereto. If the Trustee receives any contribution under the Plan that is not accompanied by instructions directing its investment, the Trustee shall notify the Plan Administrator of that fact, and the Trustee may, in its discretion, hold all or a portion of the contribution uninvested without liability for loss of income or appreciation pending receipt of proper investment directions.

### **Section 6.03 Investment Managers.**

(1) **Appointment of Investment Managers.** The Investment Fiduciary may appoint one or more investment managers as described in section 3(38) of ERISA ("Investment Managers") with respect to some or all of the assets of the Trust Fund as contemplated by section 402(c)(3) of ERISA. Any such Investment Manager shall acknowledge to the Investment Fiduciary in writing that it accepts such appointment and that it is an ERISA fiduciary with respect to the Plan and the Trust Fund. The Investment Fiduciary shall provide the Trustee with a copy of the written agreement (and any amendments thereto) between the Investment Fiduciary and the Investment Manager. By notifying the Trustee of the appointment of an Investment Manager, the Investment Fiduciary shall be deemed to certify that such Investment Manager meets the requirements of section 3(38) of ERISA. The authority of the Investment Manager shall continue until the Investment Fiduciary rescinds the appointment or the Investment Manager has resigned.

(2) **Separation of Duties.** The assets with respect to which a particular Investment Manager has been appointed shall be specified by the Investment Fiduciary and shall be segregated in a separate account for the Investment Manager (the "Separate Account") and the Investment Manager shall have the power to direct the Trustee in every aspect of the investment of the assets of the Separate Account. The Trustee shall not be liable for the acts or omissions of an Investment Manager and shall have no liability or responsibility for acting pursuant to the direction of, or failing to act in the absence of, any direction from an Investment Manager, unless the Trustee knows that by such action or failure to act it would be itself committing a breach of fiduciary duty or participating in a breach of fiduciary duty by such Investment Manager, it being the intention of the parties that each party shall have the full protection of section 405(d) of ERISA.

### **Section 6.04 Proxies.**

(1) **Delivery of Information.** The Trustee shall deliver, or cause to be delivered, to the Employer or Plan Administrator all notices, prospectuses, financial statements, proxies and proxy soliciting materials received by the Trustee relating to securities held by the Trust or, if applicable, deliver these materials to the appropriate Participant or the Beneficiary of a deceased Participant.

(2) **Voting.** The Trustee shall not vote any securities held by the Trust except in accordance with the written instructions of the Employer, the Investment Fiduciary, or if otherwise permitted in the Plan, the Participant or the Beneficiary of the Participant, if the Participant is deceased. However, the Trustee may, in the absence of instructions, vote "present" for the sole purpose of allowing such shares to be counted for establishment of a quorum at a shareholders' meeting. The Trustee shall have no duty to solicit instructions from Participants, Beneficiaries, the Investment Fiduciary or the Employer.

(3) **Investment Manager.** To the extent not delegated to Participants pursuant to subsection (2), the Investment Manager shall be responsible for making any proxy voting or tender offer decisions with respect to securities held in the Separate Account and the Investment Manager shall maintain a record of the reasons for the manner in which it voted proxies or responded to tender offers.

## ARTICLE VII COMPENSATION AND INDEMNIFICATION

**Section 7.01 Compensation.** The Trustee shall be entitled to reasonable compensation for its services as is mutually agreed upon

with the Employer; provided that such compensation does not result in a prohibited transaction within the meaning of the Code and ERISA. If the Trustee and the Employer mutually agree that the Trustee may retain as additional compensation for its services any earnings resulting from the anticipated short-term investment of funds ("float") on Plan assets deposited in or transferred to a Trustee general or omnibus account, then the Trustee shall be authorized to retain such float; provided, that such agreement: (i) discloses the specific circumstances under which float will be earned and retained, (ii) in the case of float on distributions, discloses when the float period commences and ends, and (iii) discloses the rate of the float or the specific manner in which such rate will be determined. If approved by the Plan Administrator, the Trustee shall also be entitled to reimbursement for all direct expenses properly and actually incurred on behalf of the Plan. Such compensation or reimbursement shall be paid to the Trustee out of the Trust Fund unless paid directly by the Employer.

Section 7.02 Indemnification. The Employer shall indemnify and hold harmless the Trustee (and its delegates) from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with its duties hereunder to the extent not covered by insurance, except when the same is due to the Trustee's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under the Plan or ERISA.

#### ARTICLE VIII RESIGNATION AND REMOVAL

Section 8.01 Resignation. The Trustee may resign at any time by written notice to the Plan Administrator which shall be effective 60 days after delivery unless prior thereto a successor Trustee assumes the responsibilities of Trustee hereunder.

Section 8.02 Removal. The Trustee may be removed by the Employer at any time.

Section 8.03 Successor Trustee. The appointment of a successor Trustee hereunder shall be accomplished by and shall take effect upon the delivery to the resigning or removed Trustee, as the case may be, of written notice of the Employer appointing such successor Trustee, and an acceptance in writing of the office of successor Trustee hereunder executed by the successor so appointed. Any successor Trustee may be either a corporation authorized and empowered to exercise trust powers or one or more individuals. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder. If within 45 days after notice of resignation shall have been given under the provisions of this Article a successor Trustee shall not have been appointed, the resigning Trustee or the Employer may apply to any court of competent jurisdiction for the appointment of a successor Trustee.

Section 8.04 Transfer of Trust Fund. Upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, the amount of any compensation due to it and any sums chargeable against the Trust Fund for which it may be liable. If the sums so reserved are not sufficient for such purposes, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the Employer.

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IN WITNESS WHEREOF, the parties have caused this Trust to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**GREATER TEXOMA UTILITY AUTHORITY:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

**TRUSTEES:**

\_\_\_\_\_  
Drew Satterwhite

\_\_\_\_\_  
Deborah Atkins

ATTACHMENT XIII



## GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**DATE:** June 14, 2022

**SUBJECT:** AGENDA ITEM NO. XIII

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2022 (CITY OF POTTSBORO PROJECT)", INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE ISSUANCE OF SUCH BONDS.**

**ISSUE**

Consideration of a resolution authorizing the issuance of GTUA/ City of Pottsboro Contract Revenue Bonds, Series 2022 (City of Pottsboro Project).

**BACKGROUND**

The City of Pottsboro staff requested GTUA staff's assistance in obtaining funding for a wastewater treatment plant rehabilitation and expansion project. The current proposed project would increase the capacity of the existing WWTP from a design flowrate of 0.35 MGD to 0.65 MGD through both the construction of new treatment processes and pipelines as well as the rehabilitation of existing infrastructure. The WWTP is in need of expansion, in order to continue meeting TCEQ permit requirements. The Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF) was identified as the most economical funding source for the identified projects.

At the June 2019 meeting, the Board authorized the issuance of \$8,420,000 in funding through the CWSRF. These bonds were for 30-years and had an interest rate of 0.85%. The TWDB estimated that the City could save approximately \$2,300,000 over the life of the loan by utilizing the CWSRF program.

As the design on this project has progressed, the Engineers updated their cost estimates and believe the funds we have available will not be enough to award the project. The original construction cost estimate from 2018 was \$6,240,000. The most recent estimate is \$7,852,200 leaving a shortage of funds in the amount \$1,612,200.

After discussions with the City of Pottsboro and the engineer, the City requested we seek another \$2,000,000 in funds that could be used for construction. In order to get the \$2,000,000 in construction funds, the Authority the application for a bond issuance through the TWDB's Development Fund (DFund) in an amount not to exceed \$2,160,000.00.

**CONSIDERATIONS**

The City will be considering and ordinance at an upcoming Council Meeting. Anticipated closing date is August 2, 2022.

The interest rate we received was 4.03% for the \$2,160,000 on a 30-year term.

Kristen Savant with Norton Rose Fulbright has prepared the necessary documentation for the bond resolution.

**STAFF RECOMMENDATIONS**

Staff recommends that the Board of Directors approve the City of Pottsboro Bond Resolution which would authorize the issuance of \$2,160,000 through the TWDB's DFund.





# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**PAGE 2**

**ATTACHMENTS**

Debt Service Schedule

Bond Resolution – link will be sent to Board

**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

Based on Rates Provided by the TWDB

## Greater Texoma Utility Authority

\$2,160,000 Contract Revenue Bonds, Series 2022

(City of Pottsboro Project)

August 2, 2022 Closing Date

## Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/02/2022	-	-	-	-	-
12/01/2022	-	-	27,359.42	27,359.42	-
06/01/2023	55,000.00	2.410%	41,384.00	96,384.00	-
09/30/2023	-	-	-	-	123,743.42
12/01/2023	-	-	40,721.25	40,721.25	-
06/01/2024	45,000.00	2.650%	40,721.25	85,721.25	-
09/30/2024	-	-	-	-	126,442.50
12/01/2024	-	-	40,125.00	40,125.00	-
06/01/2025	45,000.00	2.760%	40,125.00	85,125.00	-
09/30/2025	-	-	-	-	125,250.00
12/01/2025	-	-	39,504.00	39,504.00	-
06/01/2026	45,000.00	2.810%	39,504.00	84,504.00	-
09/30/2026	-	-	-	-	124,008.00
12/01/2026	-	-	38,871.75	38,871.75	-
06/01/2027	45,000.00	2.880%	38,871.75	83,871.75	-
09/30/2027	-	-	-	-	122,743.50
12/01/2027	-	-	38,223.75	38,223.75	-
06/01/2028	50,000.00	2.950%	38,223.75	88,223.75	-
09/30/2028	-	-	-	-	126,447.50
12/01/2028	-	-	37,486.25	37,486.25	-
06/01/2029	50,000.00	3.040%	37,486.25	87,486.25	-
09/30/2029	-	-	-	-	124,972.50
12/01/2029	-	-	36,726.25	36,726.25	-
06/01/2030	50,000.00	3.130%	36,726.25	86,726.25	-
09/30/2030	-	-	-	-	123,452.50
12/01/2030	-	-	35,943.75	35,943.75	-
06/01/2031	50,000.00	3.200%	35,943.75	85,943.75	-
09/30/2031	-	-	-	-	121,887.50
12/01/2031	-	-	35,143.75	35,143.75	-
06/01/2032	55,000.00	3.390%	35,143.75	90,143.75	-
09/30/2032	-	-	-	-	125,287.50
12/01/2032	-	-	34,211.50	34,211.50	-
06/01/2033	55,000.00	3.570%	34,211.50	89,211.50	-
09/30/2033	-	-	-	-	123,423.00
12/01/2033	-	-	33,229.75	33,229.75	-
06/01/2034	60,000.00	3.720%	33,229.75	93,229.75	-
09/30/2034	-	-	-	-	126,459.50
12/01/2034	-	-	32,113.75	32,113.75	-
06/01/2035	60,000.00	3.870%	32,113.75	92,113.75	-
09/30/2035	-	-	-	-	124,227.50

2022 \$2.16mm DFund (6/14) | SINGLE PURPOSE | 6/14/2022 | 4:57 PM

Based on Rates Provided by the TWDB

## Greater Texoma Utility Authority

\$2,160,000 Contract Revenue Bonds, Series 2022

(City of Pottsboro Project)

August 2, 2022 Closing Date

## Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2035	-	-	30,952.75	30,952.75	-
06/01/2036	60,000.00	3.990%	30,952.75	90,952.75	-
09/30/2036	-	-	-	-	121,905.50
12/01/2036	-	-	29,755.75	29,755.75	-
06/01/2037	65,000.00	4.060%	29,755.75	94,755.75	-
09/30/2037	-	-	-	-	124,511.50
12/01/2037	-	-	28,436.25	28,436.25	-
06/01/2038	70,000.00	4.140%	28,436.25	98,436.25	-
09/30/2038	-	-	-	-	126,872.50
12/01/2038	-	-	26,987.25	26,987.25	-
06/01/2039	70,000.00	4.010%	26,987.25	96,987.25	-
09/30/2039	-	-	-	-	123,974.50
12/01/2039	-	-	25,583.75	25,583.75	-
06/01/2040	75,000.00	4.030%	25,583.75	100,583.75	-
09/30/2040	-	-	-	-	126,167.50
12/01/2040	-	-	24,072.50	24,072.50	-
06/01/2041	75,000.00	4.050%	24,072.50	99,072.50	-
09/30/2041	-	-	-	-	123,145.00
12/01/2041	-	-	22,553.75	22,553.75	-
06/01/2042	80,000.00	4.070%	22,553.75	102,553.75	-
09/30/2042	-	-	-	-	125,107.50
12/01/2042	-	-	20,925.75	20,925.75	-
06/01/2043	85,000.00	4.140%	20,925.75	105,925.75	-
09/30/2043	-	-	-	-	126,851.50
12/01/2043	-	-	19,166.25	19,166.25	-
06/01/2044	85,000.00	4.140%	19,166.25	104,166.25	-
09/30/2044	-	-	-	-	123,332.50
12/01/2044	-	-	17,406.75	17,406.75	-
06/01/2045	90,000.00	4.140%	17,406.75	107,406.75	-
09/30/2045	-	-	-	-	124,813.50
12/01/2045	-	-	15,543.75	15,543.75	-
06/01/2046	95,000.00	4.140%	15,543.75	110,543.75	-
09/30/2046	-	-	-	-	126,087.50
12/01/2046	-	-	13,577.25	13,577.25	-
06/01/2047	95,000.00	4.210%	13,577.25	108,577.25	-
09/30/2047	-	-	-	-	122,154.50
12/01/2047	-	-	11,577.50	11,577.50	-
06/01/2048	100,000.00	4.210%	11,577.50	111,577.50	-
09/30/2048	-	-	-	-	123,155.00
12/01/2048	-	-	9,472.50	9,472.50	-

2022 \$2.16mm DFund (6/14) | SINGLE PURPOSE | 6/14/2022 | 4:57 PM

Based on Rates Provided by the TWDB

## Greater Texoma Utility Authority

\$2,160,000 Contract Revenue Bonds, Series 2022

(City of Pottsboro Project)

August 2, 2022 Closing Date

## Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/01/2049	105,000.00	4.210%	9,472.50	114,472.50	-
09/30/2049	-	-	-	-	123,945.00
12/01/2049	-	-	7,262.25	7,262.25	-
06/01/2050	110,000.00	4.210%	7,262.25	117,262.25	-
09/30/2050	-	-	-	-	124,524.50
12/01/2050	-	-	4,946.75	4,946.75	-
06/01/2051	115,000.00	4.210%	4,946.75	119,946.75	-
09/30/2051	-	-	-	-	124,893.50
12/01/2051	-	-	2,526.00	2,526.00	-
06/01/2052	120,000.00	4.210%	2,526.00	122,526.00	-
09/30/2052	-	-	-	-	125,052.00
<b>Total</b>	<b>\$2,160,000.00</b>	<b>-</b>	<b>\$1,574,838.42</b>	<b>\$3,734,838.42</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$38,804.00
Average Life	17.965 Years
Average Coupon	4.0584435%
DV01	2,659.20
Net Interest Cost (NIC)	4.0584435%
True Interest Cost (TIC)	4.0272707%
Bond Yield for Arbitrage Purposes	4.0272707%
All Inclusive Cost (AIC)	4.0272707%

### IRS Form 8038

Net Interest Cost	4.0584435%
Weighted Average Maturity	17.965 Years

ATTACHMENT XIV



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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DATE: June 8, 2022

SUBJECT: AGENDA ITEM NO. XIV

**CONSIDER AND ACT UPON CHANGE ORDER NO. 2 CORRECTION TO THE CONTRACT WITH HAYES CONSTRUCTION FOR THE CITY OF SHERMAN'S NORTH TRAVIS STREET WATERLINE REPLACEMENT PROJECT.**

## **ISSUE**

Consider and act upon the Change Order No. 2 Correction to the contract with Hayes Construction for the City of Sherman's North Travis Street Waterline Replacement Project.

## **BACKGROUND**

In 2019, the City of Sherman staff approached the Authority staff requesting financial assistance for several upcoming capital improvement projects. After several meetings with the City staff, we identified the projects that were ideal candidates to take advantage of the below market interest rate savings through the Texas Water Development Board's ("TWDB") Clean Water State Revolving Fund ("CWSRF"), and projects that were ideal for an open market issuance.

In April of 2019, the Board and City of Sherman Council approved resolutions which authorized the issuance of debt through the open market to fund \$5,815,000 in projects for the City of Sherman. One of the projects funded with that issuance is the North Travis Street and US 75 Waterline Replacements Project. This project of the construction of approximately 2,530 linear feet of new 12-inch PVC water line along North Travis Street and a new 12-inch water line under US 75 by bore. The work includes site excavation, open cut trench excavation and backfill, bore with casing, water line placement, and street repair. The low bid was received by Hayes Construction in the amount of \$473,839.00 and was awarded in April of 2021.

Change Order No. 1 would result in a \$53,013.00 increase. This Change Order work was performed under an emergency order from the City of Sherman. The City had an 8" sewer line failure, under railroad tracks, that the City crews are unequipped to repair or replace. The quickest solution to this emergency repair was to request that Hayes Construction perform this work as they were already mobilized in the City with boring equipment and crews. The City Council has already approved this Change Order.

Change Order No. 2 was approved at the May 2022 meeting and resulted in a \$7,990 increase. However, the Change Order included one (1) too many additional water services for \$1,600. This Change Order was never fully executed and now we are presenting the revised Change Order before doing so. The revised Change Order No. 2 is for \$6,390, resulting in a revised contract amount of \$533,242.00. This revised change order includes 1) 2, instead of 3, additional water services, 2) an additional 8" gate valve, 3) deleting 19 SY asphalt street repair due to closing of street to Knollwood, and 4) deletion of water service bore.

## **CONSIDERATIONS**

The City of Sherman Council will be considering Change Order No. 2 Correction at an upcoming council meeting.

## **STAFF RECOMMENDATIONS**

Staff recommends authorizing the approval of Change Order No. 2 in the amount of \$6,390.00 to the contract with Hayes Construction, which would result in a revised contract amount of \$533,242.00. Action would be contingent upon the Sherman City Council taking similar action at their upcoming council meeting.



# GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

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**PAGE 2**

**ATTACHED**

Change Order 2 Correction

**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

Date of Issuance: <u>June 20, 2022</u>	No. <u>2 (FINAL)</u>
Project: <u>North Travis Street Waterline Replacement</u>	Project No.: <u>COS # 1398-U</u>
Owner: <u>City of Sherman</u>	Date of Contract: <u>April 26, 2021</u>
Contractor: <u>Hayes Construction</u>	

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description:

Bid Item	DESCRIPTION	QTY	Unit	UNIT COST	TOTAL
P20	<b>Add</b> 2 additional water services for duplexes that would normally be served by closer 6" water line per bid item P.20 Sta 12+85 & 12+90 for Duplex Services	2	EA	\$ 1,600	\$ 3,200
CO2	<b>Add</b> bore water service line under N Travis for razed house lot, could not find existing line for new 12" line connection, Sta 8+90 (Randolph Scott Property)	1	LS	\$ 1,400	\$ 1,400
P16	<b>Add</b> 1 additional 8" gate valve at North Creek Drive because existing valve was to far west for replacement 12 water line bore - Bid item P.16, \$3700 minus \$200 for Tee	1	LS	\$ 3,500	\$ 3,500
Sub-total					\$ 8,100
P25	<b>Deduct</b> , City abandoned exist street to Knollwood making asphalt repair not needed - bid item P.25 unit price	19	SY	\$ 90	\$ 1,710
Net increase					\$ 6,390

**Justification:**

Final quantities installed for project completion

**CHANGE IN CONTRACT PRICE:**

Original Contract Price:

\$473,839

Increase from previously approved Change Order No. 1:

\$53,013

Contract Price prior to this Change Order:

\$526,852

Increase of this Change Order:

\$6,390

Contract Price incorporating this Change Order:

\$533,242.00

**CHANGE IN CONTRACT TIMES:**

Original Contract Times:

Substantial completion days: 270

Substantial completion date: March 15, 2022

Increase from previously Change Order No. 1:

Substantial completion days: 30

Substantial completion date: April 14, 2022

Contract Times prior to this Change Order:

Substantial completion days: 300

Substantial completion date: : April 14, 2022

Increase of this Change Order #2 (Final):

Substantial completion days: 0

Substantial completion date: : April 14, 2022

Contract Times with all approved Change Orders:

Substantial completion days: 300

Substantial completion date: : April 14, 2022

RECOMMENDED:

By: David S. Lattis  
Engineer (Authorized Signature)

Date: 6-3-22

By: \_\_\_\_\_  
GTUA (Authorized Signature)

Date: \_\_\_\_\_

ACCEPTED:

By: \_\_\_\_\_  
Owner (Authorized Signature)

Date: \_\_\_\_\_

ACCEPTED:

By: Lara Jackson  
Contractor (Authorized Signature)

Date: 6/3/2022



ADJOURN