

**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
OCTOBER 17, 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, October 17, 2022, 12:30 p.m.**

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 17th day of October, 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. Consent Agenda
 - * Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- IV. * Consider and act upon approval of Minutes September 19, 2022, Meeting.
- V. * Consider and act upon approval of accrued liabilities for September 2022.
- VI. Citizens to be Heard.
- VII. Consider and act upon authorizing award of material pre-procurement contract for the City of Sherman WTP Expansion Package 1 – Membrane System Expansion Project.
- VIII. Consider and act upon recommendation to City of Sherman to use Construction Manager at Risk (CMAR) as the project delivery strategy for the Water Treatment Plant Expansion and 36-Inch West Sherman Water Line Projects as part of the Major Infrastructure Improvement Program.
- IX. Consider and act upon Change Order No. 1 to the contract with Underwood, Inc. for the City of Whitewright Waterline Project.
- X. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022A (City of Pottsboro 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.
- XI. Consider and act upon award of contract and Change Order No. 1 for the City of Pottsboro WWTP improvements.

- XII. Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (Collin/Grayson Water Transmission Project)”, including the adoption of a resolution approving the issuance of such bonds.
- XIII. Consider and act upon authorization for the General Manager to advertise for bids for Collin/Grayson Municipal Alliance (CGMA) Bloomdale Pump Station Improvements Project.
- XIV. Discussion and possible action on the purchase of CGMA’s right of way by the Texas Department of Transportation.
- XV. Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Gainesville Project)”, including the adoption of a resolution approving the issuance of such bonds.
- XVI. Consider and act upon authorization of General Manager to advertise for bids for City of Gainesville Project.
- XVII. Consider and act upon Administrative Service Contract with the Red River Groundwater Conservation District for 2023.
- XVIII. Consider and act upon a Resolution of Appreciation for Drew Satterwhite.
- XIX. Review and act upon approval of the Investment Policy.
- XX. Discussion and possible action on changing the regular Board meeting time.
- XXI. Receive General Manager’s Report: The General Manager will update the Board on operational and other activities of the Authority.
- XXII. Adjourn.

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

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

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

ATTACHMENT IV

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

MONDAY, SEPTEMBER 19, 2022

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

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

Members Absent:

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

General Counsel: Mike Wynne, Wynne and Smith
Bond Counsel:

Visitors: David Howerton, Plummer Associates, Inc.

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. Consent Agenda

Items marked with an asterisk () are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen request a specific item to be discussed and voted on separately.

IV. * Consider and act upon approval of Minutes of August 15, 2022, Meetings.

V. * Consider and act upon approval of accrued liabilities for August 2022.

Board Member Ken Brawley made the motion to approve the Consent Agenda as presented. Board Member Matt Brown seconded the motion. Motion passed unanimously.

VI. Citizens to be Heard.

General Manager Drew Satterwhite introduced Paul Sigle, appointed as the next General Manager, to the Board.

VII. Consider and act upon Change Order No. 1 to the contract with Landmark Structures for the City of Princeton South Elevated Storage Tank Project.

General Manager Drew Satterwhite provided background information for the Board. Open Market was used to obtain funds for construction of the elevated storage tank project. This project was bid first as we anticipate this project taking more time to complete than the water line. This project was awarded by the Board at the March 2022 meeting. Change Order No. 1 would result in a decrease of \$11,732.00, resulting in a revised contract amount of \$7,947,268.00. This change order included additions (site entrance extension and tank mixer platform) and deductions (stairs, overflow pipe, washdown riser material and lightning protection). These items were mostly value engineering items. Board Member Donald Johnston made the motion to approve Change Order No.1 contingent upon the City of Princeton's approval. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

VIII. Consider and act upon award of contract for the City of Pottsville Dewatering Equipment Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Pottsville requested assistance in obtaining funding for a wastewater treatment plant rehabilitation and expansion project. The WWTP needs expansion in order to continue meeting TCEQ permit requirements. The Board authorized the issuance of \$8,420,000 in funding through the CWSRF in 2019. 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 Board authorized the issuance of an additional \$2,160,000 through the TWDB's Development Fund in June 2022. During the design of this project, the engineer identified a used screw press that would save the City significant money on the overall project. This equipment was originally anticipated to be a part of the WWTP Expansion bid. BDP has a sludge dewatering screw press that was mounted on a covered trailer with a full package of accessories for a fully operating system which they used as a pilot unit to take to different plants to show how it would perform. BDP offered to sell the equipment to the City for \$265,000 plus unloading. The TWDB reviewed the draft bid package and requested that the system be provided with redundant pumps including a second sludge feed pump and a second polymer feed pump. The additional costs in the bid proposal were for providing these additional pumps as well as a new control panel that could operate both sludge feed pumps. The equipment has about 1500 hours of operation on it, which would be about one year of operation at the Pottsville treatment plant. It was estimated that purchasing the equipment would save the City about \$250,000 by purchasing a used screw press that is in good working condition and replacing the construction of an enclosed building to house the equipment with the covered trailer. BDP Industries, Inc. was the low bidder in August for the equipment with a Total Bid Price of \$352,500.00. The general project bid came in higher resulting in there not being enough money for the plant. Discussions are taking place between the City of Pottsville and Plummer Associates, Inc. The Authority Staff recommends the Board authorizes the General Manager to award contract to BDP Industries, Inc in the amount of \$352,500.00. Board Member

Stanley Thomas made the motion to authorize the General Manager to award the contract contingent on the City Manager of Pottsboro authorizing the General Manager to award the contract. Board Member Matt Brown seconded the motion. Motion passed unanimously.

IX. Consider and act upon a resolution for Authority Staff to execute insurance documents.

General Manager Drew Satterwhite provided background information for the Board. The Authority's staff (General Manager, Assistant General Manager, and Finance Officer) needs authorization to sign insurance policy documents for a new employee. The Authority provides 10-year term life insurance policies to all employees. The employee pays 1/3rd of the premium, which is deducted from payroll, and the Authority pays for 2/3rd of the premiums. We seek out these policies through our insurance agent which is Hempkins Insurance out of Denison. Nationwide Insurance provides the best deal, and they require a resolution be adopted by the governing board of the organization given that we the Authority will be procuring and paying part of the premiums. Board Member Donald Johnston made the motion to approve the resolution. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

X. Consider and act upon Budget Amendment for FY 2021-2022.

General Manager Drew Satterwhite provided background information for the Board. The Budget Committee (Robert Hallberg, Stanley Thomas, and Brad Morgan) reviewed the Budget on Monday September 12, 2022. The staff recommends amending the budget to reflect expenditures and revenues more accurately as they occurred during the course of the year, which results in a more favorable reflection on expenses and revenues in the audit. Board Member Matt Brown made motion to approve the Budget Amendment for 2021-2022. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XI. Consider and act upon Budget for Fiscal Year October 1, 2022 – September 30, 2023

General Manager Drew Satterwhite provided background information for the Board. The Budget consists of the following categories: Construction Budget, General Fund Budget, Collin Grayson Municipal Alliance Budget, Solid Waste, and Combined Bond Budget. General Manager Drew Satterwhite briefly discussed each. Discussion was held. Board Member Scott Blackerby made the motion to adopt the Budget for Fiscal Year October 1, 2022 – September 30, 2023. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

Board Member Ken Brawley made the motion to convene into Executive Session at 12:59 p.m. Board Member Donald Johnston seconded the motion.

XII. Executive Session

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

A. Personnel Matters

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

Board reconvened into Regular Session at 1:44 pm. No action was taken during the Executive Session. Board Member Matt Brown made the motion to increase the proposed staff wage and benefit cost to \$1,260,957.14. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

XIII. Regular Session

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

Assistant General Manager Paul Sigle provided the General Manager Report. Updates were provided on the following:

- Gainesville water line improvements
- CGMA system improvements
- Two Bond issuances scheduled to close in November
- CGMA Electrical Switch project should be completed next year
- Gunter Water and Sewer System Sale
- Theda Anderson, Registration Coordinator, retiring after 11 years
- Paul Sigle continuing training with Drew Satterwhite

Board President Brad Morgan talked about the possibility of moving the meeting to 12:00 pm and having lunch at 11:30 a.m. An action item will be brought to the board next month to move the meeting up.

Board Policy Manual will need to be updated.

XV. Adjourn.

Board Member Matt Brown made the motion to adjourn. Board Member Scott Blackerby seconded the motion. Board President Brad Morgan declared the meeting adjourned at 1:50 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT V

RESOLUTION NO. _____

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Denison Area Chamber of Commerce (22-23 Renewal)	75.00		
<u>Fuel and Reimbursements for Mileage</u>			
Nichole Sims (Reimbursement for mileage)	113.13		
Tasha Hamilton (Reimbursement for mileage)	8.75		
Velma Starks (Reimbursement for mileage)	36.75		
Drew Sattenwhite (Fuel)	58.29		
Valero Fleet Plus (Fuel - operations vehicles, Aug. & Sept.)	3,814.97		
<u>Insurance</u>			
Drew Sattenwhite (2017 Ford F150)	172.50		
TWCA Risk Management (Workers' compensation insurance)	736.00		
<u>Leases/Rental Fees</u>			
Pitney-Bowes (Mailing system)	105.00		
North Texas Regional Airport (Lease - administrative offices)	2,456.72		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting, August)	965.25		
<u>Maintenance Agreements</u>			
Novatech (Konica-Minolta copier)	279.00		
<u>Meetings and Conferences</u>			
TWCA - Conference & BOD Lunch	319.97		
<u>Miscellaneous</u>			
Mosaic One Urgent Care - Employment physicals for RM and SP)	180.00		
UPS Store 3883 - (Munson Water quality test for the period of 6/1/22-8/30/22)	743.32		
UPS Store 3883 - (Knollwood - Charged to our account in error. Being reimbursed.)	126.59		
Valley View Consulting (Investing fees)	10,166.13		
<u>Postage</u>			
UPS Store 3883 - (postage for BOD pakets from 06/01/22-8/30/22)	171.10		
United States Postal Service (Post Office Box renewal)	374.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (Password changes on server and work stations, McAfee virus software)	634.95		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Discount Tire (Tire replacement for 2016 F150)	48.25		
Whistlestop Car Spa - (2019 F150 & 2016 F150 synthetic oil changes, wiper blades and washes.)	254.89		
<u>Supplies</u>			
American Express (General Office Supplies)	14.47		
Hillerby Printing - (GM Business cards for PS)	13.00		
Office Depot (General Office Supplies, August & Sept.)	133.50		
Valero (Ice)	15.05		
<u>Uniforms</u>			
Richard McCool (workboots)	169.90		
<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 Sattenwhite (Reimbursement for cell phone expenses fo Aug - Sept)	50.00		
Richard McCool (Reimbursement for cell phone expenses)	25.00		

	CURRENT	PRIOR MONTH	PRIOR YEAR
AT&T Mobility (Cell Phones)	74.42		
City of Denison (Water)	223.38		
City of Sherman (Trash services)	85.00		
Shell Energy	538.89		
ATMOS Energy	87.71		
TOTAL:	\$ 23,930.88	\$ 8,984.81	\$ 11,500.23

SOLID WASTE:

<u>Fuel</u>			
Valero Fleet Plus (Fuel - operations vehicles, Aug. & Sept)	189.98		
<u>Supplies</u>			
Bi-Low Wholesale (Transmission / Hydraulic Fluid)	37.00		
<u>Utilities</u>			
Grayson-Collin Electric	132.99		
TOTAL:	\$ 359.97	\$ 1,213.28	\$ 189.85

WASTEWATER:

<u>Advertising</u>			
Cherry Road - (Sherman 2020 - Ad for bids for the Sherman Sludge Trans. Station & Post Oaks WWTP for June 2022)	450.90		
Star Local Media (Sherman 2020 - Ad for bids on the WWTP Expansion project - Ran in August)	1,887.00		
Star Local Media (Pottsboro 2019 - Ad for bids on the WWTP Dewatering project. Ran in August)	1,998.00		
<u>Construction Contracts</u>			
Binkley & Barfield (Sherman 2021 - South side Sanitary Sewer Replacement for engineering services for August 2022.)	12,601.80		
City of Sherman (Sherman 2021 - City of Sherman reimbursement for Texoma Parkway Sycamore to Evergreen Overflow.)	13,375.13		
City of Sherman (Sherman 2021 - City of Sherman reimbursement for WWTP Generator.)	112,000.00		
City of Sherman (Sherman 2021 - City of Sherman reimbursement for WTP Floc / Sed Basin Rehab)	27,470.65		
City of Sherman (Sherman 2021 - City of Sherman reimbursement for Southside Industrial Sewer.)	800.00		
City of Sherman (Sherman 2022 - City of Sherman reimbursement for Shepherd Sewer.)	11,698.72		
City of Sherman (Sherman 2017 - reimbursement for TPDES permit and Brine Disposal line.)	350.00		
Huitt-Zollars (Sherman 2021 - Post Oak Sanitary Sewer Improvements through 9/3/22)	94,130.00		
Patterson Professionals (Gunter 2018 - WWTP Replacement project. Pay App #26 FINAL)	21,719.63		
Red River Construction (Sherman 2020 - Post Oak WWTP Aeration & other 2nd treatment improvements Pay App 15.)	147,938.75		
<u>Engineering Fees</u>			
Antero Group (Bells 2022 - WW Engineering 60% Plans development & review completed Project update communication.)	19,542.00		
D&S Engineering (Sherman 2021 - August 2022 Engineering services for the Northwest Sewer & Lift Station.)	2,056.63		
Freeman-Millican (Sherman 2021 - Lab bldg & remodel. 100% Prelim. Design, 55% Construction Docs, 100% Micro lab design.)	21,166.65		
Freeman-Millican (Sherman 2019 - WWTP Ops Bldg addition and remodel. 92.4% construction complete)	4,882.50		
Freese & Nichols (Sherman 2021 - Wastewater Master Plan for services through 7/31/22. Basic services 73.78% complete.)	20,928.75		
Mead & Hunt (Sherman 2017 - Post Oak WWTP Aeration & Secondary Treatments engineering services for Aug 2022.)	3,978.75		
Merit Advisors (Sherman 2019 - Rosedale to First St. Sewer project. location 1622 S. First St.)	750.00		
Plummer (Sherman 2022 - Industrial WW Support-WW treatment & Water Reuse Master Plan for 7/29/22)	22,845.23		
Plummer (Sherman 2022 - Industrial WW Support-WW treatment & Water Reuse Master Plan for 8/26/22)	19,542.00		
<u>Miscellaneous</u>			
City of Gunter (Gunter 2018 - Distributed remaining contributions back to City of Gunter)	40,238.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Sadler 2016 - GTUASADLER16 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2013A - GTUACRB2013A 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2014 - GRETXOM14CIB 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2015A - GTUASHERM15A 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2017A - GTUASHERM17A 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2020 - GTUASHERM20 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2021 - GTUASHERM21 10/1/22)	300.00		
TOTAL:	\$ 604,451.09	\$ 1,661,979.03	\$ 505,668.83

WATER:

<u>Advertising</u>			
Column (Van Alstyne - Categorical Exclusion Notice Order number: 428210 for the city of Van Alstyne.)	25.08		
Column (Sherman 2022 - Bid notice for NW & SW water transmission 36" main pipeline.)	128.26		
<u>Construction Costs</u>			
Associated Construction (Princeton 2018 - Princeton 2018 - Forest Grove Pump Station Pay App #36)	56,382.50		
Bel Air Village (Sherman 21 - FM 1417 Watermain "Legacy" 20% complete)	500.00		
Crescent (Bear Creek 2019 - Pump station #2 improvements. Pay app #14)	126,367.43		
Crescent (Bear Creek 2019 - Pump station #2 improvements. Pay app #15)	97,511.85		
City of Sherman (Sherman 2019 - City of Sherman reimbursement for N. Travis & Hwy 75 Water lines.)	53,013.00		
City of Sherman (Sherman 2021 - City of Sherman reimbursement for WTP Back up generator.)	185,647.25		
NTMWD (Sherman 2021 - Emergency repair of the Texoma Pipeline that occurred on 8/31/21.)	94,856.17		

	CURRENT	PRIOR MONTH	PRIOR YEAR
<u>Engineering Fees</u>			
Antero Group (Bells 2022 - Water Impro. doc finalization, watermain survey review & plan design, interim plan review.)	8,858.75		
Antero Group (Bells 2022 - Groundwater Well, Geotech & site eval. Cost estimating & scheduling.	4,911.25		
Freese & Nichols Sherman 2021 - Water Master plan basic services 87.49% completed. For services through 7/31/22.)	12,710.60		
Freese & Nichols (Sherman 2022 - Shepard Elevated Storage Tank. Engineering services through July 2022.)	9,874.11		
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 4/30/22.)	318,563.26		
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 5/31/22.)	104,837.36		
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 6/30/22.)	181,018.27		
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 7/31/22.)	208,386.78		
Pape-Dawson (Sherman 2022 - Program Management services through 8/26/22. TI infrastructure improvements program.)	175,263.75		
Parkhill (Sherman 2021 - WTP emergency power generation for August 2022 engineering services.)	2,447.31		
<u>Groundwater</u>			
American Express (NTGCD - TWCA & TAGD)	905.01		
American Express (RRGCD - TWCA & TAGD)	905.00		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	77.21		
Allen Burks (NTGCD - cell phone reimbursement)	12.50		
Allen Burks (RRGCD - cell phone reimbursement)	12.50		
Hillerby Printing (NTGCD - GM Business cards for PS)	13.00		
Hillerby Printing (NTGCD - GM Business cards for PS)	13.00		
Paul Sigle (NTGCD - cell phone reimbursement)	12.50		
Paul Sigle (RRGCD - cell phone reimbursement.)	12.50		
Kenneth Elliott (NTGCD - Cell phone reimbursement for August & Sept 2022 and leather gloves)	32.56		
Kenneth Elliott (RRGCD - Cell phone reimbursement for August & Sept 2022 and leather gloves)	32.56		
Wayne Parkman (RRGCD - Reimbursement for phone case and RRGCD Truck vinyl logo)	36.00		
Wayne Parkman (NTGCD - Reimbursement for phone case)	2.71		
Valero (NTGCD - Fuel, Valero Fleet Plus, Aug. & Sept.)	799.59		
Valero (RRGCD - Fuel, Valero Fleet Plus, Aug & Sept.)	251.16		
Velma Starks (NTGCD - mileage reimbursement)	21.17		
Velma Starks (RRGCD - mileage reimbursement)	23.46		
<u>Miscellaneous</u>			
Argyle WSC - (Argyle 2007 - Close out of remaining funds)	11,834.67		
FAO USACE - (Sherman 2021 - O&M and RR&R cost for water storage space in LK Texoma from 10/21/22-10/20/23. For account DACW56-05-W5007	6,072.90		
<u>Paving Agent Fees</u>			
Bank of Texas Trust (Bells 2005 - BELLS05 10/1/22)	250.00		
Bank of Texas Trust (Gainesville 2011 - GTUACRBGPS11 10/1/22)	300.00		
Bank of Texas Trust (Gainesville 2011A - GTUACRB2011A 10/1/22)	300.00		
Bank of Texas Trust (Gainesville 2012 - GTUACRBS2012 10/1/22)	300.00		
Bank of Texas Trust (Paradise 2018 - GTUAPARAD18 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2015 - GTUASHERM15 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2016B - GTUASHERM15B 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2017 - GTUASHERM17 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2019 - GTUASHERM19 10/1/22)	300.00		
Bank of Texas Trust (Sherman 2019A - GTUASHERM19A 10/1/22)	300.00		
<u>Postage</u>			
Federal Express (Princeton 2022 - For new Princeton bonds sent to Kimberly / Jenny Offenhauser & Co.)	66.58		
Federal Express (Princeton 2022 - Return Envelope for new Princeton bonds sent to Kimberly / Jenny Offenhauser & Co.)	24.23		
<u>CGMA Equipment Lease</u>			
American Epress (CGMA - Kubota rental for pump station and YSI part)	1,912.65		
Stewart & Stevenson (CGMA - Bloomdale emergency generator lease for the period of 8/15/22-9/11/22)	11,993.84		
<u>CGMA Repair & Maintenance</u>			
Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	8,304.86		
Berntsen International (CGMA - Morase 2.75 cap for 1/2 inch rebar)	863.95		
Environmental Improvements (CGMA - Equipment inspection)	375.00		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.00		
Machining & Valve Automation (CGMA - Replaced seals in #2 pump and fixed other issues)	1,175.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	149.15		
USA Bluebook (CGMA - post drivers, water sample kits, meters, other supplies, decals, gloves, marking post, etc.)	8,634.03		
<u>Supplies</u>			
Tractor Supply (CGMA - Light bar and wiring kit for truck, small hand tools and a magnet)	366.87		
Home Depot (CGMA - PVC pipe, orange reflective tape rebar, other misc. items)	1,400.33		
National Wholesale Supply (CGMA - black duct tape, CT adapter, hose clamp, sawzaw blades)	158.08		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station)	53.05		
North Texas Municipal Water District (Water Usage, August & September)	457,960.00		
Shell Energy (Bloomdale Pump Station)	19,696.77		
TOTAL:	\$ 2,178,999.83	\$ 1,922,179.14	\$ 826,729.32
GRAND TOTAL:	\$ 2,807,741.77	\$ 3,594,356.26	\$ 1,344,088.23

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

On motion of _____ and

seconded by _____, the foregoing

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

AYE:
NAY:

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

President

ATTEST:

Secretary/Treasurer

ATTACHMENT VII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. VII

CONSIDER AND ACT UPON AUTHORIZING AWARD OF MATERIAL PRE-PROCUREMENT CONTRACT FOR THE CITY OF SHERMAN WTP EXPANSION PACKAGE 1 – MEMBRANE SYSTEM EXPANSION PROJECT.

ISSUE

Consider and act upon authorizing award of material pre-procurement contract for the City of Sherman WTP Expansion Package 1 – Membrane System Expansion Project.

BACKGROUND

The City of Sherman has requested assistance in obtaining funding for improvements to the City's water and wastewater system. These improvements include 1). engineering for several projects (36" water transmission line, 100-million gallon raw water storage reservoir, water treatment plant expansion, high service pump station expansion, Lake Texoma pump station pump upgrade, wastewater treatment plant backup generator/switchgear/electrical upgrades); 2) design and construction for several projects (downtown sewer improvements, Shepherd sewer line extension and Lake Texoma pump station electrical improvements); 3) a wastewater system water quality, capacity and re-use study, and 4) pre-procurement of materials and right-of-way for a 36" water transmission main.

The City of Sherman received three bids for the "Sherman Water Treatment Plant Expansion Package 1" project at Sherman City Hall at 3:00 PM on August 29, 2022. The bid package was split into 4 separate items. Bid Item 1 included UF membranes, RO membranes, and end suction pumps, Bid Item 2 included RO feed pump, Bid Item 3 included high service pump, and Bid Item 4 included variable frequency drives, MCCs, Switchboard, XFMR, and Panelboard. H2O Innovation, Inc. provided a bid for Bid Item 1. Smith Pump Co., Inc. provided a bid for Bid Item 2 and 3. Austin Infrastructure provided a bid for all four items.

CONSIDERATIONS

H2O Innovation, Inc. submitted the low bid for Bid Item 1 of the project. Austin Infrastructure's bid is considered non-responsive due to non-compliance. Austin Infrastructure stated that their bid was priced as a complete project and that they will not separate their bid items, which is non-compliant with the instructions provided for the bids. Smith Pump Co., Inc's bid is considered non-responsive due to the price exceeding the City's Budget.

STAFF RECOMMENDATIONS

The Authority Staff recommends authorizing the General Manager to award contract for Bid Item 1 to H2O Innovation, Inc. in the amount of \$2,428,869, and rejecting Bid Item 2, 3, and 4 from Smith Pump Co., Inc. and Austin Infrastructure. This action would be contingent upon the City of Sherman's approval.

ATTACHMENTS

Engineer's Letter of Recommendation

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager



3010 Gaylord Parkway
Suite 190
Frisco, TX 75034
TEL 972.377.7480
FAX 972.377.8380

www.GarverUSA.com

10/12/2022

City of Sherman
Attn: Tom Pruitt, P.E.
220 W Mulberry St.
P.O. Box 1106
Sherman, TX 75091

Re: City of Sherman
Sherman Water Treatment Plant Expansion Package 1
Recommendation of Award and Rejection

Dear Mr. Pruitt:

Bids were received for the "Sherman Water Treatment Plant Expansion Package 1" project at the Sherman City Hall at 3:00 PM on August 29, 2022. The bids have been checked for accuracy and for compliance with the contract documents. A total of three bidders submitted bids on the project for different bid items. A summary of the as-read bid results can be found in the attached bid tabulation.

A total of two bids were received for Bid Item 1. H2O Innovation, Inc. submitted the low bid for the project on Bid Item 1 in the amount of \$2,178,869.00. The Owner's Contingency Allowance is specified as \$250,000, which brings the total recommended award amount of Bid Item 1 to \$2,428,869.

We believe that the bid submitted by H2O Innovation, Inc. for Bid Item 1 represents a good value for the City of Sherman. We recommend that the construction contract for Bid Item 1 of the " Sherman Water Treatment Plant Expansion Package 1" be awarded to H2O Innovation, Inc in the amount of \$2,428,869.

A total of two bids were received for Bid Items 2 and 3, with one of those bids also including Bid Item 4. Both bids are recommended to be rejected for the following reasons:


- Austin Infrastructure's bid is considered non-responsive due to non-compliance. Austin stated that their bid was priced as a complete project and that they will not separate their bid items, which is non-compliant with Section 00 21 13 – Instructions to Bidders for Procurement Contract.
- Smith Pump Co., Inc's bid is considered non-responsive due to the price exceeding the City's budget.

The bids have been graded according to the scoring criteria listed in the bid documents. The scores for each bid item and bidder can be found in the attached Bid Scoring Summary document.

Please call me if you have any questions.

Mr. Pruitt
Page 2 of 2

Sincerely,
GARVER, LLC

A handwritten signature in blue ink that reads "Lance Klement". The signature is written in a cursive style with a large initial "L" and a long horizontal stroke at the end.

Lance Klement, P.E.
Senior Project Manager

Attachments: Bid Tabulation
Bid Scoring Summary

Project: City of Sherman WTP Expansion Project Package 1
 Owner: City of Sherman, TX
 Owner Project No. Public Works #1505-U, 2022-17
 Bid Opening: August 29th, 2022



Bid Tabulation - As-Read Bid Results

Cost	Bidder	Bid Item 1	Bid Item 2	Bid Item 3	Bid Item 4	Total Lump Sum	Total Bid Price with Contingency
H2O Innovation, Inc.		\$2,178,869.00	N/A	N/A	N/A	\$2,178,869.00	\$2,428,869.00
Smith Pump Co., Inc.		N/A	\$313,000.00	\$381,307.00	N/A	\$694,307.00	\$694,307.00
Austin Infrastructure		\$3,146,000.00	\$270,000.00	\$250,000.00	\$1,700,000.00	\$5,366,000.00	\$5,616,000.00
Manufacturer							
Bid Item 1		H2O Innovation, Inc.	Smith Pump Co., Inc.	Austin Infrastructure			
UF Membranes		H2O Innovation, Inc.	N/A	Westech			
RO Membranes		H2O Innovation, Inc.	N/A	Westech			
End Suction Pumps		H2O Innovation, Inc.	N/A	ITT Goulds			
Bid Item 2			Flowsolve	Afton			
RO Feed Pump		N/A					
Bid Item 3			Byron Jackson	Simflo			
High Service Pump		N/A					
Bid Item 4				Square D			
Variable Frequency Drives		N/A		Square D			
MCCs		N/A		Square D			
Switchboard		N/A		Square D			
XFMR, Panelboard		N/A		Square D			
Anticipated Delivery Dates							
Bid Item 1		H2O Innovation, Inc.	Smith Pump Co., Inc.	Austin Infrastructure			
UF Membranes		3-4 weeks	N/A	7/27/2023			
RO Membranes		10-12 weeks	N/A	7/27/2023			
End Suction Pumps		26 weeks	N/A	8/10/2023			
Bid Item 2			DEC2023	6/29/2023			
RO Feed Pump		N/A					
Bid Item 3			DEC2023	6/1/2023			
High Service Pump		N/A					
Bid Item 4				11/2/2023			
Variable Frequency Drives		N/A		8/18/2023			
MCCs		N/A		1/11/2023			
Switchboard		N/A		4/21/2023			
XFMR, Panelboard		N/A					

Sherman WTP Pre-Purchase Bid Scoring Summary

10/12/2022



Bid Item	H2O Innovation	Smith Pump Co.	Austin	Recommendation of Action
Bid Item 1: Membranes	82%	N/A	63%	Award H2O Innovation.
Bid Item 2: RO Feed Pump	N/A	66%	68%	Reject Austin for non-compliance with bid evaluation criteria. Reject Smith Pump for exceeding budget.
Bid Item 3: High Service Pump	N/A	60%	74%	Reject Austin for non-compliance with bid evaluation criteria. Reject Smith Pump for exceeding budget.
Bid Item 4: Electrical Gear	N/A	N/A	50%	Reject Austin for non-compliance with bid evaluation criteria.

ATTACHMENT VIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. VIII

**CONSIDER AND ACT UPON RECOMMENDATION TO CITY OF SHERMAN TO USE
CONSTRUCTION MANAGER AT RISK (CMAR) AS THE PROJECT DELIVERY STRATEGY FOR
THE WATER TREATMENT PLANT EXPANSION AND 36-INCH WEST SHERMAN WATER LINE
PROJECTS AS PART OF THE MAJOR INFRASTRUCTURE IMPROVEMENT PROGRAM.**

ISSUE

Consider and act upon recommendation to City of Sherman to use Construction Manager at Risk (CMAR) as the project delivery strategy for the Water Treatment Plant Expansion and 36-Inch West Sherman Water Line Projects as part of the Major Infrastructure Improvement Program.

BACKGROUND

The City of Sherman has requested assistance in obtaining funding for improvements to the City's water and wastewater system. These improvements include 1). engineering for several projects (36" water transmission line, 100-million gallon raw water storage reservoir, water treatment plant expansion, high service pump station expansion, Lake Texoma pump station pump upgrade, wastewater treatment plant backup generator/switchgear/electrical upgrades); 2) design and construction for several projects (downtown sewer improvements, Shepherd sewer line extension and Lake Texoma pump station electrical improvements); 3) a wastewater system water quality, capacity and re-use study, and 4) pre-procurement of materials and right-of-way for a 36" water transmission main.

A Construction Manager at Risk (CMAR) is an approach when the owner of a project procures the construction firm early in the design and planning process, but separately from the engineering firm. The CMAR advises the owner and engineering firm in the project's design and planning phases and often acts as the general contractor during the construction phase to select, schedule, and sequence subcontractors to complete the required construction work. The selected CMAR will negotiate a guaranteed maximum price and the CMAR will be responsible for any costs that exceed that amount. A CMAR can yield time and cost efficiencies to the project.

CONSIDERATIONS

The engineers for City of Sherman have recommended using CMAR as a project delivery strategy for the Water Treatment Plant Expansion and 36-Inch West Sherman Water Line Projects. These projects have to be completed by the summer of 2024.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving the recommendation to use CMAR as the project delivery strategy for the Water Treatment Plant Expansion and 36-Inch West Sherman Water Line Projects as part of the Major Infrastructure Improvement Program.

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

ATTACHMENT IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. IX

CONSIDER AND ACT UPON CHANGE ORDER NO. 1 TO THE CONTRACT WITH UNDERWOOD, INC. FOR THE CITY OF WHITEWRIGHT WATERLINE PROJECT.

ISSUE

Consider and act upon authorizing Change Order No. 1 to the contract with Underwood, Inc. for the City of Whitewright Waterline Project.

BACKGROUND

In 2018, the City of Whitewright requested the Authority's assistance with financing a water system improvement project. The City is planning projects which include a new water well, ground storage tank, pump station, re-coating of an elevated storage tank, water line replacements, and appurtenances.

The Texas Water Development Board's ("DWSRF") Drinking Water State Revolving Fund ("DWSRF") was identified as the most economical funding source for the identified projects. The total amount sought for these projects from the TWDB was \$3,758,106. The funding for this project includes three (3) separate components due to the City qualifying for loan forgiveness in addition to a portion of the loan being offered at 0% interest. The three (3) portions are 1) Series 2019A which offers a 1.35% interest rate subsidy for 30 years; 2) Series 2019B which offers 0% interest rate for 30 years; and 3) Principal Forgiveness which is not required to be paid back. The three (3) components are summarized below:

1.35% Interest Subsidy, 30-year	\$ 1,645,000
0% Interest, 30-year	\$ 1,025,000
Principal Forgiveness	\$ 1,088,106
Total	\$ 3,758,106

CONSIDERATIONS

The waterline replacement project consists of approximately 9,200 linear feet of 6" and 8" waterlines. This project was bid on June 8, 2021, at the Whitewright City Hall. There were ten (10) bids received with an apparent low bidder of Underwood, Inc. in the amount of \$752,421.75. Change Order No. 1 consists of an extension of Line 1 326 LF of 6" AWWA C900 DR-18 south from STA 0+00 along Oak Hill Rd to tie into existing 4". Change Order No. 1 is an increase of \$10,500.00 resulting in the contract amount of \$762,921.75.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving Change Order No. 1, an increase of \$10,500 to the contract resulting in the contract amount of \$762,921.75.

ATTACHMENTS

Change Order No. 1

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

Date of Issuance: 09/29/2022	Effective Date: 09/29/2022
Owner: GTUA obo City of Whitewright	Owner's Contract No.: WTW007.002
Contractor: Underwood, Inc.	Contractor's Project No.: WTW007.002
Engineer: KSA engineers, Inc.	Engineer's Project No.: WTW007.002
Project: TWDB Water Distribution System Improvements	Contract Name: 62831 CID 02

The Contract is modified as follows upon execution of this Change Order:

Description: Extension of Line 1 326 LF of 6" AWWA C900 DR-18 south from STA 0+00 along Oak Hill Rd to tie into existing 4".

Attachments:

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>752,421.75</u>	Original Contract Times: Substantial Completion: <u>270 (10/16/2022)</u> Ready for Final Payment: <u>300 (11/15/2022)</u> days or dates
[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: \$ _____	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial Completion: _____ Ready for Final Payment: _____ days
Contract Price prior to this Change Order: _____ \$ <u>752,421.75</u>	Contract Times prior to this Change Order: _____ Substantial Completion: <u>270</u> Ready for Final Payment: <u>300</u> days or dates
[Increase] [Decrease] of this Change Order: <u>Increase</u> \$ <u>10,500</u>	[Increase] [Decrease] of this Change Order: <u>Increase</u> Substantial Completion: <u>30</u> Ready for Final Payment: <u>30</u> days or dates
Contract Price incorporating this Change Order: _____ \$ <u>762,921.75</u>	Contract Times with all approved Change Orders: _____ Substantial Completion: <u>300 (11/15/2022)</u> Ready for Final Payment: <u>330 (12/15/2022)</u> days or dates

RECOMMENDED:		ACCEPTED:		ACCEPTED:	
By: _____	By: _____	By: _____	By: _____	By: _____	By: _____
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)	Contractor (Authorized Signature)	Contractor (Authorized Signature)	Contractor (Authorized Signature)
Title: _____	Title: _____	Title: _____	Title: <u>Secretary/Treasurer</u>	Title: _____	Title: _____
Date: _____	Date: _____	Date: _____	Date: <u>10/07/2022</u>	Date: _____	Date: _____

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____



GRAPHIC SCALE IN FEET

20' 0 20' 40'

LEGEND

	ROADWAY REPAIR
	GRAVEL
	CONCRETE
	ASPHALT
	OVERHEAD ELECTRIC
	EXISTING WATER LINE
	PROPOSED WATER LINE
	APPARENT RIGHT-OF-WAY
	ABANDON WATER LINE
	SANITARY SEWER
	CULVERT PIPE
	EXISTING FENCE
	EXISTING VALVE
	EXISTING POWER POLE
	EXISTING FIRE HYDRANT
	WATER METER
	SIGN
	GAS METER
	LAMP POLE
	SANITARY SEWER CLEAN OUT
	SANITARY SEWER MANHOLE

- NOTES:**
1. CONTRACTOR SHALL VERIFY LOCATIONS OF EXISTING UTILITIES PRIOR TO CONSTRUCTION.
 2. CONTRACTOR TO FIELD-VERIFY SEPARATION DISTANCE BETWEEN PROPOSED WATERLINE AND EXISTING SEWER. (LOCATIONS OF EXISTING WATER METERS AND WATER SERVICES ARE APPROXIMATE.)
 3. CONTRACTOR TO FIELD-VERIFY LOCATIONS PRIOR TO CONSTRUCTION.



DRAWN BY:	RY/ED
DESIGNED BY:	DW
LATEST REVISION:	10/5/22
KSA JOB NO.:	WTW007

**CITY OF WHITEWRIGHT
TWDB DWSRF WATER
SYSTEM IMPROVEMENTS
WHITEWRIGHT, TEXAS**

LINE 1A STAT 0+00 - 3+26

MARK	REVISION	DATE

\KSA\NET\GATEWAY\PROJECTS\WTW007\MCK0008\CAD\30
 SHEET\01 SHEET SET\02 CIVIL\WATER LINES
 WTW007-WL-C-PP-WATER-001_WITHC01_MT.DWG | LINE 1A
 DRAWING DATE: 10/24/2022 | PLOT DATE: - TIME

ATTACHMENT X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. X

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2022A (CITY OF POTTSBORO 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.

ISSUE

Consider and act upon authorizing award of contract and Change Order No. 1 for the City of Pottsboro WWTP improvements.

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 progressed, the Engineers updated their cost estimates and determined the funds we had available would not be enough to award the project. The original construction cost estimate from 2018 was \$6,240,000. The most recent estimate, prior to bid, was \$7,852,200 leaving a shortage of funds in the amount \$1,612,200. At the June 2022 Meeting, the Board authorized the issuance of an additional \$2,160,000 through the TWDB’s Development Fund.

CONSIDERATIONS

On Thursday, September 15, 2022, a bid opening was held for the construction of the WWTP improvements. Three (3) bid proposals for the construction project were received at the Pottsboro City Hall. Archer Western was the low bidder with a total bid price of \$11,184,000. The next agenda item proposes awarding that contract simultaneously with a Change Order that would bring the total contract to \$11,059,000. With bond funds only, that would put the shortfall of funds at \$2,713,323. The City would like to proceed with the award of contract by depositing the shortfall of funds with the Authority until we can get more bond funding. At the time of closing, we would then return their deposited funds to the City. We are proposing to pursue an additional \$3,500,000 that will provide us with enough funds to re-imburse the City and will also provide a contingency for potential Change Orders later in the project.

At this meeting, we are requesting delegated sale authority so that the General Manager can accept bids shortly after they are received on the Open Market. The City of Sherman council is on the schedule to consent to the



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

issuance of the bonds on November 7, 2022, following the receipt of bids. The Bond Issuance is scheduled to close on November 17, 2022.

The parameters resolution is not complete at the time of this memo was drafted. The resolution will contain limitations on the following: 1) The aggregate principal amount of the Bonds 2) The true interest cost of the Bonds, and 3) The maximum maturity date of the Bonds.

The City Council has been briefed on the situation and has requested that the Authority pursue this bond issuance on their behalf.

STAFF RECOMMENDATIONS

The Authority Staff recommends the adoption of a resolution on for the General Manager to operate as Pricing Officer for the sale of the Bonds on behalf of the City of Pottsboro.

ATTACHMENTS

Timetable for Issuance

PREPARED AND SUBMITTED BY:

A handwritten signature in black ink, appearing to read "P.M. Sigle", is written over a horizontal line.

Paul M. Sigle, Assistant General Manager



**Greater Texoma Utility Authority (Pottsboro)
Timetable for Issuance of \$3,250,000*
Contract Revenue Bonds, Series 2022-A (Open Market)**

- | | |
|-----------------------------|--|
| Tuesday, October 11, 2022 | • Preliminary Official Statement (POS) is electronically distributed for comments. |
| Monday, October 17, 2022** | • Authority Board approves delegated sale authority. |
| Tuesday, October 18, 2022 | • POS comments returned to FA. |
| Tuesday, October 25, 2022 | • Preliminary Official Statement (POS) is electronically posted on I-Deal. |
| Thursday, November 3, 2022 | • Pricing for Series 2022-A Bonds. General Manager awards sale pursuant to Delegation Authority. |
| Monday, November 7, 2022 | • City of Pottsboro consents to issuance of Series 2022-A Bonds. |
| Thursday, November 17, 2022 | • Closing. Bond proceeds distributed according to Closing Instruction Letter. |

*Preliminary.

**Regular Authority Board Meeting Required.

ATTACHMENT XI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. XI

**CONSIDER AND ACT UPON AWARD OF CONTRACT AND CHANGE ORDER NO. 1 FOR THE
CITY OF POTTSBORO WWTP IMPROVEMENTS.**

ISSUE

Consider and act upon authorizing award of contract and Change Order No. 1 for the City of Pottsboro WWTP improvements.

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 progressed, the Engineers updated their cost estimates and determined the funds we had available would not be enough to award the project. The original construction cost estimate from 2018 was \$6,240,000. The most recent estimate, prior to bid, was \$7,852,200 leaving a shortage of funds in the amount \$1,612,200. At the June 2022 Meeting, the Board authorized the issuance of an additional \$2,160,000 through the TWDB's Development Fund.

CONSIDERATIONS

On Thursday, September 15, 2022, a bid opening was held for the construction of the WWTP improvements. Three (3) bid proposals for the construction project were received at the Pottsboro City Hall. Archer Western was the low bidder with a total bid price of \$11,184,000.

The City of Pottsboro has \$7,979,550 remanding for construction and \$718,627 in contingency for a total of \$8,698,177. The city approved the award of contract for the sludge dewatering screw press in the amount of \$352,500, leaving a total of \$8,345,677 for the construction of the WWTP improvements. Archer Western's bid is \$2,838,323 more than the available funds for the project.

The City's engineers worked with Archer Western to reduce the contract through Change Order No. 1. The engineers and Archer Western identified the following three (3) deductions: (1) \$70,000 deduction for utilizing the City's existing drying beds for grit dewatering, (2) \$30,000 deduction for reducing the amount of aerated sludge storage basin grating and reusing existing headrail and platform, and (3) \$25,000 deduction for using city-owned property for soil stockpiling. Change Order No. 1 will decrease the contract by \$125,000 resulting in a revised contract amount of \$11,059,000.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

With Change Order No. 1, Archer Western's bid is \$2,713,323 more than the available funds for the project. The city will transfer \$2,713,323 to the Authority to cover the remaining amount required for the contract. The funds from the previous agenda item, new Pottsboro issuance, would be used to fill our construction account after award and at that time we could refund Pottsboro for their local fund contributions.

STAFF RECOMMENDATIONS

The Authority Staff recommends authorizing the General Manager to award contract to Archer Western in the amount of \$11,184,000 and simultaneously approving Change Order No. 1, a decrease of \$125,000 to the contract resulting in the amount of \$11,059,000. This action would be contingent upon the City of Pottsboro transferring the shortfall in funding. The City has already authorized the Authority to execute this Change Order and award contract.

ATTACHMENTS

Engineer's Letter of Recommendation
Change Order No. 1

PREPARED AND SUBMITTED BY:

A handwritten signature in black ink, appearing to read "P.M. Sigle", is written over a horizontal line.

Paul M. Sigle, Assistant General Manager



PLUMMER

October 11, 2022

Mr. Drew Satterwhite
General Manager
Greater Texoma Utility Authority
5100 Airport Drive
Denison, TX 75020

Re: City of Pottsboro Wastewater Treatment Plant Expansion to 0.65 MGD – Phase II
1119-002-03

Dear Mr. Farley:

On Thursday, September 15, 2022, three bids from the general contractors were received, opened, and publicly read aloud at the City Hall board room in Pottsboro, Texas for the above-referenced project. The bids were as follows:

Bid Item	Archer Western	BAR Constructors	McKee
Total Base Bid	\$11,184,000.00	\$11,644,100.00	\$11,799,760.00
Deduct and Alternate Items	Archer Western		
Deduct – 1: Cylindrical Fine Screen	(\$318,800.00)	(\$122,000.00)	(\$290,000.00)
Deduct – 2: ASTM D2241 in place of AWWA C900 PVC	-	(\$1,000.00)	(\$40,700.00)
Deduct – 3: Administration Building Painting	(\$6,500.00)	(\$9,000.00)	(\$29,700.00)

Archer Western was the apparent low bidder with a Total Base Bid of \$11,184,000.00. The Engineer’s final opinion of probable construction cost was \$8,700,000.00. The bid proposal included three deduct items. Plummer recommends the City proceed with the total base bid without deduct items. The complete bid tabulation is attached to this letter for your reference. Archer Western has done work on other projects designed by Plummer and has performed well. We have contacted the surety company and they have no issue with the bid bond. Therefore, we recommend award of the total base bid to Archer Western in the amount of \$11,184,000.00.

If you have any questions concerning this recommendation, please contact me at (720)774-6131. We look forward to the construction phase of this important project for the City.

Sincerely yours,

PLUMMER

Chelsea D. Billingsley
Texas P.E. No. 141191
Project Manager

CDB/cdb

Enclosure: Bid Tabulation

cc: Mr. Jeffrey Caffey, P.E., Plummer
Ms. Cheyenne Footracer, E.I.T., Plummer

C941 - CHANGE ORDER
Change Order No. 1

Owner: City of Pottsboro

Contractor: Archer Western Constructors, LLC

Engineer: Plummer

Project: Pottsboro WWTP Expansion to 0.65 MGD

The Contract is modified as follows upon execution of this Change Order.

Description:

1. Deduction of \$70,000 for utilizing the City's existing drying beds for Orbal grit dewatering.
2. Net deduction of \$30,000 for reducing the amount of aerated sludge storage basin grating and reusing existing handrail and platform.
3. Deduction of \$25,000 for using City-owned parcel 437944 for soil stockpiling.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES
Original Contract Price: \$: <u>11,184,000</u>	Original Contract Times: <u>n/a</u> Substantial Completion: <u>n/a</u> Ready for Final Payment: <u>n/a</u> (calendar days or dates)
Increase / Decrease from previously approved Change Orders No. <u>n/a</u> to No. <u>n/a</u> : \$: <u>0</u>	Increase / Decrease from previously approved Change Orders No. ___ to No. ___ : Substantial Completion: <u>n/a</u> Ready for Final Payment: <u>n/a</u> (calendar days)
Contract Price prior to this Change Order: \$: <u>0</u>	Contract Times prior to this Change Order: Substantial Completion: <u>n/a</u>

	Ready for Final Payment: n/a _____ (calendar days or dates)
Decrease of this Change Order: \$: <u>(125,000)</u>	Increase / Decrease of this Change Order: Substantial Completion: n/a _____ Ready for Final Payment: n/a _____ (calendar days or dates)
Contract Price incorporating this Change Order: \$: <u>11,059,000</u>	Contract Times with all approved Change Orders: Substantial Completion: n/a _____ Ready for Final Payment: n/a _____ (calendar days or dates)

RECOMMENDED:

By: _____
Engineer (Authorized Signature)

Print Name: Chelsea D. Billingsley, P.E.

Title: Project Manager Date: October 11, 2022

ACCEPTED:

By: _____
Owner (Authorized Signature)

Print Name: _____

Title: _____ Date: _____

RECEIVED:

By: _____
Contractor (Authorized Signature)

Print Name: _____

Title: _____ Date: _____

APPROVED:

By: _____
Funding Agency (Authorized Signature)

Print Name: _____

Title: _____ Date: _____



ITEM	Quantity	Unit	Archer-Western		BAR		McKee	
			Unit Cost	Extended Cost	Unit Cost	Extended Cost	Unit Cost	Extended Cost
1	1	LS	\$ 8,407,100.00	\$ 8,407,100.00	\$ 9,047,000.00	\$ 9,047,000.00	\$ 8,557,000.00	\$ 8,557,000.00
2	1	LS	\$ 9,000.00	\$ 9,000.00	\$ 6,500.00	\$ 6,500.00	\$ 1,000.00	\$ 1,000.00
3	1		\$ 17,400.00	\$ 17,400.00	\$ 12,350.00	\$ 12,350.00	\$ 50,000.00	\$ 50,000.00
4	1		\$ 2,409,000.00	\$ 2,409,000.00	\$ 2,482,000.00	\$ 2,482,000.00	\$ 2,900,000.00	\$ 2,900,000.00
5	25	CY	\$ 560.00	\$ 14,000.00	\$ 300.00	\$ 7,500.00	\$ 1,096.00	\$ 27,400.00
6	25	CY	\$ 1,060.00	\$ 26,500.00	\$ 350.00	\$ 8,750.00	\$ 1,092.00	\$ 27,300.00
7	100	SY	\$ 32.00	\$ 3,200.00	\$ 40.00	\$ 4,000.00	\$ 61.00	\$ 6,100.00
Subtotal Amount Bid			\$ 10,886,200.00	\$ 10,886,200.00	\$ 11,568,100.00	\$ 11,568,100.00	\$ 11,568,800.00	\$ 11,568,800.00
I-1	1	LS	\$ 170,000.00	\$ 170,000.00	\$ 70,000.00	\$ 70,000.00	\$ 197,000.00	\$ 197,000.00
EX-1	120	CY	\$ 1,065.00	\$ 127,800.00	\$ 50.00	\$ 6,000.00	\$ 283.00	\$ 33,960.00
Total Base Bid			\$ 11,184,000.00	\$ 11,184,000.00	\$ 11,644,100.00	\$ 11,644,100.00	\$ 11,799,760.00	\$ 11,799,760.00
DEDUCTIONS								
Deduct 1			\$ (318,800.00)	\$ (318,800.00)	\$ (122,000.00)	\$ (122,000.00)	\$ (290,000.00)	\$ (290,000.00)
Deduct 2			\$ -	\$ -	\$ (1,000.00)	\$ (1,000.00)	\$ (40,700.00)	\$ (40,700.00)
Deduct 3			\$ (6,500.00)	\$ (6,500.00)	\$ (9,000.00)	\$ (9,000.00)	\$ (29,700.00)	\$ (29,700.00)
Total Deductions			\$ (325,300.00)	\$ (325,300.00)	\$ (132,000.00)	\$ (132,000.00)	\$ (360,400.00)	\$ (360,400.00)

ATTACHMENT XII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. XII

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF
“GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2022
(COLLIN/GRAYSON WATER TRANSMISSION PROJECT)”, INCLUDING THE ADOPTION OF A
RESOLUTION APPROVING THE ISSUANCE OF SUCH BONDS.**

ISSUE

Consider and act upon bond resolution for Collin/Grayson Municipal Alliance (CGMA).

BACKGROUND

The Authority along with the CGMA Cities, are planning a construction project to expand the delivery capacity of the CGMA water system. The work will focus at the pump station site and consist of the following components, 1) add a 4th pump and motor, VFDs, soft starters, 2) Add 2 additional stages to the three (3) existing pumps, 3) additional ground storage tank, 4) SCADA upgrades, 5) Backup Generator, 6) piping and pressure relief additions, 7) all associated electrical, plumbing and earthwork 8) and appurtenances.

On March 11th, the TWDB met and approved an invitation for the Authority to apply for funding through the TWDB’s State Water Implementation Fund for Texas (“SWIFT”). The Authority has applied for SWIFT funding following Board approval in March 2022. The total amount of funds sought through the SWIFT program are \$7,525,000.

On August 14th, the Board authorized the execution of a Contract of Indemnification for the CGMA Cities.

OPTIONS/ALTERNATIVES

To proceed with the Bond issuance, the Authority/CGMA need to adopt a resolution authorizing the issuance.

The interest rate we received was 3.981% for the \$7,525,000 on a 30-year term.

Kristen Savant, the Authority’s Bond Counsel, will be available at the meeting to assist with any questions the Board may have.

STAFF RECOMMENDATIONS

Staff recommends that the Board of Directors approve the Collin/Grayson Municipal Alliance (CGMA) Bond Resolution.

ATTACHMENTS

Bond Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

Greater Texoma Utility Authority

\$7,525,000 Contract Revenue Bonds, Series 2022

(Collin-Grayson Municipal Alliance)

11/29/22 Closing and Final SWIFT Rates

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/29/2022	-	-	-	-	-
04/01/2023	-	-	95,694.26	95,694.26	-
09/30/2023	-	-	-	-	95,694.26
10/01/2023	160,000.00	2.700%	141,188.25	301,188.25	-
04/01/2024	-	-	139,028.25	139,028.25	-
09/30/2024	-	-	-	-	440,216.50
10/01/2024	165,000.00	2.780%	139,028.25	304,028.25	-
04/01/2025	-	-	136,734.75	136,734.75	-
09/30/2025	-	-	-	-	440,763.00
10/01/2025	170,000.00	2.820%	136,734.75	306,734.75	-
04/01/2026	-	-	134,337.75	134,337.75	-
09/30/2026	-	-	-	-	441,072.50
10/01/2026	175,000.00	2.850%	134,337.75	309,337.75	-
04/01/2027	-	-	131,844.00	131,844.00	-
09/30/2027	-	-	-	-	441,181.75
10/01/2027	175,000.00	2.890%	131,844.00	306,844.00	-
04/01/2028	-	-	129,315.25	129,315.25	-
09/30/2028	-	-	-	-	436,159.25
10/01/2028	180,000.00	2.920%	129,315.25	309,315.25	-
04/01/2029	-	-	126,687.25	126,687.25	-
09/30/2029	-	-	-	-	436,002.50
10/01/2029	185,000.00	2.950%	126,687.25	311,687.25	-
04/01/2030	-	-	123,958.50	123,958.50	-
09/30/2030	-	-	-	-	435,645.75
10/01/2030	190,000.00	3.010%	123,958.50	313,958.50	-
04/01/2031	-	-	121,099.00	121,099.00	-
09/30/2031	-	-	-	-	435,057.50
10/01/2031	195,000.00	3.070%	121,099.00	316,099.00	-
04/01/2032	-	-	118,105.75	118,105.75	-
09/30/2032	-	-	-	-	434,204.75
10/01/2032	200,000.00	3.110%	118,105.75	318,105.75	-
04/01/2033	-	-	114,995.75	114,995.75	-
09/30/2033	-	-	-	-	433,101.50
10/01/2033	205,000.00	3.270%	114,995.75	319,995.75	-
04/01/2034	-	-	111,644.00	111,644.00	-
09/30/2034	-	-	-	-	431,639.75
10/01/2034	210,000.00	3.450%	111,644.00	321,644.00	-
04/01/2035	-	-	108,021.50	108,021.50	-
09/30/2035	-	-	-	-	429,665.50
10/01/2035	215,000.00	3.550%	108,021.50	323,021.50	-

2022 \$7.525mm contract re | SINGLE PURPOSE | 10/11/2022 | 2:14 PM

Greater Texoma Utility Authority

\$7,525,000 Contract Revenue Bonds, Series 2022

(Collin-Grayson Municipal Alliance)

11/29/22 Closing and Final SWIFT Rates

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2036	-	-	104,205.25	104,205.25	-
09/30/2036	-	-	-	-	427,226.75
10/01/2036	220,000.00	3.870%	104,205.25	324,205.25	-
04/01/2037	-	-	99,948.25	99,948.25	-
09/30/2037	-	-	-	-	424,153.50
10/01/2037	230,000.00	3.910%	99,948.25	329,948.25	-
04/01/2038	-	-	95,451.75	95,451.75	-
09/30/2038	-	-	-	-	425,400.00
10/01/2038	240,000.00	3.950%	95,451.75	335,451.75	-
04/01/2039	-	-	90,711.75	90,711.75	-
09/30/2039	-	-	-	-	426,163.50
10/01/2039	245,000.00	4.000%	90,711.75	335,711.75	-
04/01/2040	-	-	85,811.75	85,811.75	-
09/30/2040	-	-	-	-	421,523.50
10/01/2040	255,000.00	4.040%	85,811.75	340,811.75	-
04/01/2041	-	-	80,660.75	80,660.75	-
09/30/2041	-	-	-	-	421,472.50
10/01/2041	265,000.00	4.080%	80,660.75	345,660.75	-
04/01/2042	-	-	75,254.75	75,254.75	-
09/30/2042	-	-	-	-	420,915.50
10/01/2042	275,000.00	4.130%	75,254.75	350,254.75	-
04/01/2043	-	-	69,576.00	69,576.00	-
09/30/2043	-	-	-	-	419,830.75
10/01/2043	285,000.00	4.080%	69,576.00	354,576.00	-
04/01/2044	-	-	63,762.00	63,762.00	-
09/30/2044	-	-	-	-	418,338.00
10/01/2044	295,000.00	4.080%	63,762.00	358,762.00	-
04/01/2045	-	-	57,744.00	57,744.00	-
09/30/2045	-	-	-	-	416,506.00
10/01/2045	305,000.00	4.080%	57,744.00	362,744.00	-
04/01/2046	-	-	51,522.00	51,522.00	-
09/30/2046	-	-	-	-	414,266.00
10/01/2046	315,000.00	4.080%	51,522.00	366,522.00	-
04/01/2047	-	-	45,096.00	45,096.00	-
09/30/2047	-	-	-	-	411,618.00
10/01/2047	330,000.00	4.080%	45,096.00	375,096.00	-
04/01/2048	-	-	38,364.00	38,364.00	-
09/30/2048	-	-	-	-	413,460.00
10/01/2048	340,000.00	4.170%	38,364.00	378,364.00	-
04/01/2049	-	-	31,275.00	31,275.00	-

2022 \$7.525mm contract re | SINGLE PURPOSE | 10/11/2022 | 2:14 PM

Greater Texoma Utility Authority

\$7,525,000 Contract Revenue Bonds, Series 2022

(Collin-Grayson Municipal Alliance)

11/29/22 Closing and Final SWIFT Rates

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2049	-	-	-	-	409,639.00
10/01/2049	355,000.00	4.170%	31,275.00	386,275.00	-
04/01/2050	-	-	23,873.25	23,873.25	-
09/30/2050	-	-	-	-	410,148.25
10/01/2050	370,000.00	4.170%	23,873.25	393,873.25	-
04/01/2051	-	-	16,158.75	16,158.75	-
09/30/2051	-	-	-	-	410,032.00
10/01/2051	380,000.00	4.170%	16,158.75	396,158.75	-
04/01/2052	-	-	8,235.75	8,235.75	-
09/30/2052	-	-	-	-	404,394.50
10/01/2052	395,000.00	4.170%	8,235.75	403,235.75	-
09/30/2053	-	-	-	-	403,235.75
Total	\$7,525,000.00	-	\$5,303,728.01	\$12,828,728.01	-

Yield Statistics

Bond Year Dollars	\$133,197.64
Average Life	17.701 Years
Average Coupon	3.9818484%
DV01	9,206.00
Net Interest Cost (NIC)	3.9818484%
True Interest Cost (TIC)	3.9460866%
Bond Yield for Arbitrage Purposes	3.9460866%
All Inclusive Cost (AIC)	3.9460866%

IRS Form 8038

Net Interest Cost	3.9818484%
Weighted Average Maturity	17.701 Years

ATTACHMENT XIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 13,2022

SUBJECT: AGENDA ITEM NO. XIII

**CONSIDER AND ACT UPON AUTHORIZATION FOR THE GENERAL MANAGER TO ADVERTISE
FOR BIDS FOR COLLIN/GRAYSON MUNICIPAL ALLIANCE (CGMA) BLOOMDALE PUMP
STATION IMPROVEMENTS PROJECT**

ISSUE

Authorization for General Manager to advertise for bids for projects funded by the GTUA/CGMA Bond Series 2022.

BACKGROUND

The previous agenda item discussed funding for the CGMA water projects funded by this bond issue.

OPTIONS/ALTERNATIVES

In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete.

CONSIDERATIONS

Authorizing the General Manager to advertise as soon as plans and specifications are complete will improve the efficiency of the process to complete the project.

STAFF RECOMMENDATIONS

The staff recommends that the Board approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/CGMA Bonds.

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

ATTACHMENT XIV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 13, 2022

SUBJECT: AGENDA ITEM NO. XIV

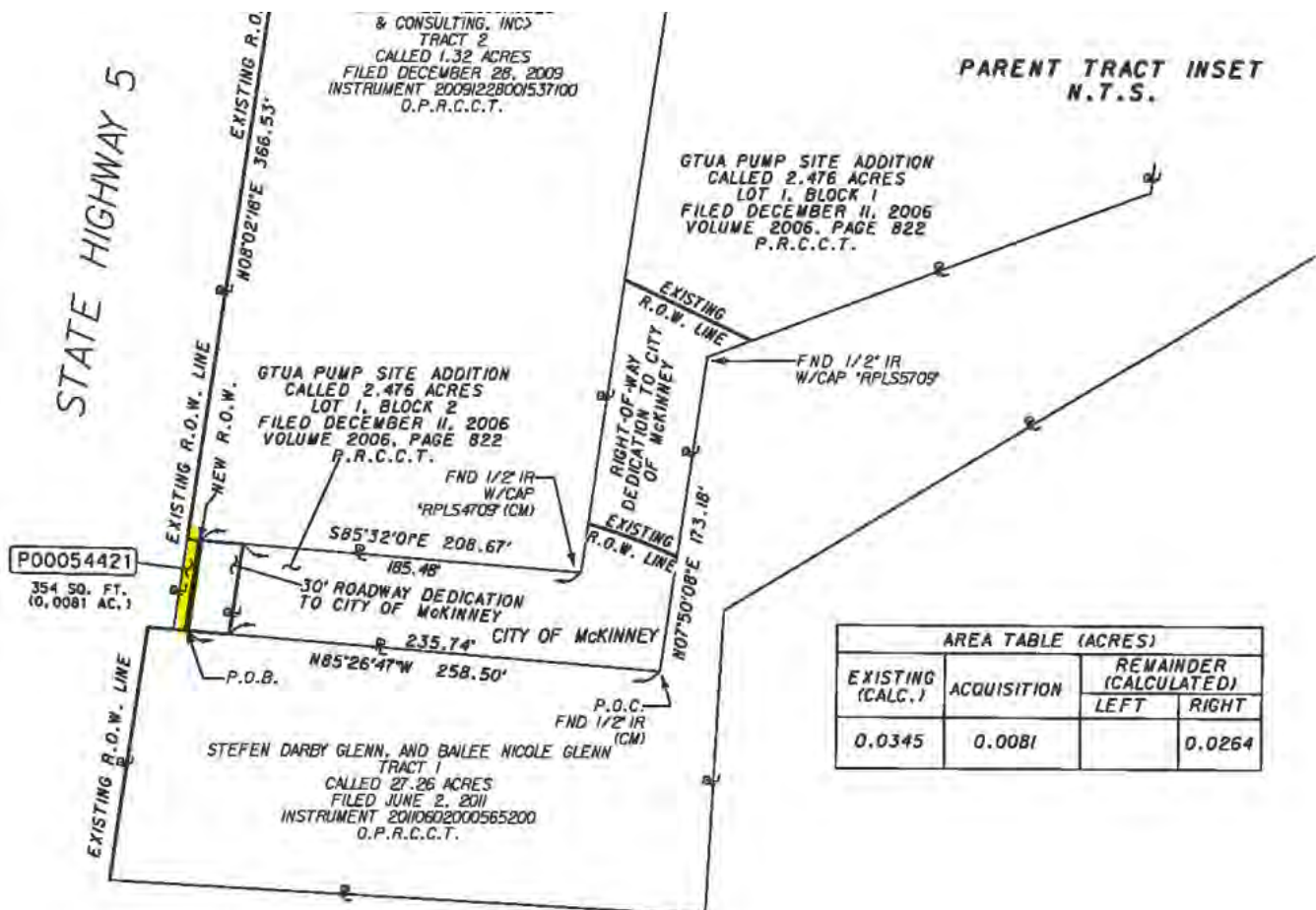
DISCUSSION AND POSSIBLE ACTION ON THE PURCHASE OF CGMA'S RIGHT OF WAY BY THE TEXAS DEPARTMENT OF TRANSPORTATION.

ISSUE

Authorization for General Manager to negotiate a settlement for the purchase of CGMA's right of way by the Texas Department of Transportation (TXDOT).

BACKGROUND

TXDOT approached the Authority about the purchase of a right of way from the property for CGMA pump station located in McKinney, Texas off State Highway 5. TXDOT is purchasing the right of way for the construction of improvements to State Highway 5. TXDOT has offered \$2,501 for the portion of the property. If we sign their proposed possession and use agreement, that would add an additional \$3,000 to the purchase price. The highlighted part of the map below is the portion of the property TXDOT is offering to purchase.





GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

CONSIDERATIONS

The portion of the property TXDOT is purchasing is located at the front of the property and Authority Staff has no issues with TXDOT purchasing the property. The Authority Staff recommends moving the gate located at the entrance to the property back 40 feet to allow large delivery vehicles the space to enter the property before the gate. Authority Staff received a quote to move the gate back for the price of \$6,480.

STAFF RECOMMENDATIONS

The Authority Staff recommend the Board authorize the General Manager to sell the portion of the CGMA property to TXDOT for their proposed price, in addition to being reimbursed for the gate as a part of the sale.

ATTACHMENTS

Quote from Moody Construction

PREPARED AND SUBMITTED BY:

A handwritten signature in black ink, appearing to read "P.M. Sigle", is written over a horizontal line.

Paul M. Sigle, Assistant General Manager

Moody Construction

Jerry Moody

INVOICE

709 Willy Vester Rd.
Van Alstyne, TX 75495
903-804-5251

INVOICE # 3258
DATE 10/5/2022

TO
Steve White
North Texas Municipal Water Supply District

FOR
Removal and replacement
of two (2) approx. 16ft gates

Description	Amount
Removal of old gates. Material and labor to replace two (2) approx. 16ft gates. All bracing and locking mechanism engaged to be manufactured from 11-gauge 2X6 square tubing with ball bearing hinges that can be greased. All material to be painted the color choice of the owner. Gates to be built to national code.	\$6,480.00

THANK YOU FOR YOUR BUSINESS!

ATTACHMENT XV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. XV

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

ISSUE

Consider and act upon a bond resolution with the City of Gainesville.

BACKGROUND

The City of Gainesville requested the Authority’s assistance with obtaining funding from the Texas Water Development Board (“TWDB”) for a water system improvements project. The project they are seeking funding for would consist of the replacement of a 14” water transmission main to alleviate water loss. This water main is 80+ years old and the City estimates that the line has lost 30-million gallons of water over the past 5-years.

On March 11th, the TWDB met and approved an invitation for the Authority to apply for funding through the TWDB’s State Water Implementation Fund for Texas (“SWIFT”). The Authority has applied for SWIFT funding following Board approval in March 2022. The total amount of funds sought through the SWIFT program are \$2,705,000.

On August 14th, the Board authorized the execution of a Contract of Indemnification for the City of Gainesville.

CONSIDERATIONS

To proceed with the Bond issuance, the Authority and the City of Gainesville need to adopt a resolution authorizing the issuance. The Gainesville City Council is set to consider this at their October 18, 2022 meeting.

The interest rate we received was 3.226% for the \$2,705,000 on a 20-year term.

Kristen Savant, the Authority’s Bond Counsel, will be available at the meeting to assist with any questions the Board may have.

STAFF RECOMMENDATIONS

Staff recommends that the Board of Directors approve the City of Gainesville Bond Resolution.

ATTACHMENTS

Bond Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

Greater Texoma Utility Authority

\$2,705,000 Contract Revenue Bonds, Series 2022

(City of Gainesville Project)

11/15/22 Closing and Final SWIFT Rates

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/15/2022	-	-	-	-	-
04/01/2023	-	-	30,677.82	30,677.82	-
09/30/2023	-	-	-	-	30,677.82
10/01/2023	110,000.00	2.360%	40,603.00	150,603.00	-
04/01/2024	-	-	39,305.00	39,305.00	-
09/30/2024	-	-	-	-	189,908.00
10/01/2024	110,000.00	2.430%	39,305.00	149,305.00	-
04/01/2025	-	-	37,968.50	37,968.50	-
09/30/2025	-	-	-	-	187,273.50
10/01/2025	115,000.00	2.460%	37,968.50	152,968.50	-
04/01/2026	-	-	36,554.00	36,554.00	-
09/30/2026	-	-	-	-	189,522.50
10/01/2026	115,000.00	2.490%	36,554.00	151,554.00	-
04/01/2027	-	-	35,122.25	35,122.25	-
09/30/2027	-	-	-	-	186,676.25
10/01/2027	120,000.00	2.520%	35,122.25	155,122.25	-
04/01/2028	-	-	33,610.25	33,610.25	-
09/30/2028	-	-	-	-	188,732.50
10/01/2028	120,000.00	2.550%	33,610.25	153,610.25	-
04/01/2029	-	-	32,080.25	32,080.25	-
09/30/2029	-	-	-	-	185,690.50
10/01/2029	120,000.00	2.580%	32,080.25	152,080.25	-
04/01/2030	-	-	30,532.25	30,532.25	-
09/30/2030	-	-	-	-	182,612.50
10/01/2030	125,000.00	2.630%	30,532.25	155,532.25	-
04/01/2031	-	-	28,888.50	28,888.50	-
09/30/2031	-	-	-	-	184,420.75
10/01/2031	125,000.00	2.680%	28,888.50	153,888.50	-
04/01/2032	-	-	27,213.50	27,213.50	-
09/30/2032	-	-	-	-	181,102.00
10/01/2032	130,000.00	2.720%	27,213.50	157,213.50	-
04/01/2033	-	-	25,445.50	25,445.50	-
09/30/2033	-	-	-	-	182,659.00
10/01/2033	135,000.00	2.860%	25,445.50	160,445.50	-
04/01/2034	-	-	23,515.00	23,515.00	-
09/30/2034	-	-	-	-	183,960.50
10/01/2034	135,000.00	3.010%	23,515.00	158,515.00	-
04/01/2035	-	-	21,483.25	21,483.25	-
09/30/2035	-	-	-	-	179,998.25
10/01/2035	140,000.00	3.100%	21,483.25	161,483.25	-

2022 \$2.705MM SWIFT (10/1 | SINGLE PURPOSE | 10/11/2022 | 2:52 PM

Greater Texoma Utility Authority

\$2,705,000 Contract Revenue Bonds, Series 2022

(City of Gainesville Project)

11/15/22 Closing and Final SWIFT Rates

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2036	-	-	19,313.25	19,313.25	-
09/30/2036	-	-	-	-	180,796.50
10/01/2036	145,000.00	3.380%	19,313.25	164,313.25	-
04/01/2037	-	-	16,862.75	16,862.75	-
09/30/2037	-	-	-	-	181,176.00
10/01/2037	150,000.00	3.420%	16,862.75	166,862.75	-
04/01/2038	-	-	14,297.75	14,297.75	-
09/30/2038	-	-	-	-	181,160.50
10/01/2038	155,000.00	3.450%	14,297.75	169,297.75	-
04/01/2039	-	-	11,624.00	11,624.00	-
09/30/2039	-	-	-	-	180,921.75
10/01/2039	155,000.00	3.490%	11,624.00	166,624.00	-
04/01/2040	-	-	8,919.25	8,919.25	-
09/30/2040	-	-	-	-	175,543.25
10/01/2040	160,000.00	3.530%	8,919.25	168,919.25	-
04/01/2041	-	-	6,095.25	6,095.25	-
09/30/2041	-	-	-	-	175,014.50
10/01/2041	165,000.00	3.570%	6,095.25	171,095.25	-
04/01/2042	-	-	3,150.00	3,150.00	-
09/30/2042	-	-	-	-	174,245.25
10/01/2042	175,000.00	3.600%	3,150.00	178,150.00	-
09/30/2043	-	-	-	-	178,150.00
Total	\$2,705,000.00	-	\$975,241.82	\$3,680,241.82	-

Yield Statistics

Bond Year Dollars	\$30,224.39
Average Life	11.174 Years
Average Coupon	3.2266718%
DV01	2,475.80
Net Interest Cost (NIC)	3.2266718%
True Interest Cost (TIC)	3.2005811%
Bond Yield for Arbitrage Purposes	3.2005811%
All Inclusive Cost (AIC)	3.2005811%

IRS Form 8038

Net Interest Cost	3.2266718%
Weighted Average Maturity	11.174 Years

2022 \$2.705MM SWIFT (10/1 | SINGLE PURPOSE | 10/11/2022 | 2:52 PM

ATTACHMENT XVI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 13,2022

SUBJECT: AGENDA ITEM NO. XVI

**CONSIDER AND ACT UPON AUTHORIZATION FOR THE GENERAL MANAGER TO ADVERTISE
FOR BIDS FOR CITY OF GAINESVILLE FOUNDRY ROAD 16" WATER LINE PROJECT**

ISSUE

Authorization for General Manager to advertise for bids for projects funded by the GTUA/City of Gainesville Bond Series 2022.

BACKGROUND

The previous agenda item discussed funding for the City of Gainesville water projects funded by this bond issue.

OPTIONS/ALTERNATIVES

In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete.

CONSIDERATIONS

Authorizing the General Manager to advertise as soon as plans and specifications are complete will improve the efficiency of the process to complete the project.

STAFF RECOMMENDATIONS

The staff recommends that the Board approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/City of Gainesville Bonds.

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

ATTACHMENT XVII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. XVII

**CONSIDER AND ACT UPON ADMINISTRATIVE SERVICE CONTRACT WITH THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT FOR 2023**

ISSUE

Administrative Services contract with the Red River Groundwater Conservation District (“RRGCD”) for 2023.

BACKGROUND

The RRGCD will consider the renewal of the Administrative Services contract with Greater Texoma Utility Authority at their October 20, 2022, meeting. The Authority has provided administrative services to the RRGCD since 2010. The current contract expires on December 31, 2022.

CONSIDERATIONS

The administrative services provided to the RRGCD are paid by the RRGCD and have been a great help in offsetting the administrative costs of the Authority. This agreement provides a significantly more cost-effective mechanism for operating the RRGCD than procuring an office and hiring full-time staff. The costs for these services have been budgeted in the RRGCD’s 2023 budget.

STAFF RECOMMENDATIONS

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

ATTACHMENTS

2023 Administrative Services Contract

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

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

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

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

WITNESSETH:

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

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

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

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

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

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

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President’s direction does not conflict with any District, State or Federal Laws, or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached Scope of Services. Administrative services shall include, but not be limited to recording and communication services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the “General Manager” as set forth in the District’s Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District’s Rules.

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

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

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

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

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

prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

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

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

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

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

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

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

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

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

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

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

BY: _____
President

DATE: _____

DATE: _____

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary-Treasurer

Exhibit "A"

Scope of Services

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

Approach to Provision of Services

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

Estimated Cost of Services

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

- The salary and employer personnel costs (social security, worker's compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$105,000 for administration and accounting, \$95,000 for the field technicians, and \$35,000 for field permitting specialist without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates:
 - General Manager – \$86 per hour
 - Project Coordinator - \$54 per hour
 - Administrative Assistant - \$33 per hour
 - Finance Officer - \$83 per hour
 - Accountant- \$32 per hour
 - Office Clerk - \$32 per hour
 - Field Technician - \$50 per hour
 - Field Technician (2) - \$43 per hour
 - Groundwater Technical Lead - \$47 per hour
 - Operation Supervisor - \$52 per hour
 - Data Administrator - \$50

ATTACHMENT XVIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: OCTOBER 13, 2022

SUBJECT: AGENDA ITEM NO. XVIII

CONSIDER AND ACT UPON A RESOLUTION OF APPRECIATION FOR DREW SATTERWHITE.

ISSUE

Resolution of appreciation for Drew Satterwhite and presentation of gift of appreciation to former General Manager

BACKGROUND

Drew Satterwhite became General Manager of GTUA upon the retirement of former General Manager Jerry Chapman in September 2013. In his 9 years as General Manager, Mr. Satterwhite has been an asset to the Authority Board and staff.

STAFF RECOMMENDATIONS

The staff recommends the adoption of a resolution of appreciation for Mr. Satterwhite and present him with a gift of appreciation.

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

RESOLUTION NO. _____

GREATER TEXOMA UTILITY AUTHORITY

A RESOLUTION BY THE GREATER TEXOMA UTILITY AUTHORITY RECOGNIZING

Drew Satterwhite

WHEREAS, the Greater Texoma Utility Authority wishes to recognize

Drew Satterwhite

for contributing toward furthering economic development of this area and for helping to promote effective planning and utilization of water and other resources by faithfully participating in the activities of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER TEXOMA UTILITY AUTHORITY THAT: the Authority conveys its sincere appreciation and gratitude to

Drew Satterwhite

for leadership provided to the Authority and its member cities.

On motion of _____, seconded by _____, the foregoing Resolution was passed and approved on this the _____ day of _____, 2022, by the following vote:

AYE:

NAY:

ABSTAIN:

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

President

ATTEST:

Secretary-Treasurer

ATTACHMENT XIX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 12, 2022

SUBJECT: AGENDA ITEM NO. XIX

REVIEW AND ACT UPON APPROVAL OF THE INVESTMENT POLICY

ISSUE

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

BACKGROUND

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

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

CONSIDERATIONS

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

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

STAFF RECOMMENDATIONS

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

ATTACHMENTS

Investment Policy

PREPARED AND SUBMITTED BY:

Paul M. Sigle, Assistant General Manager

RECOMMENDED BY:

Debi Atkins, Finance Officer

GREATER TEXOMA UTILITY AUTHORITY

POLICY RESOLUTION #20.07

**FISCAL MANAGEMENT
AND INVESTMENT**

Adopted: October 17, 2022

INVESTMENT POLICY

I. PURPOSE

A. Formal Adoption

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

B. Scope

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

C. Review and Amendment

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

D. Investment Strategy

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

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

changes in general interest rates

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

II. INVESTMENT POLICIES

A. Eligible Investments

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

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

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

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

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

B. Protection of Principal

The Authority shall seek to control the credit risk due to the failure of a security issuer or grantor.

Such risk shall be controlled by investing only in the types of securities as defined in the policy; by qualifying the broker, dealer, and financial institution with whom the Authority will transact; by collateralization as required by law; and through portfolio diversification by maturity and type.

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

1. Portfolio Diversification

The investment portfolio shall be diversified by:

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

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

2. Diversification by Investment Maturity

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

a. Current Operating Funds

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

b. Bond Proceeds

The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary

period," as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

c. Debt Service Funds

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

d. Bond Reserve Funds

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

e. Operating Reserve Funds

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

3. Ensuring Liquidity

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

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

4. Collateralization

Consistent with the requirements of state law, the Authority requires all bank, savings and loan association, and credit union deposits to be federally insured, or collateralized with eligible securities or Letters of Credit issued by a Federal Agency or Instrumentality. Financial institutions serving as Authority depositories will be required to sign a depository agreement with the Authority. The Agreement shall define the Authority's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with federal and state regulations, including:

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

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

a. Collateral Levels

(1) Financial Institution Deposits

The market value of this principal portion of marketable security collateral pledged for financial institution deposits must at all times be equal to or greater than 102% of the deposit amount plus accrued interest on the deposit, less the applicable level of FDIC or NCUSIF insurance. The minimum level of Letters of Credit shall be 100% of principal plus anticipated accrued interest, less the applicable level of FDIC or NCUSIF insurance.

(2) Repurchase Agreements

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

Agreement Maturities Greater Than One Business Day

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

Agreement Maturities of One Business Day

- All securities.....100%

b. Monitoring Collateral Adequacy

(1) Financial Institution Deposits

The Authority shall require monthly reports with market values of pledged securities from all financial institutions with which the Authority has deposits. The investment officers will monitor adequacy of collateralization

levels to verify market values and total collateral positions.

(2) Repurchase Agreement

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

c. Additional Collateral and Securities

(1) Financial Institution Deposits

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

(2) Repurchase Agreements

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

d. Collateral Release or Substitution

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

5. Safekeeping and Custody

a. Safekeeping/Custodial Agreement

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

b. Pledged Collateral Custodian

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

c. Safekeeping of Repurchase Agreement Securities

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

C. Investment Broker/Dealers

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

1. Authorized Broker/Dealers

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

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

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

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

D. Responsibility and Controls

1. Administration

The administrative staff and the Board of Directors shall develop the policies for the Authority's investment portfolios. The guidelines and procedures established by this policy will at all times be adhered to by the Authority.

2. Authority to Invest

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

The Authority's Board of Directors designates the General Manager and Finance

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

b. The investment officers shall have the authority to:

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

- c.** The investment officers shall attend training, as required by Water Code 49.1571, relating to the investment officers' responsibilities within 12 months after taking office or assuming responsibilities. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. The investment officers shall continue to participate in educational opportunities as needed to maintain their quality and capabilities for performing their duties.

The investment training session shall be provided by an independent source approved by the Board. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business

organization with whom the Entity may engage in an investment transaction.

3. Prudent Investment Management

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

4. Standard of Care

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

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

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

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

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

- (1) The investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) Whether the investment decision was consistent with the written investment policy of the entity.

5. Standard of Ethics

The designated investment officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officers shall

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

6. Establishment of Internal Controls

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

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

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

7. Reporting

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

- a. Include a listing of individual securities held at the end of the reporting period,
- b. State the reporting period beginning market value, additions or changes to the market value during the period, and ending market value for the period of each pooled fund

group,

- c. State the reporting period beginning market value and ending market value for each investment security by asset type and fund type,
- d. State the maturity date of each investment security,
- e. State the fund for which each investment security was purchased,
- f. Include an average weighted yield to maturity of portfolio (the selected portfolio performance measurement) as compared to applicable benchmark,
- g. State the fully accrued interest for the reporting period,
- h. State the percentage of the total portfolio that each type of investment represents, and
- i. State the compliance of the investment portfolio with the Authority's investment policy and strategy of the Public Funds Investment Act.

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

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

8. Investment Policy Certification

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

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

Appendix A
Approved Investment Training Sources

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

Appendix B
Authorized Broker/Dealers

BOKF Financial
FHN Financial
Multi-Bank Securities
SAMCO Capital Markets
[Wells Fargo Securities](#)

ADJOURN