



**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
FEBRUARY 20, 2023**

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

**NOTICE OF PUBLIC MEETING
OF THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
Monday, February 20, 2023, 12:00 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 20th day of February, 2023, at 12:00 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered and acted upon, including the expenditure of funds:

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Administer Oath of Office
- IV. Consent Agenda
 - * Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- V. * Consider and act upon approval of Minutes January 16, 2023, Meeting.
- VI. * Consider and act upon approval of accrued liabilities for January 2023.
- VII. Citizens to be Heard.
- VIII. Receive Quarterly Investment Report
- IX. Presentation of GFOA Certificate of Achievement.
- X. Receive an update from Pape-Dawson Engineers, Inc. for City of Sherman Major Infrastructure Improvements Projects.
- XI. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman Project)”, including the adoption of a resolution authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the Authority.
- XII. Consider and act upon Change Order No. 2 and Change Order No. 3 to the contract with Lynn Vessels Construction, LLC for the City of Sherman Northwest Sewer and Force Main Project.
- XIII. Consider all matters incident and related to approving and authorizing the execution and delivery of an Amended and Restated Water and Sewer Facilities Contract with the City of Gunter, Texas, including the adoption of a resolution pertaining thereto.

- XIV. Consider all matters incident and related to approving and authorizing the execution and delivery of an Amended and Restated Contract for Water Supply Services with the City of Gunter, Texas, including the adoption of a resolution pertaining thereto.
- XV. Consider all matters incident and related to approving and authorizing the assignment of an Amended and Restated Water and Sewer Facilities Contract by and between the Authority and the City of Gunter, Texas to the Mustang Special Utility District, including the adoption of a resolution pertaining thereto.
- XVI. Consider all matters incident and related to approving and authorizing the assignment of an Amended and Restated Contract for Water Supply Services” by and between the Authority and the City of Gunter, Texas to the Mustang Special Utility District, including the adoption of a resolution pertaining thereto.
- XVII. Consider all matters incident and related to amending the resolution authorizing the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Gunter Project)” including the adoption of a resolution pertaining thereto.
- XVIII. Consider all matters incident and related to amending the resolution authorizing the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)” including the adoption of a resolution pertaining thereto.
- XIX. Consider all matters incident and related to amending the resolution authorizing the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)” including the adoption of a resolution pertaining thereto.
- XX. Discussion and possible action on Collin-Grayson Municipal Alliance Water System.
- XXI. Discussion and possible action on the Board Policy Manual.
- XXII. Receive General Manager’s Report: The General Manager will update the Board on operational and other activities of the Authority.
- XXIII. 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.

AGENDA ITEM V

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

MONDAY, JANUARY 16, 2023

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

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

Members Absent: Robert Hallberg, and Donald Johnson

Staff: Paul Sigle, Tasha Hamilton, Nichole Sims Murphy, Lisa Cranfill, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel:

Visitors: Todd Pruitt, auditor, Pattillo, Brown, Hill, LLP

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:00 p.m.

II. Pledge of Allegiance

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

III. Administer Oath of Office.

Velma Starks, Notary, administered Oath of Office to reappointed Board Member, Brad Morgan.

IV. Consider and act upon Officers for 2023 Calendar Year.

Board President Brad Morgan asked the Board if they would consider keeping the same officers. Board Member Ken Brawley made the motion to keep the same officers, Brad Morgan as President, Donald Johnston as Vice President and Scott Blackerby as Secretary. Board Member Matt Brown seconded the motion. Motion passed unanimously.

V. Consent Agenda

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

VI. * Consider and act upon approval of Minutes of December 19, 2022, Meetings.

VII. * Consider and act upon approval of accrued liabilities for December 2022.

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

VIII. Citizens to be Heard.

No citizens to be heard.

IX.. Consider and act upon Audited Financial Statements for Fiscal year Ending September 30, 2022.

Todd Pruitt, auditor with Pattillo, Brown & Hill, LLP, reviewed the audit with the Board. Board Member Ken Brawley made the motion to accept the audit as presented. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

X. Consider and act upon a resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith (White Shed Water Supply Corporation Water Improvements Project).

General Manager Paul Sigle provided background information for the Board. White Shed WSC is requesting assistance in obtaining funding for a new well and elevated storage tank project for their water system. Board Member Scott Blackerby made the motion authorizing the filing of an application for assistance in the amount not to exceed \$3,520,000. Board Member Matt Brown seconded the motion. Motion passed unanimously.

XI. Consider and act upon a resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith (Gober Municipal Utility District Electrical Improvements Project).

General Manager Paul Sigle provided background information for the Board. Gober MUD is requesting assistance in obtaining funding for the Electrical Improvements Project. Board Member Stanley Thomas made the motion to authorize the submission of an application to the TWDB for funds to be used by the Authority for the Gober MUD Electrical Improvements Project in the amount not to exceed \$520,000. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XII. Discussion and possible action on the Board Policy Manual.

Board Member Matt Brown made the motion to table Item XII. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

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

General Manager Paul Sigle provided report to the Board

- Meeting tomorrow with City of Anna regarding CGMA easement issue.
- City of Sherman CMAR project was discussed.
- Pape Dawson to provide update at next meeting.
- GTUA assistance in obtaining funding for water projects for Mustang SUD and Arledge Ridge WSC.

XIV. Adjourn.

Board Member Ken Brawley made the motion to adjourn. Board Member Matt Brown seconded the motion. Board President Brad Morgan declared the meeting adjourned at 12:34 p.m.

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Recording Secretary

Secretary-Treasurer

AGENDA ITEM VI

RESOLUTION NO. _____

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Audit</u>			
Pattillo, Brown, & Hill (Interim billing for FY 2022 annual audit as of 12/1/22)	39,000.00		
<u>Dues and Subscriptions</u>			
Red River Valley Association (Annual Dues for 2023)	250.00		
Texas Rural Water Association (2023 renewal membership dues)	1,225.00		
Texas Water Utilities Association (2023 membership renewal)	80.00		
<u>Fuel and Reimbursements for Mileage</u>			
Nichole Sims-Murphy (Reimbursement for mileage)	203.72		
Tasha Hamilton (Reimbursement for mileage)	2.25		
Velma Starks (Reimbursement for mileage)	12.11		
Valero Fleet Plus (Fuel - operations vehicles)	1,140.36		
<u>Insurance</u>			
TWCA Risk Management (Workers' compensation insurance)	378.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,456.72		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting)	698.75		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	405.54		
<u>Meetings and Conferences</u>			
Nichole Sims-Murphy (Reimbursement for Water for Texas Conference)	8.82		
Feast on This (BOD Lunches)	265.00		
<u>Miscellaneous</u>			
Velma Starks (Munson - mileage to bank)	3.88		
<u>Postage</u>			
United States Postal Service (Meter Refill)	500.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (replaced CPU fan for Acct 2 (TH) computer. Includes pick up.)	72.45		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Earl Owen Auto (Lomax folding hard cover, for Ranger and bed mat)	1,172.00		
Lowes (LED Light kits to convert office lights)	113.11		
Whistlestop Car Spa - (2012 light bulbs)	19.99		
<u>Supplies</u>			
Awards Unlimited (General Office Supplies, signature stamps)	79.90		
Bank of Texas Visa (General Office Supplies, Adobe Acrobat)	13.91		
Hillery Printing (#10 Window Envelopes for GTUA, Business cards for Nichole Murphy, Bus. Cards PS)	283.15		
Office Depot (General Office Supplies & Field Supplies)	189.63		
<u>Utilities</u>			
Nichole Sims-Murphy (Reimbursement for cell phone expenses)	25.00		
Steve White (Reimbursement for cell phone expenses)	25.00		
AT&T Mobility (Cell Phones)	72.17		
City of Denison (Water)	220.08		
City of Sherman (Trash services)	85.00		
Zully Inc.(phone lines - local & long distance for Nov, Dec, & Jan)	564.36		
ATMOS Energy (Gas)	501.08		
TOTAL:	\$ 50,651.98	\$ 27,451.77	\$ 9,601.99

CURRENT PRIOR MONTH PRIOR YEAR

SOLID WASTE:			
<u>Utilities</u>			
Grayson-Collin Electric (Nov & Dec)		131.51	
TOTAL:	\$	131.51	\$ 331.67 \$ 5,633.52

WASTEWATER:			
<u>Construction Contracts</u>			
Red River Construction (Sherman 2020 - Post Oak WWTP Aeration Basin & other secondary treatment improvements Pay App #19)		383,748.83	
<u>Engineering Fees</u>			
Antero Group (Bells 2022 - Wastewater Engineering 02-50-50515 final payment for invoice)		12,693.67	
Antero Group (Bells 2022 - Wastewater Engineering 90% plans & specs complete)		5,803.75	
Antero Group (Bells 2022 - Wastewater Engineering, WWTP 90% plan development & reveiw complete)		14,617.75	
Antero Group (Bells 22 - Wastewater Engin. EFR, Agency coordination, Plan review w/ Plummer completed for period 12/9/22)		756.25	
Antero Group (Bells 2022 - Wastewater Engin. plan development, cost estimating client comm. 90% complete as of 1/11/23)		19,320.24	
D&S Engineering (Sherman 2021 - Sewer replacement proj. HWY 75 Sewer Main & Evergreen services through Oct 2022)		277.75	
D&S Engineering (Sherman 2021 - Sept 2022 Engineering services for the Northwest Sewer & Lift Station)		4,085.13	
Freese & Nichols (Sherman 2021 - Wastewater Master Plan services through Nov. 2022. Basic services 93.73% complete)		33,479.25	
Freeman - Millican (Sherman 2021 - Lab bldg & remodel. 100% Prelim. Design engineering report lump sum 9/9/22)		5,040.00	
Huitt-Zollars (Sherman 2021 - Post Oak Sanitary Sewer Improv. services through 10/29/22)		25,075.00	
Huitt-Zollars (Sherman 2021- Post Oak Sanitary sewer Improvements for the period ending 12/31/22)		34,470.00	
Mead & Hunt (Sherman 2017 - Post Oak WWTP Aeration & Secondary Treatment services through Dec 2022)		1,989.38	
Mead & Hunt (Sherman 2020 - Post Oak Equalization Basin Improvements. Const. Phase 24% Complete)		2,013.24	
Plummer (Sherman 2022 - WW Treatment & Water reuse Master Plan 33% complete)		87,300.47	
Plummer (Sherman 2022 - Water Treatment Plant Brine Discharge WTP Study & Permitting 100% complete)		2,750.00	
Plummer (Sherman 22 - WWTP Electrical Switchgear design)		122,779.89	
<u>Legal</u>			
Wynne & Smith (Pottsboro 22 - Reviewed contracts, insurance, bonding requirements for Archer Western)		375.00	
<u>Miscellaneous</u>			
BLX Group (Pottsboro 2019 - Interim arbitrage rebate report for the period ending 9/30/22)		1,000.00	
BLX Group (Sherman 2020 - Interim arbitrage rebate report for period ending 9/30/22 bond series 2020)		1,000.00	
BLX Group (Sherman 21 - Contract revenue refunding bonds. Series 2021, interim arbitrage rebate report for the period ending 9/30/22)		1,000.00	
BLX Group (Sherman 2015 - Interim arbitrage rebate report for period ending 9/30/22 bond series 2020)		400.00	
US Treasury (Sherman 2015A - Arbitrage due)		1,026.42	
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Gunter 18 - GTUAGUNTER18 2/15/23)		300.00	
Bank of Texas Trust (Krum 2012 - GTUACOKCRB12 2/15/23)		300.00	
Bank of Texas Trust (Krum 2014 - GTUACRBS2014 2/15/23)		300.00	
Bank of Texas Trust (Whitewright 2015 - GTUAWHITE15 10/1/22)		300.00	
TOTAL:	\$	762,202.02	\$ 273,414.42 \$ 497,269.30

WATER:			
<u>Advertising</u>			
Bank of Texas Visa (Gainesville Daily / Hearlad Ban Classify - Public add to bid on meter installation)		559.03	
<u>Construction Costs</u>			
Belt Construction (Princeton 2022 - Water MainCIP projects 6,8 & 17. Pay App #3)		689,249.45	
Crescent (Bear Creek 2019 - Pump Station #2 improvements 99.13% complete Pay App #18)		86,326.51	
Crescent (Bear Creek 2019 - Pump Station #2 improvements 99.67% complete Pay App #19)		34,113.03	
Landmark (Princeton 2022 - 2.5 MG Elevated Storage Tank. Pay App #8)		436,344.50	
NTMWD (Sherman 2022 - LK Texoma Pump Station 2019 electric improv. Reimb 20% of Regional Wtr Sys. Capital Improv Fund)		9,520.00	
Underwood (Whitewright 2019 - Waterline Improvement project. Pay App #7 with change order 1 & 2)		54,421.38	
<u>Engineering Fees</u>			
City of Princeton (Princeton 2022 - 2 MG S. elevated storage tank professional services through 11/12/22)		285.00	
City of Princeton (Princeton 2022 - 2 MG S. elevated storage tank, earth work and professional services through 11/12/22)		1,623.75	
City of Princeton (Princeton 2022 - South Ext Water Main Project services through 12/17/22)		3,743.75	
Freese & Nichols (Sherman 2022 - Shepherd 2.0 MG elevated Storage Tank for services through 8/31/2022)		16,715.15	
Freese & Nichols (Sherman 2022 - LK Texoma Pump Station Expansion. Basic Services 89.02% complete)		68,685.78	
Freese & Nichols (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 12/30/22)		187,223.66	
Freese & Nichols (Sherman 2022 - Shepherd 2.0 MG elevated Storage tank 92.12% study & 31.02% enviro Serv. Complete)		1,718.44	
Garver (Sherman 2022 - WTP Expansion engineering services through 12/30/22. Project # 21W05325)		58,259.25	
Pape-Dawson (Sherman 2022 - Program Mgmt Ser. for Major Infrastructure Impr. for Nov. 2022)		324,629.89	
Pape-Dawson (Sherman 2022 - Program Mgmt Ser. for Major Infrastructure Impr. for Dec 2022)		322,006.20	
Parkhill (Sherman 2021- Sherman emergency power generation for Sept 2022 engineering services)		2,436.14	
<u>Groundwater</u>			
AT & T Mobility (NTGCD - W. Parkman - cell phone)		65.16	
Bank of Texas Visa (NTGCD - BOD Chick-Fil-A, Desk Riser and headset for SP, GoDaddy domain renewal, Ad for DFCs)		614.99	
Bank of Texas Visa (RRGCD - Bay At the Lake, Desk riser and Headset for SP)		254.65	

	CURRENT	PRIOR MONTH	PRIOR YEAR
Kenneth Elliott (NTGCD - cell phone reimbursement, parts & materials for well monitoring)	90.86		
Kenneth Elliott (RRGCD - cell phone reimbursement)	12.50		
Nichole Sims-Murphy (NTGCD - Water for Texas Conference)	120.18		
Nichole Sims-Murphy (RRGCD - Water for Texas Conference)	120.18		
Tasha Hamilton (NTGCD - mileage reimbursement)	2.26		
Tasha Hamilton (RRGCD - mileage reimbursement)	2.25		
Valero Fleet Plus (NTGCD - Fuel)	209.29		
Valero Fleet Plus (RRGCD - Fuel)	53.01		
Velma Starks (NTGCD - mileage reimbursement)	17.83		
Velma Starks (RRGCD - mileage reimbursement)	8.03		
Zully, Inc. (NTGCD - 800 line, local & long distance)	646.50		
Zully, Inc. (RRGCD - 800 line, local & long distance)	646.50		
<u>Legal</u>			
Wynne & Smith (Sherman 2022 - SoutSouth Ext Water Main Project services through 12/17/22)	375.00		
Wynne & Smith (CGMA - City of Anna development Corp - Easement review of easement, plats and other documents)	450.00		
Lloyd Gosselink (Lake Texoma WIF 10 - Contract issues and GTUA water supply contract regarding the same. Billing through 11/30/22)	275.00		
<u>Miscellaneous</u>			
BLX Group (Dorchester WTR - 2002 revenue bonds investment review for period ending 5/24/2022)	250.00		
BLX Group (Kaufman 2019 - interim arbitrage reports for period ending 9/30/22)	500.00		
BLX Group (Lake Kiowa 2021 - bond series 2021 interim arbitrage rebate report for period 9/30/22)	1,000.00		
BLX Group (Pottsboro 2007 - Investment review for period ending 6/14/22)	250.00		
BLX Group (Sherman 2015 - Interim arbitrage rebate report for period ending 9/30/22)	1,000.00		
BLX Group (Sherman 2017 - Interim arbitrage rebate report for period ending 1/25/22)	1,000.00		
BLX Group (SH 2015 - interim Arbitrage rebate report for period ending 8/26/2022)	300.00		
FAO, USACE Tulsa Dist. (Sherman 2021 - LK Texoma water stoarge fee agreement DACW56-05-WS0007 principal & Insterest)	194,892.13		
US Treasury (Sherman 2015 - Arbrage due)	10,498.34		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Bear Creek 2019 - GTUABEARCR19 2/15/23)	300.00		
Bank of Texas Trust (Bolivar - GRETEUTIL042 10/1/2022)	325.00		
Bank of Texas Trust (Ector 2013 - GRTEXOMA 2013 10/1/22)	225.00		
Bank of Texas Trust (Gunter 2018 - GTUAGUNT18A 2/15/23)	300.00		
Bank of Texas Trust (Kaufman 2020 - GTUAKAUF2020 2/15/23)	300.00		
Bank of Texas (Krum 2017 - GTUAKRUM17 2/15/23)	300.00		
Bank of Texas Trust (LK Kiowa 2014 - GTUALKIOWA14 2/15/23)	300.00		
Bank of Texas Trust (LK Kiowa 2017 - GTUALKIOWA17 2/15/23)	300.00		
Bank of Texas Trust (LK Kiowa 2021 - GTUAKIOWA21 2/15/23)	300.00		
Bank of Texas Trust (Tom Bean 2015 - GTUATEBEAN15 1/1/23)	300.00		
Bank of Texas Trust (Tom Bean 2017 - GTUATEBEAN15 1/1/23)	300.00		
Bank of Texas Trust (Whitewrite 2004 - GRETEUTIL043 10/1/22)	125.00		
Bank of Texas Trust (Whitewrite 2019 - GTUAWHITE19A & GTUAWHITE19B 10/1/22)	600.00		
<u>CGMA Equipment</u>			
Stewart & Stevenson (CGMA - Bloomdale emergency generator lease for the period of 12/5/22-1/1/23)	6,489.00		
<u>CGMA Repair & Maintenance</u>			
Environmental Monitoring Lab (CGMA - Bacteriological Analysis. Nitrate Nitrogen tests for different locations, special sampling.	1,036.00		
Environmental Monitoring Lab (CGMA - Bacteriological Analysis: 12/28/22 (Construction))	24.00		
Environmental Monitoring Lab (CGMA - Bacteriological Analysis: 1/17/23 (Construction))	24.00		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station, Dec.)	380.00		
RLC Controls (CGMA - Service call to VA vault. Valve not operating in Auto)	1,755.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	139.65		
<u>Supplies</u>			
Bank of Texas Visa (CGMA - Perlite for Howe Pump station new chlorine room)	511.71		
Home Depot (CGMA - Misc. materials and parts)	218.69		
Lowe's (CGMA - Materials and supplies for new Howe Chlorine room, general maintenance and repairs)	1,288.31		
National Wholesale Supply (Misc. parts, pvc pipes, valve boxes, seals, and 2 pipe wrenches)	560.64		
USA Bluebook (CGMA - misc. parts and materials, liquid tests kits, Pulsar meters)	4,801.60		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station, Internet)	43.01		
North Texas Municipal Water District (Water Usage, Dec & Jan)	702,292.00		
TOTAL:	\$ 3,235,165.64	\$ 3,075,236.79	\$ 1,532,623.75
GRAND TOTAL:	\$ 4,048,151.15	\$ 3,376,434.65	\$ 2,045,128.56

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

AGENDA ITEM VIII



Greater Texoma Utility Authority

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2022

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

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

DMK

Paul Sigle
General Manager

Debi Atkins

Debi Atkins
Finance Officer

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

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2022		December 31, 2022		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.45%	\$ 757,202	\$ 757,202	\$ 763,814	\$ 763,814
NOW/MMA/MMF/ICS	3.54%	41,719,130	41,719,130	60,991,507	60,991,507
Local Government Pools	3.97%	30,362,210	30,362,210	33,356,937	33,356,937
CDs/Securities	3.05%	89,542,630	88,994,237	75,682,430	75,447,198
Totals		\$ 162,381,172	\$ 161,832,779	\$ 170,794,688	\$ 170,559,456

Quarter End Average Yield (1)

Total Portfolio	3.39%
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	3.39%
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%
TexPool	3.98%

Interest Revenue

Quarterly Interest Income	\$ 737,690	Approximate
Year-to-date Interest Income	\$ 737,690	Approximate

Bank Fee Offset

Quarterly Bank Fees Offset	\$ 1,690
Year-to-date Bank Fees Offset	\$ 1,690

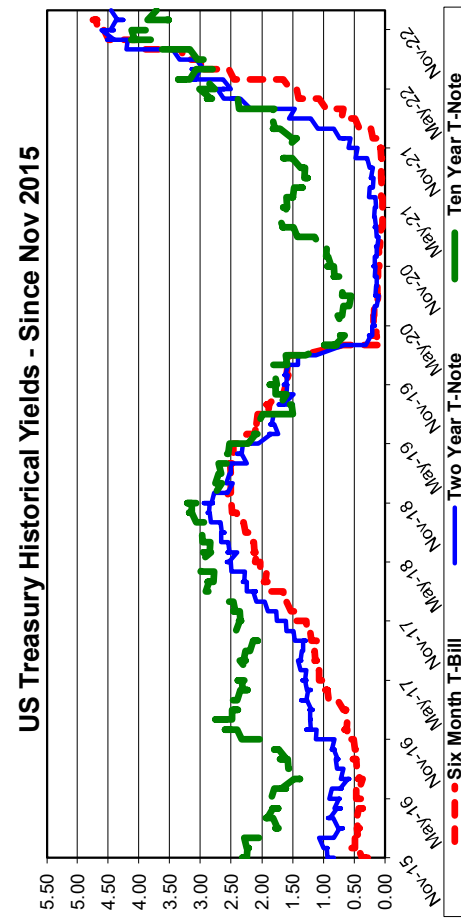
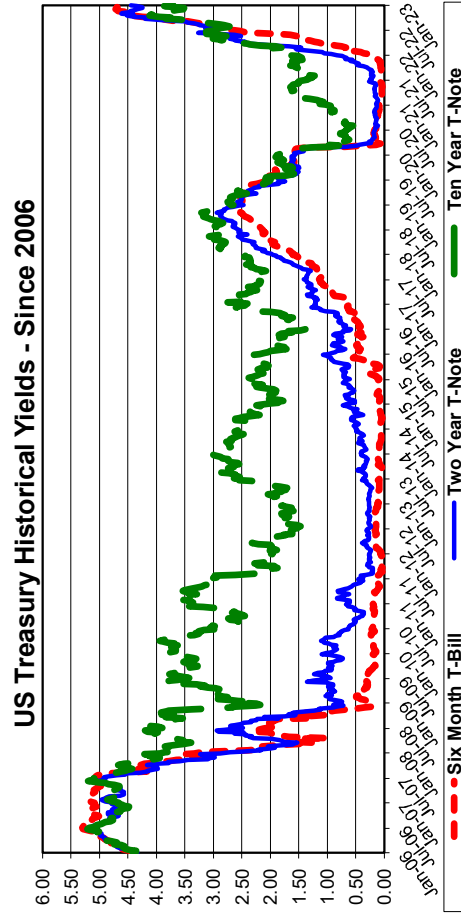
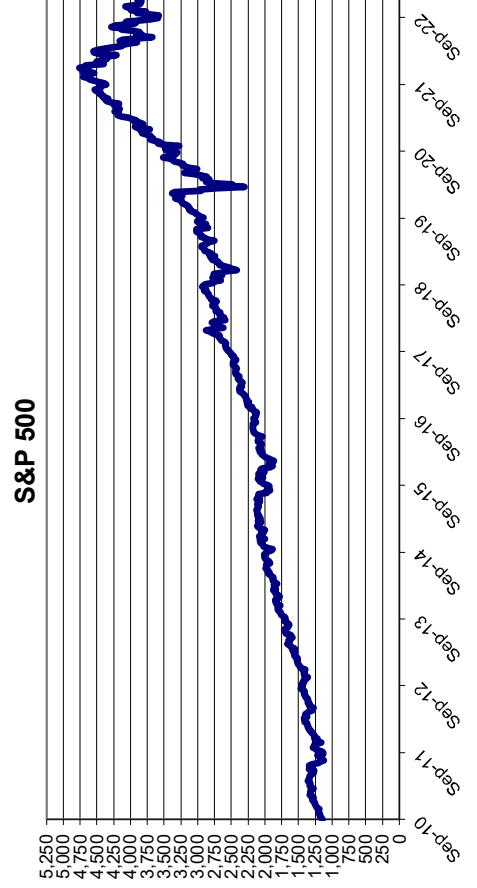
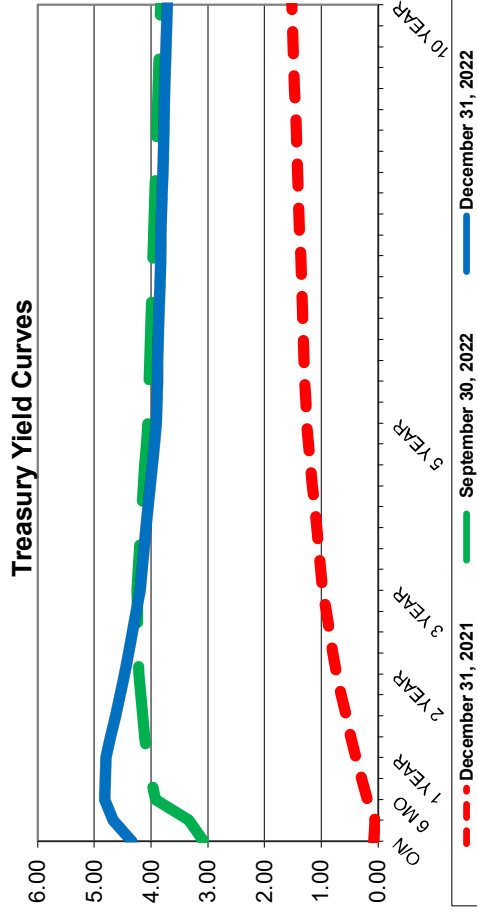
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

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

Economic Overview

12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/-\$.75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.



**Investment Holdings
December 31, 2022**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
BOT DDA (3)		0.454%	01/01/23	12/31/22	\$ 763,814	\$ 763,814	1.00	\$ 763,814	1	0.45%
BOT Escrow MMF		4.160%	01/01/23	12/31/22	28,842,048	28,842,048	1.00	28,842,048	1	4.16%
Prosperity MMA (Sherman 20/21)		1.740%	01/01/23	12/31/22	3,294,324	3,294,324	1.00	3,294,324	1	1.74%
Prosperity MMA Escrow		1.740%	01/01/23	12/31/22	13,351,860	13,351,860	1.00	13,351,860	1	1.74%
Invesco Govt & Agy Inst MMMF		4.210%	01/01/23	12/31/22	6,600,964	6,600,964	1.00	6,600,964	1	4.21%
Veritex Bank MMA		4.140%	01/01/23	12/31/22	204,128	204,128	1.00	204,128	1	4.14%
NexBank ICS		4.400%	01/01/23	12/31/22	8,698,183	8,698,183	1.00	8,698,183	1	4.40%
TexPool	AAA	3.980%	01/01/23	12/31/22	5,095	5,095	1.00	5,095	1	3.98%
TexSTAR	AAA	3.968%	01/01/23	12/31/22	33,351,842	33,351,842	1.00	33,351,842	1	3.97%
East West Bank		3.060%	01/22/23	07/22/22	700,000	700,000	100.00	700,000	22	3.06%
FHLB Discount Note		0.000%	01/30/23	07/14/22	6,100,000	6,100,000	99.68	6,080,463	30	2.83%
East West Bank		0.670%	01/31/23	01/31/22	1,000,000	1,000,000	100.00	1,000,000	31	0.67%
East West Bank		0.670%	01/31/23	01/31/22	2,000,000	2,000,000	100.00	2,000,000	31	0.67%
East West Bank		0.810%	02/07/23	02/07/22	1,456,000	1,456,000	100.00	1,456,000	38	0.81%
Texas Capital		3.150%	02/13/23	09/13/22	500,000	500,000	100.00	500,000	44	3.15%
Texas Capital		3.150%	02/13/23	09/13/22	250,000	250,000	100.00	250,000	44	3.15%
UST 0.125		0.125%	02/28/23	07/20/22	9,000,000	9,000,000	99.33	8,939,964	59	2.93%
FHLB Discount Note		0.000%	03/10/23	07/26/22	1,400,000	1,400,000	99.20	1,388,870	69	2.96%
Bank OZK		0.210%	03/23/23	03/23/21	995,000	995,000	100.00	995,000	82	0.21%
FHLB Discount Note		0.000%	03/30/23	07/26/22	10,000,000	10,000,000	98.97	9,896,531	89	3.02%
East West Bank		3.060%	04/21/23	07/21/22	1,000,000	1,000,000	100.00	1,000,000	111	3.06%
East West Bank		3.060%	04/21/23	07/21/22	700,000	700,000	100.00	700,000	111	3.06%
East West Bank		3.060%	04/22/23	07/22/22	300,000	300,000	100.00	300,000	112	3.06%
East West Bank		3.060%	04/22/23	07/22/22	500,000	500,000	100.00	500,000	112	3.06%
East West Bank		3.060%	04/22/23	07/22/22	1,300,000	1,300,000	100.00	1,300,000	112	3.06%
East West Bank		3.060%	04/22/23	07/22/22	1,000,000	1,000,000	100.00	1,000,000	112	3.06%
East West Bank		3.210%	05/23/23	08/23/22	600,000	600,000	100.00	600,000	143	3.21%
East West Bank		3.210%	05/23/23	08/23/22	1,000,000	1,000,000	100.00	1,000,000	143	3.21%
East West Bank		3.210%	05/23/23	08/23/22	400,000	400,000	100.00	400,000	143	3.21%
UST 0.125		0.125%	05/31/23	07/14/22	2,300,000	2,300,000	98.21	2,258,941	151	3.04%
East West Bank		3.210%	06/23/23	08/23/22	600,000	600,000	100.00	600,000	174	3.21%
East West Bank		3.210%	06/23/23	08/24/22	400,000	400,000	100.00	400,000	174	3.21%
East West Bank		3.210%	06/23/23	08/23/22	500,000	500,000	100.00	500,000	174	3.21%
East West Bank		3.010%	07/14/23	07/15/22	4,400,000	4,400,000	100.00	4,400,000	195	3.01%
East West Bank		3.010%	07/15/23	07/15/22	1,200,000	1,200,000	100.00	1,200,000	196	3.01%
East West Bank		3.010%	07/15/23	07/15/22	300,000	300,000	100.00	300,000	196	3.01%
East West Bank		3.010%	07/15/23	07/15/22	50,000	50,000	100.00	50,000	196	3.01%
East West Bank		3.010%	07/15/23	07/15/22	500,000	500,000	100.00	500,000	196	3.01%

**Investment Holdings
December 31, 2022**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
East West Bank		3.230%	08/22/23	08/23/22	1,000,000	1,000,000	100.00	1,000,000	234	3.23%
East West Bank		3.230%	08/23/23	08/23/22	500,000	500,000	100.00	500,000	235	3.23%
East West Bank		3.230%	08/24/23	08/24/22	200,000	200,000	100.00	200,000	236	3.23%
East West Bank		3.230%	08/24/23	08/24/22	500,000	500,000	100.00	500,000	236	3.23%
East West Bank		3.230%	08/24/23	08/24/22	700,000	700,000	100.00	700,000	236	3.23%
Texas Capital		3.370%	09/09/23	09/13/22	200,000	200,000	100.00	200,000	252	3.37%
Texas Capital		3.370%	09/09/23	09/13/22	1,422,000	1,422,000	100.00	1,422,000	252	3.37%
Bank OZK		0.121%	09/12/23	09/13/22	935,930	935,930	100.00	935,930	255	0.12%
Texas Capital		3.370%	09/13/23	09/13/22	700,000	700,000	100.00	700,000	256	3.37%
Texas Capital		3.370%	09/13/23	09/13/22	400,000	400,000	100.00	400,000	256	3.37%
Texas Capital		3.370%	09/13/23	09/13/22	200,000	200,000	100.00	200,000	256	3.37%
Texas Capital		3.370%	10/09/23	09/13/22	100,000	100,000	100.00	100,000	282	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	700,000	700,000	100.00	700,000	286	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	400,000	400,000	100.00	400,000	286	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	75,000	75,000	100.00	75,000	286	3.37%
East West Bank		4.630%	10/26/23	10/26/22	3,258,500	3,258,500	100.00	3,258,500	299	4.63%
Texas Capital		3.380%	11/09/23	09/13/22	100,000	100,000	100.00	100,000	313	3.38%
East West Bank		4.690%	12/07/23	12/07/22	2,121,000	2,121,000	100.00	2,121,000	341	4.69%
Texas Capital		3.380%	12/13/23	09/13/22	700,000	700,000	100.00	700,000	347	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	50,000	50,000	100.00	50,000	347	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	200,000	200,000	100.00	200,000	347	3.38%
Texas Capital		3.380%	01/13/24	09/13/22	600,000	600,000	100.00	600,000	378	3.38%
Texas Capital		3.390%	02/09/24	09/13/22	100,000	100,000	100.00	100,000	405	3.39%
Texas Capital		3.390%	02/13/24	09/13/22	600,000	600,000	100.00	600,000	409	3.39%
Texas Capital		3.400%	03/09/24	09/13/22	1,422,000	1,422,000	100.00	1,422,000	434	3.40%
Texas Capital		3.400%	03/13/24	09/13/22	600,000	600,000	100.00	600,000	438	3.40%
Texas Capital		3.400%	04/13/24	09/13/22	600,000	600,000	100.00	600,000	469	3.40%
Cap Tex		4.650%	04/26/24	10/26/22	3,275,000	3,275,000	100.00	3,275,000	482	4.65%
Texas Capital		3.410%	05/13/24	09/13/22	500,000	500,000	100.00	500,000	499	3.41%
Texas Capital		3.410%	06/13/24	09/13/22	500,000	500,000	100.00	500,000	530	3.41%
Texas Capital		3.410%	07/13/24	09/13/22	500,000	500,000	100.00	500,000	560	3.41%
Texas Capital		3.425%	08/13/24	09/13/22	400,000	400,000	100.00	400,000	591	3.43%
Texas Capital		3.430%	09/09/24	09/13/22	1,372,000	1,372,000	100.00	1,372,000	618	3.43%
Texas Capital		3.425%	09/13/24	09/13/22	300,000	300,000	100.00	300,000	622	3.43%

\$ 170,794,688 \$ 170,794,688

\$ 170,559,456 83 3.39%

**Investment Holdings
December 31, 2022**

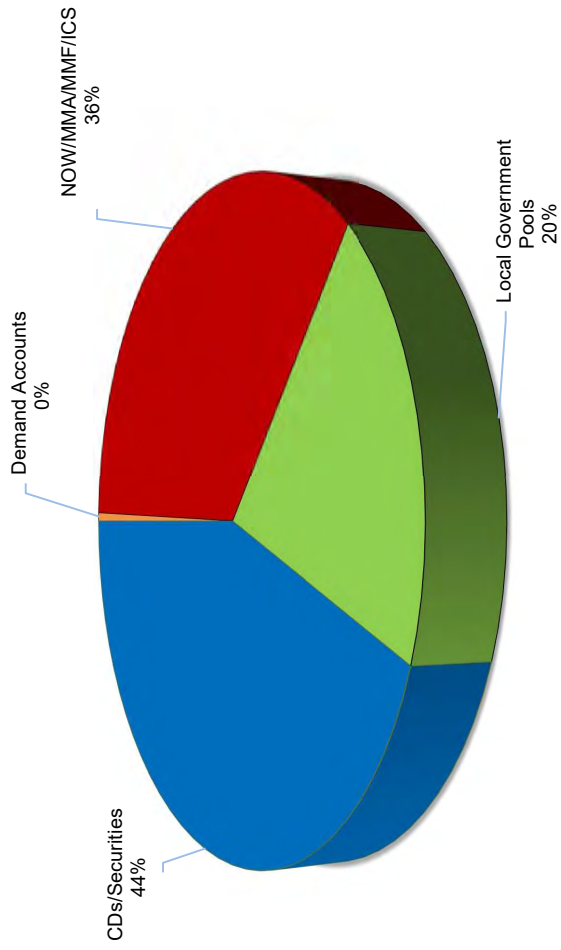
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
									(1)	(2)

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

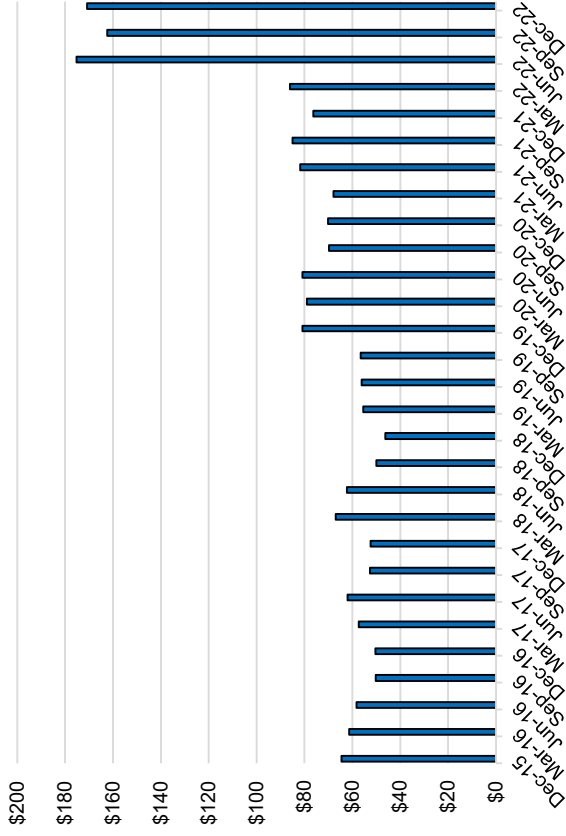
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

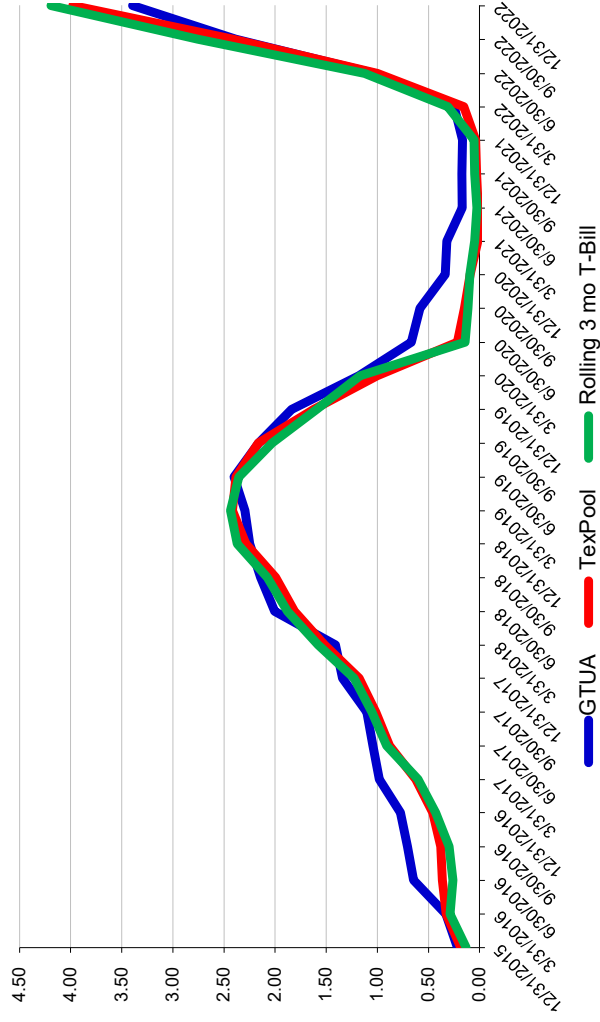
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
BOT DDA (3)	0.45%	01/01/23	\$ 757,202	\$ 6,613	\$ -	\$ 763,814	\$ 757,202	\$ 6,613	\$ 763,814
BOT Escrow MMF	4.16%	01/01/23	17,685,867	11,156,181	-	28,842,048	17,685,867	11,156,181	28,842,048
Prosperity MMA (Sherman 20/21)	1.74%	01/01/23	3,752,887	-	(458,563)	3,294,324	3,752,887	(458,563)	3,294,324
Prosperity MMA Escrow	1.74%	01/01/23	13,333,591	18,268	-	13,351,860	13,333,591	18,268	13,351,860
Invesco Govt & Agy Inst MMMF	4.21%	01/01/23	473	6,600,491	-	6,600,964	473	6,600,491	6,600,964
Veritex Bank MMA	4.14%	01/01/23	251,952	-	(47,824)	204,128	251,952	(47,824)	204,128
NexBank ICS	4.40%	01/01/23	6,694,360	2,003,823	-	8,698,183	6,694,360	2,003,823	8,698,183
TexPool	3.98%	01/01/23	36,837	-	(31,742)	5,095	36,837	(31,742)	5,095
TexSTAR	3.97%	01/01/23	30,325,373	3,026,469	-	33,351,842	30,325,373	3,026,469	33,351,842
East West Bank	2.03%	10/14/22	7,790,000	-	(7,790,000)	-	7,790,000	(7,790,000)	-
East West Bank	2.03%	10/15/22	700,000	-	(700,000)	-	700,000	(700,000)	-
FHLB Discount Note	2.67%	11/29/22	3,300,000	-	(3,300,000)	-	3,283,583	(3,283,583)	-
Allegiance Bank	0.30%	11/30/22	1,708,000	-	(1,708,000)	-	1,708,000	(1,708,000)	-
East West Bank	0.32%	12/28/22	1,416,700	-	(1,416,700)	-	1,416,700	(1,416,700)	-
East West Bank	0.32%	12/28/22	1,000,000	-	(1,000,000)	-	1,000,000	(1,000,000)	-
FHLB Discount Note	2.83%	12/29/22	6,600,000	-	(6,600,000)	-	6,545,816	(6,545,816)	-
East West Bank	3.06%	01/22/23	700,000	-	-	700,000	700,000	-	700,000
FHLB Discount Note	2.83%	01/30/23	6,100,000	-	-	6,100,000	6,028,524	51,939	6,080,463
East West Bank	0.67%	01/31/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	0.67%	01/31/23	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
East West Bank	0.81%	02/07/23	1,456,000	-	-	1,456,000	1,456,000	-	1,456,000
Texas Capital	3.15%	02/13/23	500,000	-	-	500,000	500,000	-	500,000
Texas Capital	3.15%	02/13/23	250,000	-	-	250,000	250,000	-	250,000
UST 0.125	2.93%	02/28/23	9,000,000	-	-	9,000,000	8,867,461	72,503	8,939,964
FHLB Discount Note	2.96%	03/10/23	1,400,000	-	-	1,400,000	1,376,340	12,530	1,388,870
Bank OZK	0.21%	03/23/23	995,000	-	-	995,000	995,000	-	995,000
FHLB Discount Note	3.02%	03/30/23	10,000,000	-	-	10,000,000	9,809,809	86,721	9,896,531
East West Bank	3.06%	04/21/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	3.06%	04/21/23	700,000	-	-	700,000	700,000	-	700,000
East West Bank	3.06%	04/22/23	300,000	-	-	300,000	300,000	-	300,000
East West Bank	3.06%	04/22/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	3.06%	04/22/23	1,300,000	-	-	1,300,000	1,300,000	-	1,300,000
East West Bank	3.06%	04/22/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	3.21%	05/23/23	600,000	-	-	600,000	600,000	-	600,000
East West Bank	3.21%	05/23/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	3.21%	05/23/23	400,000	-	-	400,000	400,000	-	400,000
UST 0.125	3.04%	05/31/23	2,300,000	-	-	2,300,000	2,240,074	18,867	2,258,941
East West Bank	3.21%	06/23/23	600,000	-	-	600,000	600,000	-	600,000
East West Bank	3.21%	06/23/23	400,000	-	-	400,000	400,000	-	400,000
East West Bank	3.21%	06/23/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	3.01%	07/14/23	4,400,000	-	-	4,400,000	4,400,000	-	4,400,000
East West Bank	3.01%	07/15/23	1,200,000	-	-	1,200,000	1,200,000	-	1,200,000
East West Bank	3.01%	07/15/23	300,000	-	-	300,000	300,000	-	300,000
East West Bank	3.01%	07/15/23	50,000	-	-	50,000	50,000	-	50,000
East West Bank	3.01%	07/15/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	3.23%	08/22/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
East West Bank	3.23%	08/23/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	3.23%	08/24/23	200,000	-	-	200,000	200,000	-	200,000
East West Bank	3.23%	08/24/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	3.23%	08/24/23	700,000	-	-	700,000	700,000	-	700,000
Texas Capital	3.37%	09/09/23	200,000	-	-	200,000	200,000	-	200,000
Texas Capital	3.37%	09/09/23	1,422,000	-	-	1,422,000	1,422,000	-	1,422,000
Bank OZK	0.12%	09/12/23	935,930	-	-	935,930	935,930	-	935,930
Texas Capital	3.37%	09/13/23	700,000	-	-	700,000	700,000	-	700,000
Texas Capital	3.37%	09/13/23	400,000	-	-	400,000	400,000	-	400,000
Texas Capital	3.37%	09/13/23	200,000	-	-	200,000	200,000	-	200,000
Texas Capital	3.37%	09/13/23	100,000	-	-	100,000	100,000	-	100,000
Texas Capital	3.37%	10/13/23	700,000	-	-	700,000	700,000	-	700,000
Texas Capital	3.37%	10/13/23	400,000	-	-	400,000	400,000	-	400,000
Texas Capital	3.37%	10/13/23	75,000	-	-	75,000	75,000	-	75,000
East West Bank	4.63%	10/26/23	-	3,258,500	-	3,258,500	-	3,258,500	3,258,500
Texas Capital	3.38%	11/09/23	100,000	-	-	100,000	100,000	-	100,000
East West Bank	4.69%	12/07/23	-	2,121,000	-	2,121,000	-	2,121,000	2,121,000
Texas Capital	3.38%	12/13/23	700,000	-	-	700,000	700,000	-	700,000
Texas Capital	3.38%	12/13/23	50,000	-	-	50,000	50,000	-	50,000
Texas Capital	3.38%	12/13/23	200,000	-	-	200,000	200,000	-	200,000
Texas Capital	3.38%	01/13/24	600,000	-	-	600,000	600,000	-	600,000
Texas Capital	3.39%	02/09/24	100,000	-	-	100,000	100,000	-	100,000
Texas Capital	3.39%	02/13/24	600,000	-	-	600,000	600,000	-	600,000
Texas Capital	3.40%	03/09/24	1,422,000	-	-	1,422,000	1,422,000	-	1,422,000
Texas Capital	3.40%	03/13/24	600,000	-	-	600,000	600,000	-	600,000
Texas Capital	3.40%	04/13/24	600,000	-	-	600,000	600,000	-	600,000
Cap Tex	4.65%	04/26/24	-	3,275,000	-	3,275,000	-	3,275,000	3,275,000
Texas Capital	3.41%	05/13/24	500,000	-	-	500,000	500,000	-	500,000
Texas Capital	3.41%	06/13/24	500,000	-	-	500,000	500,000	-	500,000
Texas Capital	3.41%	07/13/24	500,000	-	-	500,000	500,000	-	500,000
Texas Capital	3.43%	08/13/24	400,000	-	-	400,000	400,000	-	400,000
Texas Capital	3.43%	09/09/24	1,372,000	-	-	1,372,000	1,372,000	-	1,372,000
Texas Capital	3.43%	09/13/24	300,000	-	-	300,000	300,000	-	300,000
TOTAL / AVERAGE	3.39%		\$ 162,381,172	\$ 31,466,346	\$ (23,052,830)	\$ 170,794,688	\$ 161,832,779	\$ 8,726,677	\$ 170,559,456

**Allocation by Fund
Book Value**

December 31, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
	12/31/22	\$ 763,814	\$ 763,814				
BOT DDA (3)	12/31/22	28,842,048		28,842,048			
BOT Escrow MMF	12/31/22	3,294,324		3,294,324			
Prosperity MMA (Sherman 20/21)	12/31/22	13,351,860		13,351,860			
Prosperity MMA Escrow	12/31/22	6,600,964		6,600,964			
Invesco Govt & Agy Inst MMMF	12/31/22	204,128		204,128			
Veritex Bank MMA	12/31/22	8,698,183		5,131,202	3,243,672	323,310	
NexBank ICS	12/31/22	5,095	5,095				
TexPool	12/31/22	33,351,842	1,807,939	25,845,734	3,766,195	1,702,002	229,973
TexSTAR	12/31/22						
East West Bank	01/22/23	700,000		700,000			
FHLB Discount Note	01/30/23	6,100,000		6,100,000			
East West Bank	01/31/23	1,000,000		1,000,000			
East West Bank	01/31/23	2,000,000		2,000,000			
East West Bank	02/07/23	1,456,000					1,456,000
Texas Capital	02/13/23	500,000		500,000			
Texas Capital	02/13/23	250,000		250,000			
UST 0.125	02/28/23	9,000,000		9,000,000			
FHLB Discount Note	03/10/23	1,400,000			1,400,000		
Bank OZK	03/23/23	995,000					995,000
FHLB Discount Note	03/30/23	10,000,000		10,000,000			
East West Bank	04/21/23	1,000,000		1,000,000			
East West Bank	04/21/23	700,000		700,000			
East West Bank	04/22/23	300,000		300,000			
East West Bank	04/22/23	500,000		500,000			
East West Bank	04/22/23	1,300,000		1,300,000			
East West Bank	04/22/23	1,000,000		1,000,000			
East West Bank	05/23/23	600,000		600,000			
East West Bank	05/23/23	1,000,000		1,000,000			
East West Bank	05/23/23	400,000		400,000			
UST 0.125	05/31/23	2,300,000		1,300,000			1,000,000
East West Bank	06/23/23	600,000		600,000			
East West Bank	06/23/23	400,000		400,000			
East West Bank	06/23/23	500,000		500,000			
East West Bank	07/14/23	4,400,000		3,400,000			1,000,000
East West Bank	07/15/23	1,200,000		1,200,000			

**Allocation by Fund
Book Value**

December 31, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	07/15/23	300,000		300,000			
East West Bank	07/15/23	50,000		50,000			
East West Bank	07/15/23	500,000		500,000			
East West Bank	08/22/23	1,000,000					1,000,000
East West Bank	08/23/23	500,000		500,000			
East West Bank	08/24/23	200,000		200,000			
East West Bank	08/24/23	500,000		500,000			
East West Bank	08/24/23	700,000		700,000			
Texas Capital	09/09/23	200,000		200,000			
Texas Capital	09/09/23	1,422,000			1,422,000		
Bank OZK	09/12/23	935,930					935,930
Texas Capital	09/13/23	700,000		700,000			
Texas Capital	09/13/23	400,000		400,000			
Texas Capital	09/13/23	200,000		200,000			
Texas Capital	10/09/23	100,000		100,000			
Texas Capital	10/13/23	700,000		700,000			
Texas Capital	10/13/23	400,000		400,000			
Texas Capital	10/13/23	75,000		75,000			
East West Bank	10/26/23	3,258,500					3,258,500
Texas Capital	11/09/23	100,000		100,000			
East West Bank	12/07/23	2,121,000					2,121,000
Texas Capital	12/13/23	700,000		700,000			
Texas Capital	12/13/23	50,000		50,000			
Texas Capital	12/13/23	200,000		200,000			
Texas Capital	01/13/24	600,000		600,000			
Texas Capital	02/09/24	100,000		100,000			
Texas Capital	02/13/24	600,000		600,000			
Texas Capital	03/09/24	1,422,000			1,422,000		
Texas Capital	03/13/24	600,000		600,000			
Texas Capital	04/13/24	600,000		600,000			
Cap Tex	04/26/24	3,275,000					3,275,000
Texas Capital	05/13/24	500,000		500,000			
Texas Capital	06/13/24	500,000		500,000			
Texas Capital	07/13/24	500,000		500,000			
Texas Capital	08/13/24	400,000		400,000			
Texas Capital	09/09/24	1,372,000			1,372,000		

**Allocation by Fund
Book Value**

December 31, 2022

	Maturity	Investment	General	Construction	Bond I&S	Revenue	Reserve
Texas Capital	09/13/24	Total		300,000			
		300,000					
Totals		\$ 170,794,688	\$ 2,576,848	\$ 138,295,259	\$ 12,625,866	\$ 2,025,311	\$ 15,271,403

**Allocation by Fund
Market Value**

December 31, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
	12/31/22	\$ 763,814	\$ 763,814				
BOT DDA (3)	12/31/22	28,842,048		28,842,048			
BOT Escrow MMF	12/31/22	3,294,324		3,294,324			
Prosperity MMA (Sherman 20/21)	12/31/22	13,351,860		13,351,860			
Prosperity MMA Escrow	12/31/22	6,600,964		6,600,964			
Invesco Govt & Agy Inst MMMF	12/31/22	204,128		204,128			
Veritex Bank MMA	12/31/22	8,698,183		5,131,202	3,243,672	323,310	
NexBank ICS	12/31/22	5,095	5,095				
TexPool	12/31/22	33,351,842	1,807,939	25,845,734	3,766,195	1,702,002	229,973
TexSTAR	12/31/22						
East West Bank	01/22/23	700,000		700,000			
FHLB Discount Note	01/30/23	6,080,463		6,080,463			
East West Bank	01/31/23	1,000,000		1,000,000			
East West Bank	01/31/23	2,000,000		2,000,000			
East West Bank	02/07/23	1,456,000					1,456,000
Texas Capital	02/13/23	500,000		500,000			
Texas Capital	02/13/23	250,000		250,000			
UST 0.125	02/28/23	8,939,964		8,939,964			
FHLB Discount Note	03/10/23	1,388,870			1,388,870		
Bank OZK	03/23/23	995,000					995,000
FHLB Discount Note	03/30/23	9,896,531		9,896,531			
East West Bank	04/21/23	1,000,000		1,000,000			
East West Bank	04/21/23	700,000		700,000			
East West Bank	04/22/23	300,000		300,000			
East West Bank	04/22/23	500,000		500,000			
East West Bank	04/22/23	1,300,000		1,300,000			
East West Bank	04/22/23	1,000,000		1,000,000			
East West Bank	05/23/23	600,000		600,000			
East West Bank	05/23/23	1,000,000		1,000,000			
East West Bank	05/23/23	400,000		400,000			
UST 0.125	05/31/23	2,258,941		1,276,793			982,148
East West Bank	06/23/23	600,000		600,000			
East West Bank	06/23/23	400,000		400,000			
East West Bank	06/23/23	500,000		500,000			
East West Bank	07/14/23	4,400,000		3,400,000			1,000,000
East West Bank	07/15/23	1,200,000		1,200,000			

**Allocation by Fund
Market Value**

December 31, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	07/15/23	300,000		300,000			
East West Bank	07/15/23	50,000		50,000			
East West Bank	07/15/23	500,000		500,000			
East West Bank	08/22/23	1,000,000					1,000,000
East West Bank	08/23/23	500,000		500,000			
East West Bank	08/24/23	200,000		200,000			
East West Bank	08/24/23	500,000		500,000			
East West Bank	08/24/23	700,000		700,000			
Texas Capital	09/09/23	200,000		200,000			
Texas Capital	09/09/23	1,422,000			1,422,000		
Bank OZK	09/12/23	935,930					935,930
Texas Capital	09/13/23	700,000		700,000			
Texas Capital	09/13/23	400,000		400,000			
Texas Capital	09/13/23	200,000		200,000			
Texas Capital	10/09/23	100,000		100,000			
Texas Capital	10/13/23	700,000		700,000			
Texas Capital	10/13/23	400,000		400,000			
Texas Capital	10/13/23	75,000		75,000			
East West Bank	10/26/23	3,258,500					3,258,500
Texas Capital	11/09/23	100,000		100,000			
East West Bank	12/07/23	2,121,000					2,121,000
Texas Capital	12/13/23	700,000		700,000			
Texas Capital	12/13/23	50,000		50,000			
Texas Capital	12/13/23	200,000		200,000			
Texas Capital	01/13/24	600,000		600,000			
Texas Capital	02/09/24	100,000		100,000			
Texas Capital	02/13/24	600,000		600,000			
Texas Capital	03/09/24	1,422,000			1,422,000		
Texas Capital	03/13/24	600,000		600,000			
Texas Capital	04/13/24	600,000		600,000			
Cap Tex	04/26/24	3,275,000					3,275,000
Texas Capital	05/13/24	500,000		500,000			
Texas Capital	06/13/24	500,000		500,000			
Texas Capital	07/13/24	500,000		500,000			
Texas Capital	08/13/24	400,000		400,000			
Texas Capital	09/09/24	1,372,000			1,372,000		

**Allocation by Fund
Market Value**

December 31, 2022

	Maturity	Investment	General	Construction	Bond I&S	Revenue	Reserve
Texas Capital	09/13/24	Total		300,000			
		300,000					
Totals		\$ 170,559,456	\$ 2,576,848	\$ 138,089,010	\$ 12,614,736	\$ 2,025,311	\$ 15,253,552

**Allocation by Fund
Book Value**

September 30, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
	09/30/22	\$ 757,202	\$ 757,202				
BOT DDA (3)	09/30/22	17,685,867		17,685,867			
BOT Escrow MMF	09/30/22	3,752,887		3,752,887			
Prosperity MMA (Sherman 20/21)	09/30/22	13,333,591		13,333,591			
Prosperity MMA Escrow	09/30/22	473		473			
Invesco Govt & Agy Inst MMMF	09/30/22	251,952		251,952			
Veritex Bank MMA	09/30/22	6,694,360		5,284,324	1,089,506	320,529	
NexBank ICS	09/30/22	36,837	36,837				
TexPool	09/30/22	30,325,373	17,468	19,617,511	1,751,409	1,718,786	7,220,198
TexSTAR	09/30/22						
East West Bank	10/14/22	700,000		700,000			
East West Bank	10/15/22	7,790,000		7,790,000			
FHLB Discount Note	11/29/22	3,300,000		3,300,000			
Allegiance Bank	11/30/22	1,708,000					1,708,000
East West Bank	12/28/22	1,416,700					1,416,700
East West Bank	12/28/22	1,000,000		1,000,000			
FHLB Discount Note	12/29/22	6,600,000		6,600,000			
East West Bank	01/22/23	700,000		700,000			
FHLB Discount Note	01/30/23	6,100,000		6,100,000			
East West Bank	01/31/23	1,000,000		1,000,000			
East West Bank	01/31/23	2,000,000		2,000,000			
East West Bank	02/07/23	1,456,000					1,456,000
Texas Capital	02/13/23	500,000		500,000			
Texas Capital	02/13/23	250,000		250,000			
UST 0.125	02/28/23	9,000,000		9,000,000			
FHLB Discount Note	03/10/23	1,400,000					
Bank OZK	03/23/23	995,000			1,400,000		995,000
FHLB Discount Note	03/30/23	10,000,000		10,000,000			
East West Bank	04/21/23	1,000,000		1,000,000			
East West Bank	04/21/23	700,000		700,000			
East West Bank	04/22/23	300,000		300,000			
East West Bank	04/22/23	500,000		500,000			
East West Bank	04/22/23	1,300,000		1,300,000			
East West Bank	04/22/23	1,000,000		1,000,000			
East West Bank	05/23/23	600,000		600,000			
East West Bank	05/23/23	1,000,000		1,000,000			

**Allocation by Fund
Book Value**

September 30, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	05/23/23	400,000		400,000			
UST 0.125	05/31/23	2,300,000		1,300,000			1,000,000
East West Bank	06/23/23	600,000		600,000			
East West Bank	06/23/23	400,000		400,000			
East West Bank	06/23/23	500,000		500,000			
East West Bank	07/14/23	4,400,000		3,400,000			1,000,000
East West Bank	07/15/23	1,200,000		1,200,000			
East West Bank	07/15/23	300,000		300,000			
East West Bank	07/15/23	50,000		50,000			
East West Bank	07/15/23	500,000		500,000			
East West Bank	08/22/23	1,000,000					1,000,000
East West Bank	08/23/23	500,000		500,000			
East West Bank	08/24/23	200,000		200,000			
East West Bank	08/24/23	500,000		500,000			
East West Bank	08/24/23	700,000		700,000			
Texas Capital	09/09/23	200,000		200,000			
Texas Capital	09/09/23	1,422,000			1,422,000		
Bank OZK	09/12/23	935,930					935,930
Texas Capital	09/13/23	700,000		700,000			
Texas Capital	09/13/23	400,000		400,000			
Texas Capital	09/13/23	200,000		200,000			
Texas Capital	10/09/23	100,000		100,000			
Texas Capital	10/13/23	700,000		700,000			
Texas Capital	10/13/23	400,000		400,000			
Texas Capital	10/13/23	75,000		75,000			
Texas Capital	11/09/23	100,000		100,000			
Texas Capital	12/13/23	700,000		700,000			
Texas Capital	12/13/23	50,000		50,000			
Texas Capital	12/13/23	200,000		200,000			
Texas Capital	01/13/24	600,000		600,000			
Texas Capital	02/09/24	100,000		100,000			
Texas Capital	02/13/24	600,000		600,000			
Texas Capital	03/09/24	1,422,000			1,422,000		
Texas Capital	03/13/24	600,000		600,000			
Texas Capital	04/13/24	600,000		600,000			
Texas Capital	05/13/24	500,000		500,000			

**Allocation by Fund
Book Value**

September 30, 2022

	Maturity	Investment	General	Construction	Bond I&S	Revenue	Reserve
		Total					
Texas Capital	06/13/24	500,000		500,000			
Texas Capital	07/13/24	500,000		500,000			
Texas Capital	08/13/24	400,000		400,000			
Texas Capital	09/09/24	1,372,000			1,372,000		
Texas Capital	09/13/24	300,000		300,000			
Totals		\$ 162,381,172	\$ 811,507	\$ 134,341,606	\$ 8,456,915	\$ 2,039,315	\$ 16,731,828

**Allocation by Fund
Market Value**

September 30, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
	09/30/22	\$ 757,202	\$ 757,202				
BOT DDA (3)	09/30/22	17,685,867		17,685,867			
BOT Escrow MMF	09/30/22	3,752,887		3,752,887			
Prosperity MMA (Sherman 20/21)	09/30/22	13,333,591		13,333,591			
Prosperity MMA Escrow	09/30/22	473		473			
Invesco Govt & Agy Inst MMMF	09/30/22	251,952		251,952			
Veritex Bank MMA	09/30/22	6,694,360		5,284,324	1,089,506	320,529	
NexBank ICS	09/30/22	36,837	36,837				
TexPool	09/30/22	30,325,373	17,468	19,617,511	1,751,409	1,718,786	7,220,198
TexSTAR	09/30/22						
East West Bank	10/14/22	700,000		700,000			
East West Bank	10/15/22	7,790,000		7,790,000			
FHLB Discount Note	11/29/22	3,283,583		3,283,583			
Allegiance Bank	11/30/22	1,708,000					1,708,000
East West Bank	12/28/22	1,416,700					1,416,700
East West Bank	12/28/22	1,000,000		1,000,000			
FHLB Discount Note	12/29/22	6,545,816		6,545,816			
East West Bank	01/22/23	700,000		700,000			
FHLB Discount Note	01/30/23	6,028,524		6,028,524			
East West Bank	01/31/23	1,000,000		1,000,000			
East West Bank	01/31/23	2,000,000		2,000,000			
East West Bank	02/07/23	1,456,000					1,456,000
Texas Capital	02/13/23	500,000		500,000			
Texas Capital	02/13/23	250,000		250,000			
UST 0.125	02/28/23	8,867,461		8,867,461			
FHLB Discount Note	03/10/23	1,376,340			1,376,340		
Bank OZK	03/23/23	995,000					995,000
FHLB Discount Note	03/30/23	9,809,809		9,809,809			
East West Bank	04/21/23	1,000,000		1,000,000			
East West Bank	04/21/23	700,000		700,000			
East West Bank	04/22/23	300,000		300,000			
East West Bank	04/22/23	500,000		500,000			
East West Bank	04/22/23	1,300,000		1,300,000			
East West Bank	04/22/23	1,000,000		1,000,000			
East West Bank	05/23/23	600,000		600,000			
East West Bank	05/23/23	1,000,000		1,000,000			

**Allocation by Fund
Market Value**

September 30, 2022

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	05/23/23	400,000		400,000			
UST 0.125	05/31/23	2,240,074		1,266,129			973,945
East West Bank	06/23/23	600,000		600,000			
East West Bank	06/23/23	400,000		400,000			
East West Bank	06/23/23	500,000		500,000			
East West Bank	07/14/23	4,400,000		3,400,000			1,000,000
East West Bank	07/15/23	1,200,000		1,200,000			
East West Bank	07/15/23	300,000		300,000			
East West Bank	07/15/23	50,000		50,000			
East West Bank	07/15/23	500,000		500,000			
East West Bank	08/22/23	1,000,000					1,000,000
East West Bank	08/23/23	500,000		500,000			
East West Bank	08/24/23	200,000		200,000			
East West Bank	08/24/23	500,000		500,000			
East West Bank	08/24/23	700,000		700,000			
Texas Capital	09/09/23	200,000		200,000			
Texas Capital	09/09/23	1,422,000			1,422,000		
Bank OZK	09/12/23	935,930					935,930
Texas Capital	09/13/23	700,000		700,000			
Texas Capital	09/13/23	400,000		400,000			
Texas Capital	09/13/23	200,000		200,000			
Texas Capital	10/09/23	100,000		100,000			
Texas Capital	10/13/23	700,000		700,000			
Texas Capital	10/13/23	400,000		400,000			
Texas Capital	10/13/23	75,000		75,000			
Texas Capital	11/09/23	100,000		100,000			
Texas Capital	12/13/23	700,000		700,000			
Texas Capital	12/13/23	50,000		50,000			
Texas Capital	12/13/23	200,000		200,000			
Texas Capital	01/13/24	600,000		600,000			
Texas Capital	02/09/24	100,000		100,000			
Texas Capital	02/13/24	600,000		600,000			
Texas Capital	03/09/24	1,422,000			1,422,000		
Texas Capital	03/13/24	600,000		600,000			
Texas Capital	04/13/24	600,000		600,000			
Texas Capital	05/13/24	500,000		500,000			

**Allocation by Fund
Market Value**

September 30, 2022

	Maturity	Investment	General	Construction	Bond I&S	Revenue	Reserve
		Total					
Texas Capital	06/13/24	500,000		500,000			
Texas Capital	07/13/24	500,000		500,000			
Texas Capital	08/13/24	400,000		400,000			
Texas Capital	09/09/24	1,372,000			1,372,000		
Texas Capital	09/13/24	300,000		300,000			
Totals		\$ 161,832,779	\$ 811,507	\$ 133,842,928	\$ 8,433,255	\$ 2,039,315	\$ 16,705,774

AGENDA ITEM IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. IX

PRESENTATION OF GFOA CERTIFICATE OF ACHIEVEMENT

ISSUE

Government Finance Officers Association (GFOA) Certificate of Achievement

BACKGROUND

The GFOA is an organization comprised of public agencies which promote and recognize achievements for reporting and publishing financial information. One of the activities undertaken by GFOA is to recognize public agencies who report their financial information in a standardized manner that allows for recognition and acceptance of that information by any public or private entity desiring to know more about the finances of an individual organization. The transparency provided by this process ensures investors and others interested in public finance that the information being presented is in a format comparable with other public entities throughout the United States.

OPTIONS/ALTERNATIVES

Each public agency that conducts financial activities has the option of submitting its audit and comprehensive annual financial report to the GFOA for review. The Authority began this process in 1988. The first recognition was received for the period ending in 1989.

CONSIDERATIONS

It should be noted that the recognition received by the Authority for the integrity of its financial reporting began at a time when Debi Atkins was hired as the Finance Officer of the Authority. Each year since that time, the Authority has received recognition. This year marks the 32nd consecutive certificate of achievement awarded to the Authority.

STAFF RECOMMENDATIONS

The General Manager recommends that the Board acknowledge the receipt of this recognition and express appreciation to Mrs. Atkins for her continued excellence in reporting the Authority's financial records.

ATTACHMENTS

Announcement of Award

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager



Government Finance Officers Association

203 North LaSalle Street, Suite 2700

Chicago, Illinois 60601-1210

312.977.9700 fax: 312.977.4806

1/11/2023

Drew Satterwhite
General Manager
Greater Texoma Utility Authority, Texas

Dear Mr. Satterwhite:

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended September 30, 2021 qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. This award has been sent to the submitter as designated on the application.

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and give appropriate publicity to this notable achievement. A sample news release is included to assist with this effort.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services

AGENDA ITEM X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. X

**RECEIVE AN UPDATE FROM PAPE-DAWSON ENGINEERS, INC. FOR THE CITY OF SHERMAN
MAJOR INFRASTRUCTURE IMPROVEMENTS PROJECTS.**

ISSUE

Receive an update from Pape-Dawson Engineers, project managers for the City of Sherman's Major Infrastructure Improvements Projects.

BACKGROUND

The City of Sherman is executing a major infrastructure improvements program to meet the city's fast-growing needs, including industrial, commercial, and residential users. The city must complete specific key infrastructure projects to meet the planned industrial expansion needs of significant industrial users before 2025. This includes water treatment plant expansion, pump station, transmission pipeline, elevated storage tank, and wastewater treatment plant expansion. The City hired Pape-Dawson Engineers as the Program Manager to help deliver the collection of these projects as a program by the required dates. The City Council approved their contract on August 1, 2022.

Pape-Dawson Engineers Joe Castillo will provide a brief overview of the current projects for the City of Sherman.

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

AGENDA ITEM XI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XI

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2023 (CITY OF SHERMAN PROJECT)”, INCLUDING THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF SUCH BONDS, ESTABLISHING PARAMETERS FOR THE SALE AND ISSUANCE OF SUCH BONDS AND DELEGATING CERTAIN MATTERS TO AUTHORIZED OFFICIALS OF THE AUTHORITY

ISSUE

Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman 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 engineering, design, and construction of projects including but not limited to water treatment plant expansion, water and sewer lines improvements, Lake Texoma Pump Station improvements, and wastewater treatment plant expansion. The Board will be provided with further information on the projects as the Board meeting.

CONSIDERATIONS

At this meeting, General Manager requests delegated sale authority so we can accept bids shortly after the bonds are priced via negotiated sale. The City of Sherman council is on the schedule to consent to the issuance of the bonds on April 3, 2023, following the negotiated sale. The Bond Issuance is scheduled to close on April 27, 2023.

The parameters resolution was not complete at the time 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.

STAFF RECOMMENDATIONS

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

ATTACHMENTS

Timetable for Issuance
Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager



**Greater Texoma Utility Authority (Sherman)
Timetable for Issuance of
Contract Revenue Bonds, Series 2023
(Par Amount TDB)**

- | | |
|----------------------------|--------------------------------------------------------------------------------------------------------|
| Monday, February 20, 2023* | • Authority Board approves delegated sale authority. |
| Friday, February 24, 2023 | • Preliminary Official Statement (POS) distributed by Financial Advisor for comments by working group. |
| Tuesday, March 21, 2023 | • Rating and insurance responses due. |
| Wednesday, March 22, 2023 | • POS is electronically posted on I-Deal. |
| Thursday, March 30, 2023 | • Series 2023 Bonds are priced via negotiated sale and final rates are locked, |
| Monday, April 3, 2023 | • City Council meeting to affirm delegated sale of Bonds. |
| Thursday, April 27, 2023 | • Closing. Bond proceeds distributed according to Closing Instruction Letter. |

* Regular Authority Board Meeting.

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman Project)"; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; delegating matters relating to the issuance, sale, and delivery of said Bonds to authorized Authority officials; and resolving other matters incident and related thereto

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that Bonds should be authorized at this time to provide funding for the Series 2023 Project more fully described in Section 1 hereof; and

WHEREAS, the Authority shall by this Resolution, in accordance with the provisions of Chapter 1371, Texas Government Code, as amended, delegate to a Pricing Officer (hereafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof; and

WHEREAS, the Board of Directors of the Authority has determined that the Bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation contained in the Contract (as hereinafter defined) and the resolutions authorizing the issuance of Outstanding Previously Issued Bonds;

(b) The City of Sherman, Texas, will approve the resolution authorizing the issuance of the Bonds as to form and content and will acknowledge that payment of principal and interest on the Bonds will be made, in whole or in part, by the City of Sherman, Texas, under and pursuant to the Contract;

(c) A consulting engineer has certified to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project (herein defined);

(d) The Bonds herein authorized shall mature on April 1 and/or October 1 in each of the years in which they are scheduled to mature as provided in the Pricing Certificate;

(e) As provided herein, deposits to the Bond Fund will be sufficient to pay principal of and interest on the Bonds herein authorized as the same become due;

(f) As provided herein, the amount to be accumulated and maintained in the Reserve Fund will be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of all Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenues, and any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than 60 months from the date of the passage of this Resolution; and;

(g) The Authority demonstrated to the Texas Water Development Board's Executive Administrator that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds and the Bonds;

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

SECTION 1: Authorization - Designation - Principal Amount – Purpose – Bond Date. Revenue bonds of the Authority shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2023 (CITY OF SHERMAN PROJECT)” (herein referred to as the “Bonds”), for the construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and for the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds and the payment of all costs incident and related to the acquisition and financing thereof, and the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 and Chapter 1371, Texas Government Code, as amended. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

SECTION 2: Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered “R” and numbered consecutively from One (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer.

(a) As authorized by Texas Government Code, Chapter 1371, as amended, the General Manager or President of the Board of Directors (either the “Pricing Officer”) is hereby authorized to act on behalf of the Authority in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including, determining the aggregate original principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Authority, as well as any mandatory sinking fund redemption provisions, the designation of a Paying Agent/Registrar, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 39 hereof, all of which shall be specified in the Pricing Certificate; provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$180,000,000;

(ii) the true interest cost rate for the Bonds shall not exceed the highest rate permitted by law; and

(iii) the maximum maturity date of the Bonds shall be October 1, 2053.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the Authority to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 365 days from the date hereof.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Authority by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office specified in the Pricing Certificate or such other office as shall be designated from time to time by the Paying Agent/Registrar, or its successors (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which

banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, and also at a location within the State of Texas, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or

exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 30 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered

in subsequent exchanges and transfers, all as authorized and provided in the Public Security Procedures Act, Texas Chapter 1201, Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) **Forms Generally.** The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond(s), the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF GRAYSON, COLLIN, FANNIN AND COOKE
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2023
(CITY OF SHERMAN PROJECT)

Bond Date: _____ Interest Rate: _____% Stated Maturity: _____ 1, 20__ CUSIP NO. _____

Registered Owner:

Principal Amount: _____ DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of _____, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for the construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas, and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and for the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds and the payment of all costs incident and related to the acquisition and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 and Chapter 1371, Texas Government Code, as amended, and pursuant to a Resolution adopted by the Board of Directors of the Authority (herein referred to as the "Resolution").

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the

manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the outstanding Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract For Water Supply and Sewer Service between the Authority and the City of Sherman, Texas, dated as of March 1, 1985, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a first lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due

interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (
THE STATE OF TEXAS (REGISTER NO. _____
(

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on the definitive Bonds.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The principal office of the Paying Agent/Registrar in _____ is the "Designated Payment/Transfer Office" for this Bond.

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:) _____

(Social Security or other identifying number: _____) the within Bond and all
rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution
in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must
correspond with the name of the registered owner
as it appears on the face of the within Bond in
every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except
that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF COOKE, FANNIN, GRAYSON AND COLLIN
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2023
(CITY OF SHERMAN PROJECT)

Bond Date: _____

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value
received, hereby promises to pay to the Registered Owner named above (the "Holder") or the
registered assigns thereof, solely from the revenues hereinafter identified, on _____ in each
of the years and in principal amounts and bearing interest at per annum rates in accordance with
the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
-------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in the Pricing Certificate)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from the _____) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each April 1 and October 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

- (a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.
- (b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.
- (c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman Project)" authorized by this Resolution.
- (d) The term "Bonds Similarly Secured" shall mean the Bonds, the Previously Issued Bonds, and Additional Bonds.
- (e) The term "Contract" or "Contract for Water Supply and Sewer Service" shall mean that certain contract, dated as of the 1st day of March, 1985, by and between the Authority and the City of Sherman, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as Exhibit B for the purposes of identification only.
- (f) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(g) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(h) The term "Government Obligations" as used herein, unless otherwise provided in the Pricing Certificate, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(i) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(j) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds or Bonds Similarly Secured theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 27 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

(k) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01 (a) of the Contract, less the fees and charges of the Paying Agent/Registrar with respect to Bonds Similarly Secured, plus (ii) the amounts deposited into the Bond Fund reaffirmed by Section 12(b) of this Resolution, and the Reserve Fund reaffirmed by Section 12(c) of this Resolution; plus (iii) any amounts on deposit in any construction fund, created and established by a resolution authorizing the issuance of the Bonds or Bonds Similarly Secured, pending the application of such money for the payment of the Cost of a Project.

(l) The term "Previously Issued Bonds" shall mean the Outstanding (1) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2006 (City of Sherman Project)," (2) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2013A (City of Sherman Project)," (3) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014 (City of Sherman Project)," (4) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of

Sherman Project)," (5) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015A (City of Sherman Project)," (6) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015B (City of Sherman Project)," (7) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017 (City of Sherman Project)," (8) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017A (City of Sherman Project)," (9) "Greater Texoma Utility Authority Contract Revenue and Refunding Bonds, Series 2019 (City of Sherman Project)," (10) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019A (City of Sherman Project)," (11) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Sherman Project)," (12) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Sherman Project)," and (13) "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)," heretofore issued which are in every respect on a parity with the Bonds.

(m) The term "Project" shall mean, with respect to the Bonds Similarly Secured, collectively, the projects described as such in the resolutions of the Authority that have from time to time authorized the issuance of Bonds Similarly Secured by the Authority for the financing of such projects.

(n) The term "Series 2023 Project" shall mean, with respect to the Bonds, the project described in Section 1 hereof.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said Pledged Revenue, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said Pledged Revenue to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end, the following special Funds (herein so called) were created and established by a resolution authorizing Previously Issued Bonds and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called the "Revenue Fund." This Fund shall be kept in a depository of the Authority.

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called the "Bond Fund." This Fund shall be deposited with a depository of the Authority as trustee of the

Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called the "Reserve Fund." This Fund shall be deposited with a depository of the Authority and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time where there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

In the event money is deposited in the Revenue Fund from sources other than those specified in Section 3.01 of the Contract, then such money may be invested or reinvested or placed on time deposit in the same manner as the Reserve Fund pending its application to the reduction of payments that would otherwise be required to be made by the City under Section 3.01 of the Contract. Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;
2. Payments into the Reserve Fund, as provided by Section 15;
3. The curing of any deficiencies, as provided by Section 16;
4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
5. Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit to the credit of the Bond Fund amounts sufficient to pay the principal of and interest on the outstanding Bonds Similarly Secured as the same becomes due. There shall be deposited into the Bond Fund, by reason of the issuance of the Bonds, from the Pledged Revenue on deposit in the Revenue Fund (i) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds and on or before the twenty-fifth (25th) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the twenty-fifth (25th) day of the month next preceding the first interest payment date, and thereafter on the twenty-fifth (25th) day of each following month, an amount equal to not less than one sixth (1/6) of the next installment of interest; (ii) beginning on or before the twenty-fifth (25th) day of the month next following delivery of the Bonds, and on or before the twenty-fifth (25th) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the twenty-fifth (25th) day of the month preceding the first principal payment date, and thereafter on or before the twenty-fifth (25th) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

The amounts required to be so deposited shall take into account amounts already on deposit in the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured payable therefrom are no longer Outstanding.

Moneys on deposit in the Bond Fund may be invested, to the extent such investments are Authorized Investments, in United States Treasury bills, in similar direct obligations of the United States of America, or in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation (which are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by, the United States of America to the extent such certificates are not insured) maturing at such dates and in such manner as will provide cash to discharge interest and/or principal payments on Bonds Similarly Secured when and as the same become due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section. Accrued interest, if any, shall be deposited into the Bond Fund.

SECTION 15: Reserve Fund. Upon the delivery of the Bonds, amounts on deposit in the Reserve Fund, allocated as a part of the Reserve Fund for the security of "Bonds Similarly Secured" under the resolutions authorizing the issuance of such Bonds Similarly Secured (including amounts held in the Reserve Fund by reason of the issuance of the Previously Issued Bonds) shall continue to be held as a part of the Reserve Fund for the security and payment, if required, of Bonds Similarly Secured as defined herein. The Authority hereby covenants and agrees with the holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, at such time as the Previously Issued Bonds identified in 1 of Section 10(l) hereof are no longer Outstanding, the average annual requirement shall also be calculated at the end of each Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition, beginning on or before the twenty-fifth (25th) day of the month following the delivery of the Bonds, and on or before the twenty-fifth (25th) day of each month thereafter, there shall be deposited in the Reserve Fund substantially equal month deposits in an amount which will result in the Required Reserve Fund Amount being on deposit in the Reserve Fund within not more than sixty (60) months from the date of the passage of this Resolution, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the money in the Reserve Fund be utilized so the Reserve Fund balance is less than the Required Reserve Fund Amount, after the same has been accumulated, monthly deposits shall be made in an amount not less than

one-twelfth (1/12th) of the amount of the deficiency and shall continue to be made on or before the twenty-fifth (25th) day of each month until the Required Reserve Fund Amount has been fully restored.

Money in the Reserve Fund may be, at the option of the Authority, invested or reinvested from time to time in direct obligations of or obligations the principal and interest of which are guaranteed by the United States of America or invested in direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, Banks for Cooperatives, and in certificates of deposit of any bank which is a member of the Federal Deposit Insurance Corporation, and such certificates of deposit are fully insured and/or secured by a pledge of the securities of any of the kind hereinabove specified, such obligations or securities to mature in not more than ten years from the date of such investment or not later than the final maturity of the Bonds Similarly Secured Outstanding for which the Reserve Fund is established, whichever is shorter. Any obligations in which money is so invested shall be kept in escrow with the custodian of said Fund, and shall be promptly sold when notified by the Authority that moneys on deposit in the Bond Fund are insufficient to make a current interest and/or principal payment on Bonds Similarly Secured, and the proceeds of sale of such investments and/or moneys on deposit in the Reserve Fund in an amount sufficient to meet the deficiency in the Bond Fund shall be immediately transferred to the Bond Fund, without further notice or authorization. The Authority shall direct the investment of moneys on deposit in the Reserve Fund.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully establish or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

Investments in the Reserve Fund shall be valued at the lower of cost or market on June 1 of each year, by the chief financial officer of the Authority. In the event the amount contained in the Reserve Fund (as the result of such valuation) is less than the amount then required to be on deposit, additional deposits in an amount equal to not less than 1/12th of the deficiency shall be made monthly, beginning on the 25th day of October next following until the deficiency has been corrected. In the event the amount contained in the Reserve Fund (as a result of such valuation) is more than the Required Reserve Fund Amount, the amount of such excess may be transferred to the Revenue Fund and shall be so transferred if directed by the Authority.

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 17: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund created by this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 18: Security of Funds and Their Transfer. All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of

the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and the Previously Issued Bonds. Bonds Similarly Secured shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

- (a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).
- (b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.
- (c) The City of Sherman, Texas, shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such bonds is payable, in whole or in part, from payments to be made by the City of Sherman, Texas, under and pursuant to the Contract.
- (d) The Additional Bonds are made to mature on April 1 or October 1 or both in each of the years in which they are scheduled to mature.
- (e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.
- (f) The resolution authorizing the issuance of the Additional Bonds provides that (i) the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and (ii) any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than 60 months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

(g) The Authority will demonstrate to the Executive Administrator of the Texas Water Development Board that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds, the Bonds and the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest of the Authority, and if less than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this Section, but the certificate required in subdivision (b) shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices, and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within one hundred twenty (120) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.
- (d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

(e) A list of the securities which have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits above referred to are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the City of Sherman, Texas, agrees, in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system.

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, Previously Issued Bonds, and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues.

None of the special covenants herein appearing shall be construed in any manner which would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner which would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Texas Business & Commerce Code, Chapter 8, as amended.

SECTION 26: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 39 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 27: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money,

together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Authority shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 28: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 29: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 30: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal

Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the general fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Authority hereby directs and authorizes the President, Vice President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 32: Sale of Bonds – Official Statement. The Bonds authorized by this Resolution may be sold by the Authority to the purchaser(s) (herein referred to as the “Purchasers”) by (i) negotiated sale, in accordance with a bond purchase agreement (the “Purchase Contract”), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the Authority and as the act and deed of this Board.

The President and Secretary of the Board of Directors of the Authority are further authorized and directed to execute and deliver for and on behalf of the Authority copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the Board of Directors of the Authority and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 33: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, and accrued interest received from the Purchasers, if any, of the Bonds) shall be deposited to the credit of a fund kept at a depository bank of the Authority. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code., Section 2256.015, et seq, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Bond Fund as shall be determined by the Board of Directors; all in accordance with written instructions from the Authority or its financial advisor. Any accrued interest received from the Purchasers and as well as all surplus proceeds of sale of the Bonds, including investment earnings, remaining

after completion of all authorized projects or purposes shall be deposited to the credit of the Bond Fund.

SECTION 34: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bonds pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchaser.

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel") approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the initial purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company. The Board of Directors confirms the prior engagement of Norton Rose Fulbright US LLP as the Authority's Bond Counsel.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 38: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in the year stated in the Pricing Certificate, financial information and operating data with respect to the Authority and the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the Authority and the City, when and if available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the Authority and the City, respectively, may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Authority shall file unaudited financial statements within such twelve-month period and audited financial statements when and if such audited financial statements become available.

If the Authority changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, and (b) the Authority intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an “obligated person”.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other

provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, and the Holders.

SECTION 41: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 42: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 43: Incorporation of Findings and Determinations. The findings and determinations of the Board of the Authority contained in the preambles hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 44: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 45: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 46: Contract. The Contract is amended to include the Series 2023 Project and a description of the Series 2023 Project shall be attached to the contract as Exhibit D-14. In all other respects the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 47: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and

subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[remainder of page left blank intentionally]

PASSED AND ADOPTED, this February 20, 2023.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Form of Paying Agent/Registrar Agreement

EXHIBIT B

Contract For Water Supply and Sewer Service

AGENDA ITEM XII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 16, 2023

SUBJECT: AGENDA ITEM NO. VIII

CONSIDER AND ACT UPON CHANGE ORDER NO. 2 AND CHANGE ORDER NO. 3 TO THE CONTRACT WITH LYNN VESSELS CONSTRUCTION, LLC FOR THE CITY OF SHERMAN NORTHWEST SEWER AND FORCE MAIN PROJECT.

ISSUE

Consider and act upon Change Order No. 2 and Change Order No. 3 to the contract with Lynn Vessels Construction, LLC for the City of Sherman Northwest Sewer and Force Main Project.

BACKGROUND

Over the past several years, the Board authorized the issuance of open market bonds to construct several projects in the City of Sherman's water and wastewater system. Included in the 2017, 2019 and 2021 open market bond issuances are funds for constructing a new lift station and pipeline which will ultimately serve the Preston Club development, a recently annexed portion of the City of Sherman.

This project includes 8", 12" & 15" sewer lines in the Preston Club Development. 15" and 18" sewer lines extend downstream to a sewer lift station located to serve the area around the intersection of US 82 and SH 289. A 10" sewer force main follows the sewers back through the development and over the ridge line to a short 12" sewer line connecting to an existing Sand Creek 12" Sewer. This project was awarded to Lynn Vessels Construction on May 18th, 2021.

CONSIDERATIONS

Change Order No. 2 will adjust the as-bid quantities to as-built quantities. These changes were requested by City staff. This change order will also add site cleanup at two sites absorbed by the City per TCEQ requests at Preston Club and High Country subdivisions. Change Order No. 3 added sewer mains to connect to additional lots along Roberts Run in the Preston Club development.

Change Order No. 2 and Change Order No. 3 are a \$41,398.85 and \$33,613.93 increase in the contract amount, respectively, yielding a final contract price of \$1,816,753.38.

STAFF RECOMMENDATIONS

Staff recommends authorizing the execution of Change Order No. 2 and Change Order No. 3 with Lynn Vessels Construction in the amount of \$75,012.80, resulting in a revised contract amount of \$1,816,753.38.

ATTACHED

Change Order No. 2
Map for Change Order No. 2
Change Order No. 3
Map for Change Order No. 3

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

Change Order

Date of Issuance: September 29, 2022

No. 2

Project: Sherman Northwest Sewer and Force main	Project No.: PW #1385-U
Owner: City of Sherman	Date of Contract: August 12, 2021
Contractor: Lynn Vessels Construction, LLC	

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

Bid Item #	Quantity	Unit	Description	Unit Cost	Total Cost
23	2	EA	Install additional Sewer Gas Vents on sewer line	\$666.00	\$1,332.00
25	-2	EA	Connect to Existing 6" Line to new sewer line per plans (\$945.05/EA)	\$945.05	-\$1,890.10
CO#2_1	2	EA	4' Fiberglass Manhole 0-12' depth (coated concrete base, pipe inlet couplings, inserta-tee for 6", cast-iron hinged ring and cover)	\$8,636.14	\$17,272.28
CO#2_2	2	EA	6" Internal Drop w/Stainless Steel straps and bolts	\$1,177.95	\$2,355.90
CO#2_3	1	LS	Abandon Preston Club Pump Station concrete and haul off debris	\$5,499.80	\$5,499.80
CO#2_4	1	LS	Abandon High Country Pump Station, demo GST, Hydropneumatic tank, concrete and haul off debris	\$15,623.19	\$15,623.19
CO#2_5	1	LS	Reset storm drain line at Preston Club for new sewer line interference.	\$1,205.78	\$1,205.78
Total Change Order #2					\$41,398.85

Justification:

#23; Mitigate sewer gas buildup main line and allow air flow into line when pump station comes on.

#25; Removes main line tie-ins.

CO#2-1 Replaces main line tie in-ins with fiberglass manholes for future maintenance accessibility.

CO#2-2 Install drop structures in new fiberglass manholes per TCEQ rules.

CO#2-3 Abandon Preston Club Pump Station Site concrete remnants and haul off.

CO#2-4 Abandon High Country Pump Station Site, Ground Tank, Pneumatic tank, concrete foundations,

CO#2-5 Lowers interference of new sewer line and existing storm drain not shown on plans.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$1,608,996.56

Increase from previously approved Change Orders No. 0 to No. 1 :

\$132,744.04

CHANGE IN CONTRACT TIMES:

Original Contract Times:

Substantial completion days: 365

Substantial completion date: August 30, 2022

Increase from previously Change Orders

No. 0 to No. 1 :

Substantial completion days: 365

Substantial completion date: 30

Contract Price prior to this Change Order:

\$1,741,740.60

Increase of this Change Order:

\$41,398.85

Contract Price incorporating this Change Order:

\$1,783,139.45

Contract Times prior to this Change Order:

Substantial completion days: 395

Substantial completion date: September 29, 2022

Increase of this Change Order:

Substantial completion days: 44

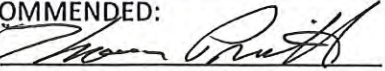
Substantial completion date: November 12, 2022

Contract Times with all approved Change Orders:

Substantial completion days: 439

Substantial completion date: November 12, 2022

RECOMMENDED:

By: 

Engineer (Authorized Signature)

Date: 10-6-2022

ACCEPTED:

By: _____

Owner (Authorized Signature)

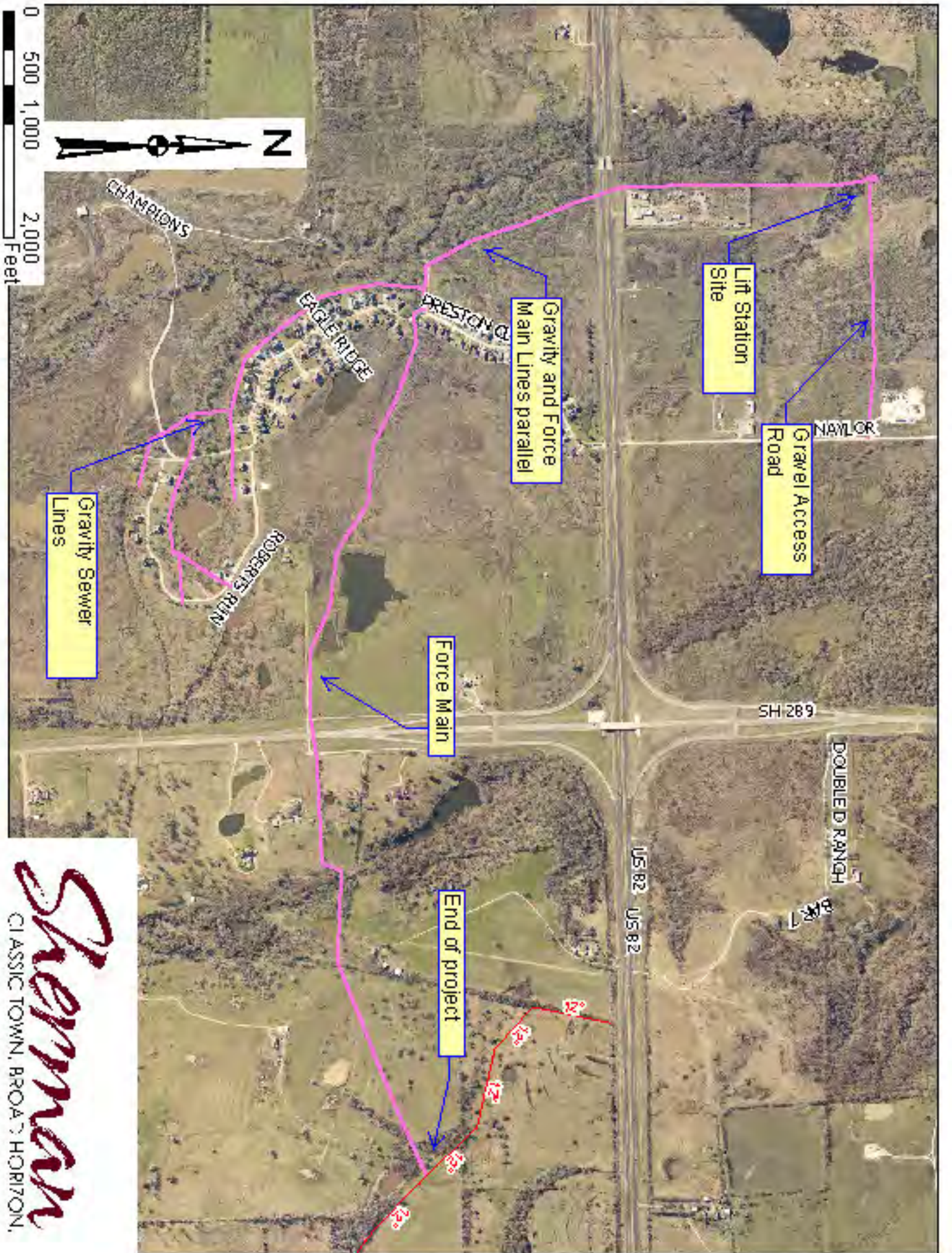
Date: _____

ACCEPTED:

By: 

Contractor (Authorized Signature)

Date: 9-29-2022



Sherman
CLASSIC TOWN, BROAD HORIZON

Change Order

No. 3

Date of Issuance: February 20, 2023

Project: Sherman Northwest Sewer and Force main	Project No.: PW #1385-U
Owner: City of Sherman	Date of Contract: August 12, 2021
Contractor: Lynn Vessels Construction, LLC	

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

Bld Item #	Quantity	Unit	Description	Unit Cost	Total Cost
CO3-1	440	LF	8" SDR 35 PVC 0-10' Deep	\$45.83	\$20,165.20
CO3-2	1	VF	Raise 5' diameter manhole to Lift Station Grade	\$637.10	\$637.10
CO3-3	1	EA	Labor to Lower Water Line	\$3,384.63	\$3,384.63
CO3-4	1	EA	Install Access Gate Sta 45+00	\$3,530.50	\$3,530.50
CO3-5	6	EA	Customer Sewer Services	\$781.50	\$4,689.00
CO3-6	1	EA	Sewer Clean out	\$1,207.50	\$1,207.50
Total Change Order #2					\$33,613.93

Justification:

CO3-1 Provide 8" sewer main in Roberts Run

CO3-2 Bring new manhole to same grade at Lift Station site (in flood plain)

CO3-3 Lower sewer line already installed in Roberts Run

CO3-4 Provide easement access gate at Sta 45+00 (82 Salvage)

CO3-5 Pickup sewer lots in Roberts Run

CO3-6 Install new main line cleanout

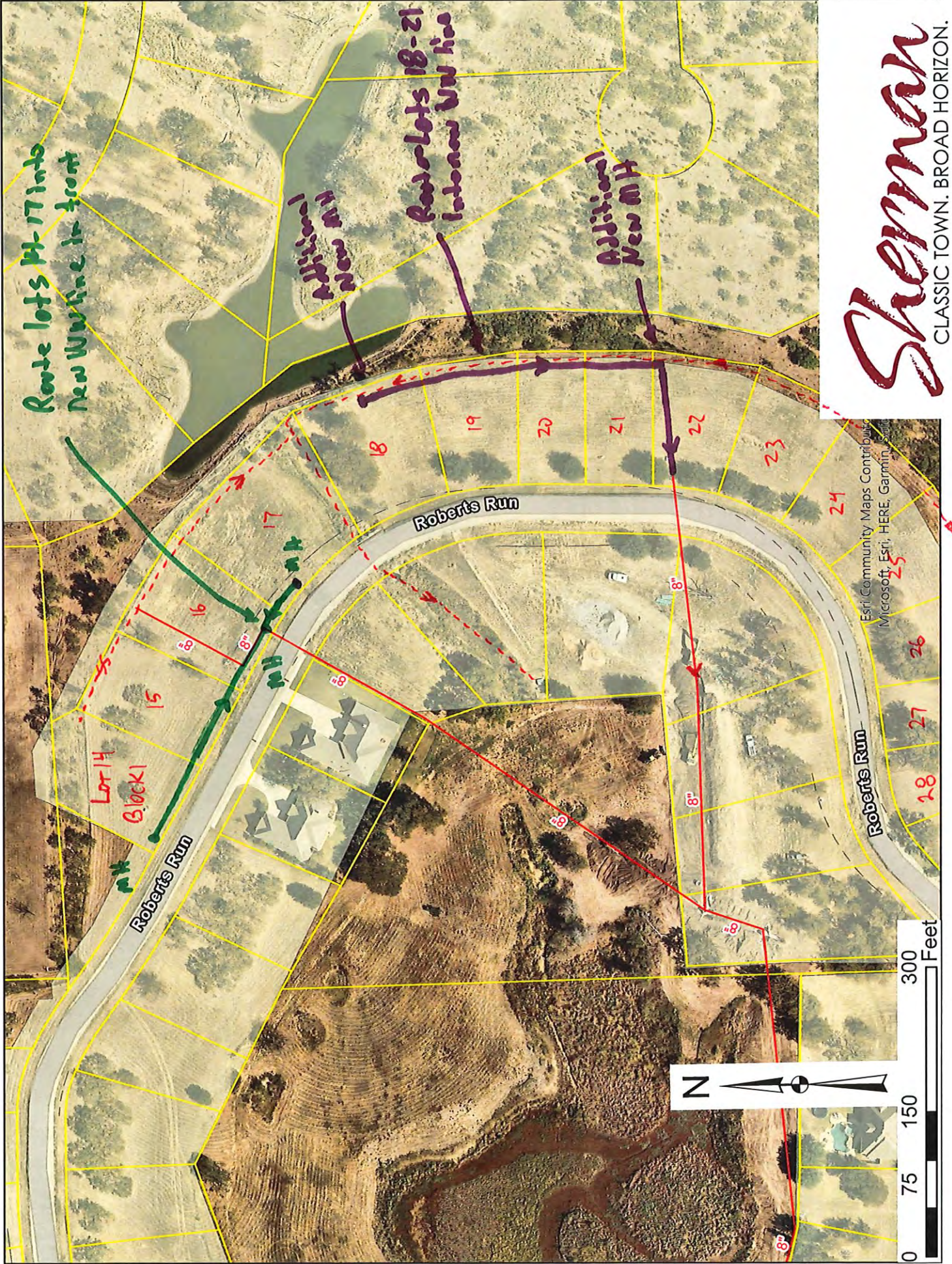
CHANGE IN CONTRACT PRICE:
Original Contract Price:
\$1,608,996.56
Increase from previously approved Change Orders No. 0 to No. 2 :
\$174,142.89
Contract Price prior to this Change Order:
\$1,783,139.45
Increase of this Change Order:
\$33,613.93
Contract Price incorporating this Change Order:
\$1,816,753.38

CHANGE IN CONTRACT TIMES:
Original Contract Times:
Substantial completion days: 365
Substantial completion date: August 30, 2022
Increase from previously Change Orders No. 0 to No. 2 :
Substantial completion days: 439
Substantial completion date: November 12, 2022
Contract Times prior to this Change Order:
Substantial completion days: 439
Substantial completion date: November 12, 2022
Increase of this Change Order:
Substantial completion days: 35
Substantial completion date: December 17, 2022
Contract Times with all approved Change Orders:
Substantial completion days: 474
Substantial completion date: December 17, 2022

RECOMMENDED:
By: [Signature]
Engineer (Authorized Signature)
Date: 2/14/2023

ACCEPTED:
By: _____
Owner (Authorized Signature)
Date: _____

ACCEPTED:
By: [Signature]
Contractor (Authorized Signature)
Date: 2/13/2023



Sherman
 CLASSIC TOWN. BROAD HORIZON.

AGENDA ITEM XIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XIII

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO APPROVING AND AUTHORIZING
THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED WATER AND SEWER
FACILITIES CONTRACT WITH THE CITY OF GUNTER, TEXAS, INCLUDING THE ADOPTION
OF A RESOLUTION PERTAINING THERETO.**

ISSUE

Consider all matters incident and related to amending the Water and Sewer Facilities Contract entered by the Authority and the City of Gunter dated October 16, 2017.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter's water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigfe, General Manager

RESOLUTION NO. ____

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the execution and delivery of an "Amended and Restated Water and Sewer Facilities Contract" with the City of Gunter, Texas and resolving other matters incident and related to the execution and delivery of such Contract including specifying the term, consideration, and obligations of the parties to such Contract, resolving provisions incident and related to the subject and purpose of this resolution.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Gunter, Texas (the "City") have previously entered into that certain Water and Sewer Facilities Contract, dated as of October 16, 2017, as such contract may have been amended from time to time, (the "Prior Contract"); and,

WHEREAS, negotiations have been conducted between the Authority and the City, with respect to the execution of an amended and restated water supply and sewer service contract (the "Contract," the form of which is attached hereto as **Exhibit A**), whereby the Authority would provide water supply and sanitary sewer collection and treatment facilities to the City and its successors and assigns upon written consent of the Authority as authorized by the addition of Section 4.05; and,

WHEREAS, Section 4.04 of the Prior Contract allows modification with the consent of the governing bodies of the Authority and the City, during a joint meeting of the governing bodies or of their duly authorized and appointed representative, held not less than thirty (30) days after the giving of such notice; and,

WHEREAS, proper thirty-day notice for modification of the Prior Contract in accordance with the Section 4.04 of the Prior Contract was given; and,

WHEREAS, such Contract amends and restates the Prior Contract to allow the assignment of obligations under the Prior Contract, but does not alter or impair any existing obligations between the parties or to any third parties, and references to the Prior Contract in existing obligations of the parties shall mean and shall include the Prior Contract and the Contract; and,

WHEREAS, such modification will not affect adversely the payment when due of all moneys required to be paid under the terms of the Contract and will not affect adversely or cause a violation of any covenants in the Bond Resolutions; and

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

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

Section 1: That the "Amended and Restated Water and Sewer Facilities Contract" by and between the Authority and the City attached hereto as **Exhibit A** and incorporated herein for all purposes is hereby approved for and on behalf of the Authority. The President and

Secretary of the Board of Directors of the Authority are hereby authorized and directed to execute such contract for and on behalf of the Authority and as its act and deed.

Section 2: The Board of Directors of the Authority hereby authorizes the General Manager to meet with a duly authorized and appointed representative of the City to consider, discuss, and settle any and all changes or modifications to the Prior Contract.

Section 3: This resolution shall take effect and be in force from and after its passage.

PASSED AND APPROVED, this 20th day of February, 2023.

President, Board of Directors
Greater Texoma Utility Authority

(Seal)

ATTEST:

Secretary, Board of Directors
Greater Texoma Utility Authority

EXHIBIT A

**AMENDED AND RESTATED
WATER AND SEWER FACILITIES CONTRACT**

AMENDED AND RESTATED WATER AND SEWER FACILITIES CONTRACT

THE STATE OF TEXAS
COUNTY OF GRAYSON

§
§
§

THIS AMENDED AND RESTATED CONTRACT ("Contract") is made and entered into as of _____, 2023, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 97, Acts of the 66th Legislature of Texas, Regular Session, 1979, as amended by Chapter 398 Acts of the 68th Legislature, Regular Session 1983, and Acts of the 78th Legislature, Regular Session 2003 (the "Act"), and the CITY OF GUNTER, TEXAS, a municipal corporation in the County of Grayson, Texas (hereinafter referred to as the "City"), duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority and the City have previously entered into that certain Water and Sewer Facilities Contract, dated as of October 16, 2017, as such contract may have been amended from time to time (the "Prior Contract");

WHEREAS, this Contract amends and restates the Prior Contract, but does not alter or impair any existing obligations between the parties or to any third parties, and references to the Prior Contract in existing obligations of the parties shall mean and shall include the Prior Contract and this Contract (this Contract being only a restatement of the Prior Contract as the prior Contract has been amended from time to time);

WHEREAS, the Authority, acting pursuant to the Act, has issued or proposes to issue, or both, its bonds for the purposes of providing (i) certain sanitary sewer collection and treatment facilities for use by the City, and (ii) an additional supply of water to the City and certain water supply facilities in order to store and transport such water to the City ;

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

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies pursuant to authority granted by Texas Government Code, Section 791.026, as amended, have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01: Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Contract and any contract amendatory or supplemental to this Contract shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any bonds payable from revenues to be received by the Authority from the City under this Contract and to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues.
- (e) "City" shall mean the City of Gunter, Texas.
- (f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.
- (g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a different firm on different aspects of the Project and that any Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.
- (h) "Fiscal Year" shall mean the twelve month operating period (under this Contract) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).
- (i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.

(j) "Operator" shall mean the party to the Contract who is designated, from time to time City, by the parties with respect to each Project and, in the absence of such designation, shall mean the City.

(k) "Project" shall mean, collectively, the Water Project and the Sewer Project.

(l) "Sewer Project" shall mean, collectively, the sanitary sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Contract, or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each ordinance or resolution of the City, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

(m) "Water Project" shall mean, collectively, the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Contract or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each ordinance or resolution of the City, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

ARTICLE II REPRESENTATIONS AND AGREEMENTS

SECTION 2.01: The City's Representations and Agreements. In connection with its undertakings hereunder, the City represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly incorporated City of Texas, it is empowered under applicable laws of Texas to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract. Pursuant to Texas Government Code, Section 791.026, as amended, and to the extent required by the terms of that Section, the City agrees not to obtain water supply from any source other than a party to this Contract, except that this Contract expressly allows the City to obtain water from sources other than the Authority if the express written consent of the Authority is obtained prior to the execution of any agreement to obtain water supply, as authorized by Texas Government Code, Section 791.026, as amended, t Code, as amended.

(b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the services supplied by the Project.

(c) That it will plan, construct, maintain, operate and finance its own utility system and set retail rates to individual customers for water and sanitary sewer service adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sanitary Sewer System (the "Utility System").

(d) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the City and agrees with the City as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XVI, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Act, the Interlocal Cooperation Act, and the Texas Water Code, to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) That it will finance all Costs of the Project not provided by the City and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such contracts as are necessary to construct the Project. To this end, the Authority and the City agree that:

(a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.

(b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.

(c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.

(d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the City.

(e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

(f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements and interest required to provide the Project, subject to the approval of the City and the Authority.

ARTICLE III FISCAL MATTERS

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received, for the purpose of providing all or part of the Project. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the

City's obligations to make any and all payments specified in this Article and the ownership interest of the Authority in the Project will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this Contract, and the City agrees that it will make to the Authority the following payments:

(a) Monthly amortization payment — Such amounts, payable monthly on or before the 10th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

(b) Reserve Fund Payment — Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution in order to establish, maintain or replenish the Reserve Fund for the security and payment of Bonds.

(c) Administrative Payment — An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports and the costs of all continuing disclosure undertakings.

(d) Extraordinary Expense Payment — Such amounts, as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between the City and the Authority.

(e) The cost of Maintenance and Operation of the Project (for which provision is made in Section 3.03) if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The City agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments — the City shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which moneys are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract and shall be adjusted by the City so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

(b) Reserve Fund Payment — the City shall commence making these payments on the 10th day of the following month, as may be provided in the Bond Resolution, after the delivery

of the initial series of Bonds issued to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such additional Bonds.

(c) Administrative Payment — the City shall commence making the administrative payment on the 10th day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 10th day of each month thereafter throughout the term of this Contract.

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

(e) Maintenance and Operating Expenses: (i) if the City is designated as the Operator, such expenses shall be paid by the City as the same become due; or (ii) if the Authority is designated as the Operator, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 10th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or, thereafter prior to the beginning of each Fiscal Year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the Fiscal Year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this Section, the City agrees, to the extent allowed by law, to indemnify and to save and hold harmless the Authority from any and all, exclusive of costs caused by or associated with the Authority's negligence, claims, damages, losses, costs and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amounts which would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damages or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a Maintenance and Operation Expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The City covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unusable by reason of "force majeure". The City

recognizes the fact that the Authority will use the payment received from the City hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely upon the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the City.

SECTION 3.06: Late Payment Penalty. Should the City fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - City to Fix Adequate Rates.

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

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

SECTION 3.08: Nature of Obligation of City. The payments required to be made by the City under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the City shall be and are separate and independent covenants and the City shall have no rights of set off, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the City out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the City pursuant to this Contract are to be collected from the sources referenced herein, and from no other source.

ARTICLE IV
MISCELLANEOUS PROVISIONS

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the effective date of this Contract and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The City and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03: Abandonment of Use of Project. Except as provided by this Contract, the City may not obtain services provided for in this Contract from a source other than a contracting party. It is specifically recognized by the parties hereto that the City, during the term of this Contract, may acquire other facilities so as to make the continued operation of the Project

uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the City choose to discontinue the operation of all or part of the Project, the City shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the City, and any money realized from such salvage will serve as a reduction of such expense. The City shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the City to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the City of the same nature as provided for by this Contract.

SECTION 4.04: Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of the Authority and the City. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all moneys required to be paid by the City under the terms of this Contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the City may desire the construction of additional facilities over and above those now contemplated, and provided the same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the City and the Authority.

SECTION 4.05: Assignment. This Contract shall be binding upon and inure to the benefit of the Authority and the City and their legal successors but the Contract shall not be otherwise assignable in whole or in part by either the Authority or City without first obtaining the written consent of the other. Consent to any proposed assignment will not be unreasonably withheld or delayed. To the extent an assignee expressly assumes an obligation of the assignor, assignor shall be fully released from performing or undertaking such obligations.

SECTION 4.06: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.07: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.08: Title to Water and Sewage. Title to all water and sewage put into the Project under this Contract shall be in the City.

SECTION 4.09: Notices. Any notice, request, demand, statement or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: President, Board of Directors

To the City: P. O. Box 349
Gunter, Texas 75058-0349
Attention: Mayor

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.10: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the City hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.11: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.12: Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the City has heretofore issued, sold and delivered revenue bonds that were and are payable from and secured by a lien on and pledge of the net revenues of its Utility System, and to the extent such bonds so issued and delivered are outstanding, the City has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the City represents to the Authority that:

- (a) There is no provision in any ordinance of the City which prohibits the City from entering into and executing this Contract.
- (b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of contract by and between the City and any other person. The Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

SECTION 4.13: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this Contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the benefit of the City; that the Operator without hindrance from the Authority or the City, or the employees

or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.14: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied upon, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the City to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for force majeure shall relieve the City from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as possible after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Contract, and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Contract. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.15: Easements. The City agrees that the Authority may have such easements over any easements, right of way or property held by the City so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.16: Bond Approval by the City.

(a) Prior to the issuance and delivery of any Bonds which are (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this Section.

(b) If the Bonds are to be sold at a public sale, the governing body of the City shall, by resolution or ordinance, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be constructed or acquired; or, if the Bonds are to be negotiated, or are refunding Bonds, the governing body of the City shall, by resolution or ordinance approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the Bonds.

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

(d) The City and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining to enforcement of this Contract.

SECTION 4.17: Severability. The parties hereto agree that if any of the provisions of this Contract contravene or be held invalid under the laws of the State, same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

CITY OF GUNTER, TEXAS

(City Seal)

By: _____
Mayor

ATTEST:

City Secretary

AGENDA ITEM XIV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XIV

CONSIDER ALL MATTERS INCIDENT AND RELATED TO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED CONTRACT FOR WATER SUPPLY SERVICES WITH THE CITY OF GUNTER, TEXAS, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO.

ISSUE

Consider all matters incident and related to amending the Contract for Water Supply Services entered by the Authority and the City of Gunter dated June 14, 2010.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter's water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

RESOLUTION NO. ____

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the execution and delivery of an "Amended and Restated Contract for Water Supply Services " with the City of Gunter, Texas and resolving other matters incident and related to the execution and delivery of such Contract including specifying the term, consideration, and obligations of the parties to such Contract, resolving provisions incident and related to the subject and purpose of this resolution.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Gunter, Texas (the "City") have previously entered into that certain Water and Sewer Facilities Contract, dated as of June 14, 2010, as such contract may have been amended from time to time, (the "Prior Contract"); and,

WHEREAS, negotiations have been conducted between the Authority and the City, with respect to the execution of an amended and restated water supply and sewer service contract (the "Contract," the form of which is attached hereto as **Exhibit A**), whereby the Authority would provide water supply facilities to the City and its successors and assigns upon written consent of the Authority as authorized by the addition of Section 4.05; and,

WHEREAS, Section 4.04 of the Prior Contract allows modification with the consent of the governing bodies of the Authority and the City, during a joint meeting of the governing bodies or of their duly authorized and appointed representative, held not less than thirty (30) days after the giving of such notice; and,

WHEREAS, proper thirty-day notice for modification of the Prior Contract in accordance with the Section 4.04 of the Prior Contract was given; and,

WHEREAS, such Contract amends and restates the Prior Contract to allow the assignment of obligations under the Prior Contract, but does not alter or impair any existing obligations between the parties or to any third parties, and references to the Prior Contract in existing obligations of the parties shall mean and shall include the Prior Contract and the Contract; and,

WHEREAS, such modification will not affect adversely the payment when due of all moneys required to be paid under the terms of the Contract and will not affect adversely or cause a violation of any covenants in the Bond Resolutions; and

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

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

Section 1: That the "Amended and Restated Water and Sewer Facilities Contract" by and between the Authority and the City attached hereto as **Exhibit A** and incorporated herein for all purposes is hereby approved for and on behalf of the Authority. The President and

Secretary of the Board of Directors of the Authority are hereby authorized and directed to execute such contract for and on behalf of the Authority and as its act and deed.

Section 2: The Board of Directors of the Authority hereby authorizes the General Manager to meet with a duly authorized and appointed representative of the City to consider, discuss, and settle any and all changes or modifications to the Prior Contract.

Section 3: This resolution shall take effect and be in force from and after its passage.

PASSED AND APPROVED, this 20th day of February, 2023.

President, Board of Directors
Greater Texoma Utility Authority

(Seal)

ATTEST:

Secretary, Board of Directors
Greater Texoma Utility Authority

EXHIBIT A

**AMENDED AND RESTATED
CONTRACT FOR WATER SUPPLY SERVICES**

AMENDED AND RESTATED CONTRACT FOR WATER SUPPLY SERVICES

THE STATE OF TEXAS

§

COUNTY OF GRAYSON

§

§

THIS AMENDED AND RESTATED CONTRACT FOR WATER SUPPLY SERVICES (“Contract”) is made and entered into as of _____, 2023 (the “Effective Date”) by and between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the “Authority”), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 97, Acts of the 66th Legislature of Texas, Regular Session, 1979, as amended by Chapter 398 Acts of the 68th Legislature, Regular Session, 1983 and Acts of the 78th Legislature, Regular Session, 2003 (the “Act”), and the CITY OF GUNTER, a municipal corporation operating in the County of Grayson, Texas (hereinafter referred to as the “Purchaser”), duly created and existing under the laws of the State of Texas:

WITNESSETH:

WHEREAS, the Authority and the Purchaser have previously entered into that certain Contract for Water Supply Services, dated as of June 14, 2010, as such contract may have been amended from time to time (the “Prior Contract”);

WHEREAS, this Contract amends and restates the Prior Contract, but does not alter or impair any existing obligations between the parties or to any third parties, and references to the Prior Contract in existing obligations of the parties shall mean and shall include the Prior Contract and this Contract (this Contract being only a restatement of the Prior Contract as the prior Contract has been amended from time to time);

WHEREAS, the Flood Control Act of 1938 (Public Law HD 541, 75th Congress, 3rd Session), authorized the construction, operation, and maintenance of the Lake Texoma (Denison Dam) on the Red River; and

WHEREAS, Section 838 of the Water Resources Development Act of 1986, Public Law 99-662, authorized the reallocation from hydropower storage to water supply storage, in increments as needed, up to an additional 150,000 acre-feet of water for municipal, industrial, and agricultural water users in the State of Texas, including the Authority; and

WHEREAS, the Department of the Army, through the U.S. Army Corps of Engineers, has reallocated the storage in Lake Texoma accordingly; and

WHEREAS, pursuant to such reallocation, the Authority has contracted with the Department of the Army for 50,000 acre-feet of additional storage in Lake Texoma (the “COE Contract”); and

WHEREAS, the Authority has also filed an application with the Texas Commission on Environmental Quality (“Commission”) for a water right (the “Water Right”) authorizing the diversion and use of up to 56,500 acre-feet of water per annum for municipal, industrial and agricultural purposes, which the Authority’s additional storage in Lake Texoma will yield; and

WHEREAS, the Authority, acting pursuant to the Act, proposes to issue its bonds for the purposes of securing an additional source of supply of water for the Purchaser; and

WHEREAS, certain revenues to be received by the Authority from the Purchaser under this Contract are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing the acquisition of such storage and securing such water rights and issuing such bonds; and

WHEREAS, the Authority and the Purchaser enter into this Contract so as to secure the financing of the storage space pursuant to the COE Contract and the acquisition of the Water Right; and,

WHEREAS, at such time as the Purchaser needs all or part of the water supply it has contracted to pay for under this Contract, the Authority and the Purchaser may enter into further negotiations for the financing, construction, operation and maintenance of such facilities as are necessary for the diversion, treatment and/or delivery of such supplies; and

WHEREAS, the Authority and the Purchaser, acting through their duly constituted governing bodies pursuant to authority granted by provisions of the Interlocal Cooperation Act, V.T.C.A., Section 791.026, Government Code, as amended, have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Contract and any contract amendatory or supplemental to this Contract shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any bonds payable from revenues to be received by the Authority from the Purchaser under this Contract and to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues.
- (e) "COE Contract" shall mean that certain contract between the Department of the Army and the Authority authorizing the Authority's acquisition of 50,000 acre-feet of storage space in Lake Texoma which resulted from the reallocation of hydropower storage to water supply storage.
- (f) "Commission" shall mean the Texas Commission on Environmental Quality.

(g) "Contract" shall mean this services agreement between the Authority and the Purchaser, which the parties have executed pursuant to Local Government Code Sec. 271.151, et. seq. and Government Code Sec. 791.026.

(h) "Cost of the Project" shall mean all cost and expense incurred in connection with the acquisition of the Project, including, without limiting the generality of the foregoing, the cost to the Authority of the acquisition, management, and administration of all storage space in Lake Texoma pursuant to the COE Contract and the costs of securing, managing, and administering the Water Right, the financing charges, interest costs, and the Authority's administrative expenses expected to accrue in connection with such acquisition, the funding of any reserve funds created by the Bond Resolution(s), the cost of engineering and legal services, plans, specifications, surveys, other expenses necessary or incident to the Authority's determination of the feasibility and practicability of acquiring the Project, and such other expenses as may be necessary or incident to the Authority's acquisition and management of the Project, and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.

(i) "Fiscal Year" shall mean the twelve-month operating period (under this Contract) commencing October 1st of each year, provided such twelve-month period may be changed one time in any three calendar year period by agreement of the Authority and the Purchaser (which agreement, if made, shall be attached hereto as an exhibit).

(j) "Maintenance and Operation Expense of the Project" shall mean the Authority's expense of maintenance, management, and operation of the Project including operations and maintenance expenses associated with the COE Contract, all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient services to the Purchaser, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.

(k) "Project" shall mean, collectively, the total water supply authorized to the Authority by way of the Water Right, a portion of which supply is contracted to the Purchaser pursuant to and for the term of this Contract, with such supply being made available to the Authority pursuant to its rights under the COE Contract, which are to be or have been (i) acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of Bonds, to the extent the same are payable from the money paid or required to be paid by the Purchaser under this Contract or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each ordinance, order, or resolution of the Purchaser, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Cost of the Project.

(l) "Purchaser" shall mean the City of Gunter, Texas.

(m) "Utility System" shall mean the Purchaser's water and sewer utility system.

(n) "Water Conservation Plan" shall mean the Authority's water conservation and drought contingency plan, as same may be amended from time to time by the Authority, and as approved by the Commission.

(o) "Water Right" shall mean the water right appropriation issued by the Commission to the Authority authorizing the diversion and use not to exceed 56,500 acre-feet of water per annum for municipal, industrial and agricultural purposes.

ARTICLE II REPRESENTATIONS AND AGREEMENTS

SECTION 2.01. The Purchaser's Representations and Agreements. The Purchaser represents to the Authority and agrees with the Authority as follows:

(a) It is empowered under applicable laws of Texas to enter into the engagements prescribed for it under this Contract, including the services afforded hereunder, and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the water supply made available by the Project, pursuant to Sec. 3.02 hereof.

(c) It will plan, construct, maintain, operate and finance its own Utility System and set retail rates to individual customers for utility service adequate to pay all Purchaser obligations secured by and made payable from the revenues derived from the operation of the Purchaser's Utility System.

(d) It will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

(e) At such time as the Purchaser needs all or part of the water supply and services it has contracted for under this Contract, the Purchaser will have the right to further contract with the Authority for the financing, construction, operations and maintenance of such facilities as are necessary for the diversion, treatment, and/or delivery of such supplies.

(f) It will comply with the Water Conservation Plan in all respects, and will adopt, implement, and enforce water conservation measures that are consistent with the provisions of the Water Conservation Plan; and, it will comply with all applicable water conservation plan and reporting requirements of the Commission and the Texas Water Development Board.

(g) During the term of this Contract it will continue to own, operate, and manage the Utility System, and it will not sell or convey more than ten percent (10 %) of the water supply it has contracted for under this Contract to non-governmental entities under contracts that would result in a private business use of the Utility System for federal income tax purposes.

(h) Following the Authority's full payment of the principal and interest on the Bonds, the Purchaser will continue to make payments to the Authority for the Authority's operations, maintenance, and administrative costs associated with the Project, for the remaining term of the Contract.

(i) During and following the Purchaser's payment of its portion of the Authority's bonded indebtedness on the Project, the Authority will own the Project in its entirety, and Purchaser shall have the right during the term of this Contract to a supply of water from the Project, in accordance with the provisions of Section 2.03 hereof.

SECTION 2.02. Representations and Agreements of Authority. The Authority represents to the Purchaser and agrees with the Purchaser as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XVI, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Act, the Interlocal Cooperation Act, V.T.C.A. Government Code, Ch. 791, et. seq., and the Texas Water Code, to enter into the engagements prescribed for it under this Contract, including the services afforded hereunder, and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will finance all Cost of the Project on behalf of the Purchaser and the Authority's other customers.

(c) It will cooperate with the Purchaser in the performance of the duties and responsibilities assigned to the Purchaser by this Contract.

(d) At such time as the Purchaser needs all or part of the water supply it has contracted for under this Contract, the Authority will have the right to further contract with the Purchaser for the financing, construction, operations and maintenance of such facilities as are necessary for the diversion, treatment, and/or delivery of such supplies.

SECTION 2.03. Purchase of Supply in Place. The Purchaser shall have the right to 2.00 per cent (%) of the total water supply made available through the Authority's ownership of the Project, up to but not exceeding 1,000 acre-feet of water per annum or 1,008,000 gallons per day ("MGD"), for the term of and subject to the conditions of this Contract. However, the Purchaser recognizes and acknowledges that i) the Project's yield, and therefore the amount of water to which Purchaser is entitled hereunder, may be subject to reduction during the term of this Contract due to force majeure conditions, including drought or siltation conditions, or TCEQ or COE requirements, or other factors beyond the control of the parties, and ii) the services afforded by the Authority hereunder do not include the provision of facilities or infrastructure necessary to divert, treat and/or deliver water to the Purchaser and that a supplemental contract will be required in order for the Authority to divert, treat, and/or deliver water to the Purchaser.

ARTICLE III FISCAL MATTERS

SECTION 3.01. Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary for the purpose of acquiring the Project. The Purchaser hereby covenants and agrees to make payments to the Authority equal to amounts sufficient to pay 2.00% of the total debt service on the Bonds (together with 2.00% of all other payments, fees, and charges due to the Authority hereunder). It is further understood and agreed that a critical component of the Authority's funds to pay the principal of and interest on its Bonds is from the payments to be made by the Purchaser to the Authority under this Contract, and the Purchaser agrees that it will make to the Authority the following payments, as applicable, following the Effective Date and continuing during the term of this Contract, for the services afforded by the Authority hereunder:

(a) Monthly amortization payment: such amounts, payable monthly on or before the 10th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date;

(ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and (iii) the fees and charges of the paying agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

(b) Reserve Fund Payment: such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the Purchaser) under the Bond Resolution in order to establish, maintain or replenish the Reserve Fund for the security and payment of Bonds.

(c) Administrative Payment: an amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including but not limited to the cost of routine annual accounting reports and the costs of all continuing disclosure undertakings.

(d) Extraordinary Expense Payment: such amounts, as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between the Purchaser and the Authority.

(e) The cost of Maintenance and Operation Expense of the Project.

SECTION 3.02. Time for Making of Payments. The Purchaser agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments: the Purchaser shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds; provided that such payments shall commence in no event later than the earlier of (i) twelve-months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which moneys are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract until the Bonds are retired and shall be adjusted by the Purchaser so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

(b) Reserve Fund Payment: the Purchaser shall commence making these payments as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds issued to acquire the Project, and upon the issuance of additional Bonds, if any, shall increase the payments in accordance with the Resolution authorizing such additional Bonds. These payments shall be made until the Bonds are retired.

(c) Administrative Payment: the Purchaser shall commence making the administrative payment on the 10th day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 10th day of each month thereafter throughout the term of this Contract.

(d) Extraordinary Expense Payment: during the term of this Contract, the Purchaser shall make any extraordinary expense payment immediately upon receipt of the statement therefor.

(e) Maintenance and Operation Expense Payment: the Purchaser shall pay the amount which the Authority determines shall be required for Maintenance and Operation Expenses of the Project pursuant to the COE Contract, such payments to be made within thirty (30) days following the receipt by the Purchaser from the Authority of the invoice for such expenses, throughout the term of this Contract. An annual budget shall be prepared by the Authority at least thirty (30) days prior to the beginning of each Fiscal Year; the budget shall then be submitted to the Purchaser which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the Fiscal Year or an adjustment is made in the following month.

SECTION 3.03. Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the Authority will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Authority hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws.

SECTION 3.04. Covenant of Timely Payment. The Purchaser covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unusable by reason of "force majeure". The Purchaser recognizes the fact that the Authority will use the payment received from the Purchaser hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely upon the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the Purchaser.

SECTION 3.05. Late Payment Penalty. Should the Purchaser fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.06. Priority of Charges - Purchaser to Fix Adequate Rates.

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

(b) The Purchaser further agrees to fix and collect such rates and charges for utility services to its customers as will make possible the prompt payment of all expenses of operating

and maintaining the Utility System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.07. Nature of Obligation of Purchaser. The payments required to be made by the Purchaser under the terms of this Contract shall be due and payable in any and all events and without regard to whether the water supply secured by the Authority pursuant to the Project are ever diverted, treated and/or delivered to the Purchaser for use. The agreements of the Purchaser shall be and are separate and independent covenants and the Purchaser shall have no rights of set off, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the Purchaser out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the Purchaser pursuant to this Contract are to be collected from the sources referenced herein, and from no other source.

ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 4.01. Contract Term. The term of this Contract shall commence with the effective date of this Contract, and continue through the period during which the Bonds are outstanding and unpaid and the useful life of the Project.

SECTION 4.02. Useful Life of Project. The Purchaser and Authority agree and mutually find that the anticipated useful life of the Project is the period during which the Lake Texoma/Denison Dam are physically capable of storing the water allocated to the Authority pursuant to the COE Contract, and that such period equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03. Abandonment of Project. The abandonment of the Project shall have no effect upon the obligations of the Purchaser to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the Purchaser of the same nature as provided for by this Contract.

SECTION 4.04. Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of the Authority and the Purchaser. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all moneys required to be paid by the Purchaser under the terms of this Contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

SECTION 4.05. Assignment. This Contract shall be binding upon and inure to the benefit of the Authority and the Purchaser and their legal successors but the Contract shall not be otherwise assignable in whole or in part by either the Authority or Purchaser without first obtaining the written consent of the other. Consent to any proposed assignment will not be unreasonably withheld or delayed. To the extent an assignee expressly assumes an obligation of the assignor, assignor shall be fully released from performing or undertaking such obligations.

SECTION 4.06. Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.07. Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.08. Title to and Liability for Water. Title to all water storage acquired by the Authority pursuant to the COE Contract and all water supply secured by the Authority pursuant to the Water Right shall be in the Authority. Title to all water supplied to the Purchaser through diversion, treatment, and/or delivery facilities shall be in Authority up to the point water is delivered to Purchaser, at which point title to and liability for such water shall pass to Purchaser.

SECTION 4.09. Notices. Any notice, request, demand, statement or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: General Manager

To the Purchaser: P. O. Box 349
Gunter, Texas 75058-0349
Attention: Mayor

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.10. Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the Purchaser hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.11. Consequences of Purchaser Default. The Authority and the Purchaser agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with Authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the Purchaser in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.12. Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the Purchaser has heretofore issued, sold and delivered revenue

bonds that were and are payable from and secured by a lien on and pledge of the revenues of its utility system, and to the extent such bonds so issued and delivered are outstanding, the Purchaser has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the Purchaser represents to the Authority that:

- (a) There is no provision in any ordinance of the Purchaser which prohibits the Purchaser from entering into and executing this Contract.
- (b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of contract by and between the Purchaser and any other person. The Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the Purchaser.

SECTION 4.13. Control of Project by Authority. The parties hereto recognize and it is specifically agreed that during the term of this Contract, the Authority shall have the exclusive right to the use and utilization of the Project, for the benefit of the Purchaser and other customers of the Authority; and, that the Authority may control and manage the Project and the services afforded hereunder by the Authority.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.14. Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of Purchaser to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied upon, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lock outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for force majeure shall relieve the Purchaser from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the Project due to any of the causes above mentioned. If the Authority's ability to own or manage the Project is affected by any of such causes, the Authority shall promptly notify the

Purchaser in writing giving the particulars as soon as possible after the occurrence of the cause or causes.

SECTION 4.15. Bond Approval by the Purchaser.

(a) Prior to the issuance and delivery of any Bonds which are (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the Purchaser shall approve the issuance thereof as provided in this Section.

(b) If the Bonds are to be sold at a public sale, the governing body of the Purchaser shall, by resolution or ordinance, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be acquired; or, if the Bonds are to be negotiated, or are refunding Bonds, the governing body of the Purchaser shall, by resolution or ordinance approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the Bonds.

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

(d) The Purchaser and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining to enforcement of this Contract.

SECTION 4.16. Severability. The parties hereto agree that if any of the provisions of this Contract contravene or be held invalid under the laws of the State, same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By: _____
General Manager

CITY OF GUNTER, TEXAS

(City Seal)

By: _____
Mayor

ATTEST:

City Secretary

AGENDA ITEM XV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XV

CONSIDER ALL MATTERS INCIDENT AND RELATED TO APPROVING AND AUTHORIZING THE ASSIGNMENT OF AN AMENDED AND RESTATED WATER AND SEWER FACILITIES CONTRACT BY AND BETWEEN THE AUTHORITY AND THE CITY OF GUNTER, TEXAS TO THE MUSTANG SPECIAL UTILITY DISTRICT, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO.

ISSUE

Consider all matters incident and related to amending the Water and Sewer Facilities Contract entered by the Authority and the City of Gunter dated October 16, 2017.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter's water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the assignment of an "Amended and Restated Contract for Water Supply Services" by and between the Authority and the City of Gunter, Texas to Mustang Special Utility District and resolving other matters incident and related to the subject and purpose of this resolution.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Gunter, Texas (the "City") have previously entered into that certain Water and Sewer Facilities Contract, dated as of October 16, 2017, as amended (the "Amended and Restated Water and Sewer Facilities Contract"); and,

WHEREAS, the Contract secures the debt service payment on the Authority's outstanding "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Gunter Project)" (the "Series 2018 Bonds") and the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)" (the "Series 2018A Bonds") and ;

WHEREAS, the City and Mustang Special Utility District ("Mustang SUD") have entered into a certain "Asset Purchase Agreement", transferring and conveying the City's water and sewer system (the "System") to Mustang SUD subject to the terms and conditions therein, including the assumption of the contractual obligations of the City by Mustang SUD; and

WHEREAS, pursuant to Section 4.05 of the Amended and Restated Water and Sewer Facilities Contract, in order for the City to assign its rights, duties, obligations and interests under the Amended and Restated Water and Sewer Facilities Contract it must first receive the written consent of the Authority; and

WHEREAS, the Board hereby finds that the assignment of the Amended and Restated Water and Sewer Facilities Contract by the City to Mustang SUD will not affect adversely the payment when due of all moneys required to be paid under the terms of the Contract; and

WHEREAS in order to accommodate the transfer of the System to Mustang SUD as requested by the City and Mustang SUD, the Board hereby finds and determines that the assignment of the Contract by the City to Mustang SUD should be approved; now, therefore

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

Section 1: That the Board hereby consents to the assignment of the "Amended and Restated Contract for Water Supply and Sewer Service" by and between the Authority and the City pursuant to an Assignment and Assumption Agreement to be entered into by and between the City and Mustang SUD substantially in the form attached hereto as **Exhibit A**.

Section 2: This resolution shall take effect and be in force from and after its passage.

PASSED AND APPROVED, this 20th day of February, 2023.

President, Board of Directors
Greater Texoma Utility Authority

(Seal)

ATTEST:

Secretary, Board of Directors
Greater Texoma Utility Authority

EXHIBIT A
ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “*Assignment*”) is entered into by and among the City of Gunter, a municipal corporation operating in the County of Grayson, Texas, (“*Assignor*”) and Mustang Special Utility District, a political subdivision of the State of Texas (“*Assignee*”).

RECITALS

WHEREAS, Assignor and Greater Texoma Utility Authority (“GTUA”) previously entered into a Water and Sewer Facilities Contract dated October 16, 2017, as amended on _____, 2023 (attached hereto as **Exhibit “A”**), (referred to herein together as the “*Contract*”) for the provision of water supply and sanitary sewer collection and treatment facilities to the City; and

WHEREAS, Assignor now desires to assign to Assignee, and Assignee desires to acquire and assume from Assignor, all of Assignor’s rights, duties, obligations, and interests under the Contract in order to receive services from GTUA; and

WHEREAS, Section 4.04 of the Contract provides the Contract may be changed and modified with the consent of the governing bodies of GTUA and Assignor.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual agreements set forth herein, the parties agree as follows:

1. Assignment. Assignor hereby transfers and assigns to Assignee all of Assignor’s rights, duties, obligations, and interests under the Contract.
2. Assumption. Assignee hereby accepts such assignment from Assignor and expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, and obligations of Assignor under the Contract.
3. Entire Agreement. This Assignment constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, if any, concerning the subject matter hereof.
4. Binding Effect. All of the terms, provisions, covenants, and conditions set forth herein will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns.
5. Counterparts. This Assignment may be executed in one or more counterparts, including, without limitation, facsimile or electronically reproduced counterparts, and all

executed counterparts, when taken together, will constitute sufficient proof of the parties' entry into this Assignment.

EXECUTED to be effective as of the ____ day of [month], [year].

ASSIGNOR:

City of Gunter

ASSIGNEE:

Mustang Special Utility District

By: _____

By: _____

Name: _____

Title: _____

Title: _____

Name: _____

**EXHIBIT LIST FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT**

Exhibit A – Amended and Restated Water and Sewer Facilities Contract

AGENDA ITEM XVI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XVI

CONSIDER ALL MATTERS INCIDENT AND RELATED TO APPROVING AND AUTHORIZING THE ASSIGNMENT OF AN AMENDED AND RESTATED CONTRACT FOR WATER SUPPLY SERVICES" BY AND BETWEEN THE AUTHORITY AND THE CITY OF GUNTER, TEXAS TO THE MUSTANG SPECIAL UTILITY DISTRICT, INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO.

ISSUE

Consider all matters incident and related to amending the Contract for Water Supply Services entered by the Authority and the City of Gunter dated June 14, 2010.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter's water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the assignment of an "Amended and Restated Contract for Water Supply Services" by and between the Authority and the City of Gunter, Texas to Mustang Special Utility District and resolving other matters incident and related to the subject and purpose of this resolution.

WHEREAS, the Greater Texoma Utility Authority (the "Authority") and the City of Gunter, Texas (the "City") have previously entered into that certain Contract for Water Supply Services, dated as of June 14, 2010, as amended (the "Amended and Restated Contract for Water Supply Services"); and,

WHEREAS, the Contract secures the debt service payment on the Authority's outstanding "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Project)" and ;

WHEREAS, the City and Mustang Special Utility District ("Mustang SUD") have entered into a certain "Asset Purchase Agreement", transferring and conveying the City's water and sewer system (the "System") to Mustang SUD subject to the terms and conditions therein, including the assumption of the contractual obligations of the City by Mustang SUD; and

WHEREAS, pursuant to Section 4.05 of the Amended and Restated Contract for Water Supply Services, in order for the City to assign its rights, duties, obligations and interests under the Amended and Restated Contract for Water Supply Services it must first receive the written consent of the Authority; and

WHEREAS, the Board hereby finds that the assignment of the Amended and Restated Water and Sewer Facilities Contract by the City to Mustang SUD will not affect adversely the payment when due of all moneys required to be paid under the terms of the Contract; and

WHEREAS in order to accommodate the transfer of the System to Mustang SUD as requested by the City and Mustang SUD, the Board hereby finds and determines that the assignment of the Contract by the City to Mustang SUD should be approved; now, therefore

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

Section 1: That the Board hereby consents to the assignment of the "Amended and Restated Contract for Water Supply and Sewer Service" by and between the Authority and the City pursuant to an Assignment and Assumption Agreement to be entered into by and between the City and Mustang SUD substantially in the form attached hereto as **Exhibit A**.

Section 2: This resolution shall take effect and be in force from and after its passage.

PASSED AND APPROVED, this 20th day of February, 2023.

President, Board of Directors
Greater Texoma Utility Authority

(Seal)

ATTEST:

Secretary, Board of Directors
Greater Texoma Utility Authority

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Assignment”) is entered into by and among the City of Gunter, a municipal corporation operating in the County of Grayson, Texas, (“Assignor”) and Mustang Special Utility District, a political subdivision of the State of Texas (“Assignee”).

RECITALS

WHEREAS, Assignor and Greater Texoma Utility Authority (“GTUA”) previously entered into a Contract for Water Supply Services dated June 14, 2010 (attached hereto as **Exhibit “A”**), (referred to herein together as the “Contract”) for the ultimate purpose of securing the financing of storage space pursuant to the United States Corps of Engineers Contract, the acquisition of a water right from the TCEQ by GTUA, and the allowing the Assignor to purchase water supplies from GTUA; and

WHEREAS, Assignor now desires to assign to Assignee, and Assignee desires to acquire and assume from Assignor, all of Assignor’s rights, duties, obligations, and interests under the Contract in order to receive water supplies from GTUA; and

WHEREAS, Section 4.04 of the Contract provides the Contract may be changed and modified with the consent of the governing bodies of GTUA and Assignor.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual agreements set forth herein, the parties agree as follows:

1. Assignment. Assignor hereby transfers and assigns to Assignee all of Assignor’s rights, duties, obligations, and interests under the Contract.
2. Assumption. Assignee hereby accepts such assignment from Assignor and expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, and obligations of Assignor under the Contract.
3. Entire Agreement. This Assignment constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, if any, concerning the subject matter hereof.

4. Binding Effect. All of the terms, provisions, covenants, and conditions set forth herein will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Counterparts. This Assignment may be executed in one or more counterparts, including, without limitation, facsimile or electronically reproduced counterparts, and all executed counterparts, when taken together, will constitute sufficient proof of the parties' entry into this Assignment.

EXECUTED to be effective as of the ____ day of [month], [year].

ASSIGNOR:

ASSIGNEE:

City of Gunter

Mustang Special Utility District

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**EXHIBIT LIST FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT**

Exhibit A – Contract for Water Supply Services between Greater Texoma Utility Authority and City of Gunter dated June 14, 2010

ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “*Assignment*”) is entered into by and among the City of Gunter, a municipal corporation operating in the County of Grayson, Texas, (“*Assignor*”) and Mustang Special Utility District, a political subdivision of the State of Texas (“*Assignee*”).

RECITALS

WHEREAS, Assignor and Greater Texoma Utility Authority (“GTUA”) previously entered into a Water and Sewer Facilities Contract dated October 16, 2017, as amended on _____, 2023 (attached hereto as **Exhibit “A”**), (referred to herein together as the “*Contract*”) for the provision of water supply and sanitary sewer collection and treatment facilities to the City; and

WHEREAS, Assignor now desires to assign to Assignee, and Assignee desires to acquire and assume from Assignor, all of Assignor’s rights, duties, obligations, and interests under the Contract in order to receive services from GTUA; and

WHEREAS, Section 4.04 of the Contract provides the Contract may be changed and modified with the consent of the governing bodies of GTUA and Assignor.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual agreements set forth herein, the parties agree as follows:

6. **Assignment.** Assignor hereby transfers and assigns to Assignee all of Assignor’s rights, duties, obligations, and interests under the Contract.

7. **Assumption.** Assignee hereby accepts such assignment from Assignor and expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, and obligations of Assignor under the Contract.

8. **Entire Agreement.** This Assignment constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings, if any, concerning the subject matter hereof.

9. **Binding Effect.** All of the terms, provisions, covenants, and conditions set forth herein will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10. **Counterparts.** This Assignment may be executed in one or more counterparts, including, without limitation, facsimile or electronically reproduced counterparts, and all

executed counterparts, when taken together, will constitute sufficient proof of the parties' entry into this Assignment.

EXECUTED to be effective as of the ____ day of [month], [year].

ASSIGNOR:

ASSIGNEE:

City of Gunter

Mustang Special Utility District

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**EXHIBIT LIST FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT**

Exhibit A –

AGENDA ITEM XVII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XVII

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO AMENDING THE RESOLUTION
AUTHORIZING THE “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE
BONDS, SERIES 2018 (CITY OF GUNTER PROJECT)”; INCLUDING THE ADOPTION OF A
RESOLUTION PERTAINING THERETO.**

ISSUE

Consider all matters incident and related to amending the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Gunter Project)”.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter’s water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

A RESOLUTION amending the resolution authorizing the issuance of the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Gunter Project)” and resolving other matters incident and related thereto.

WHEREAS, the Board of Directors (the “Board”) of the Greater Texoma Utility Authority (the “Authority”) adopted a resolution (the “Series 2018 Resolution”) on February 19, 2018 authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018 (City of Gunter Project)” (the “Series 2018 Bonds”); and

WHEREAS, the Series 2018 Resolution provides that the Series 2018 Bonds are payable from and secured by amounts received by the Authority from the City of Gunter, Texas (the “City”) as the “contracting party” pursuant to a certain “Water and Sewer Facilities Contract” dated as of October 16, 2017, as amended, by and between the Authority and the City; and

WHEREAS, the City and Mustang Special Utility District (“Mustang SUD”) entered into a certain “Asset Purchase Agreement”, effective ____, 2022”, transferring and conveying the City’s water and sewer system (the “System”) to Mustang SUD, subject to the terms and conditions therein, including the assumption of the contractual obligations of the City by Mustang SUD; and

WHEREAS, in order to accommodate the transfer of the System to Mustang SUD as requested by the City and Mustang SUD, the Board hereby finds and determines that the 2018 Resolution should be amended to reflect the substitution of Mustang SUD as the “contracting party” for the Project, as defined in the Series 2018 Resolution; and

WHEREAS, pursuant to Section 38 of the Series 2018 Resolution, the Authority is authorized to amend the Series 2018 Resolution upon the written consent of the bondholders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding; and

WHEREAS, “Bonds Similarly Secured” refers to, collectively, the Series 2018 Bonds and the bonds authorized by a resolution adopted on December 18, 2018 by the Board of the Authority authorizing issuance of an additional series of bonds in accordance with the Series 2018 Resolution; and

WHEREAS, the Texas Water Development Board (the “TWDB”) is the sole holder of the Bonds Similarly Secured and the Authority has obtained or will obtain written consent from the TWDB to amend the Series 2018 Resolution as provided herein; and

WHEREAS, the Board hereby finds and determines that Sections 10(e), 10(q), 18, 19(c), 20, 21(c), 21(e), 22, 23(d), 26, and 39(b) of the Series 2018 Resolution should be amended to provide for the substitution of Mustang SUD as the “contracting party” under the Water and Sewer Facilities Contract; now, therefore,

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

SECTION 1: Section 10(e) of the Series 2018 Resolution is hereby amended to read as

follows:

“The term "Contract" or "Water and Sewer Facilities Contract" shall mean that certain contract, dated as of the __ day of _____, 2022, by and between the Authority and the District, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a copy of such Contract being attached hereto as **Exhibit B** for the purposes of identification.”

The Contract referenced above is hereto attached to this Resolution as Exhibit A.

SECTION 2: Section 10(q) is hereby added to the Series 2018 Resolution to read as follows:

“The term “District” shall mean the Mustang Special Utility District, and its successors and assigns.”

SECTION 3: Section 18 of the Series 2018 Resolution is hereby amended to read as follows:

“Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund referenced in this Resolution and used as a credit to the amount that would otherwise be required to be paid by the District under Section 3.01 of the Contract.”

SECTION 4: Section 19(c) of the Series 2018 Resolution is hereby amended to read as follows:

“The District shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the District, under and pursuant to the Contract.”

SECTION 5: Section 20 of the Series 2018 Resolution is hereby amended to read as follows:

“The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker’s compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while the District or any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance. The Authority further covenants that such insurance with respect to the Project shall be in an amount sufficient to protect the Board’s interest in the Project.”

SECTION 6: Section 21(c) of the Series 2018 Resolution is hereby amended to read as

follows:

“The Accountant’s comments regarding the manner in which the Authority and the District have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.”

SECTION 7: The third paragraph of Section 21(e) of the Series 2018 Resolution is hereby amended to read as follows:

“By its approval of this Resolution, the District agrees (a) to provide the Texas Water Development Board with annual audit reports, to be submitted without charge, within _____ days of the close of each fiscal year, (b) in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system and (c) to implement any water conservation program required by the Board until all financial obligations to the Board have been discharged.”

SECTION 8: The first paragraph of Section 22 of the Series 2018 Resolution is hereby amended to read as follows:

“In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults (i) in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (ii) in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution or (b) the District defaults under the Contract, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.”

SECTION 9: Section 23(d) of the Series 2018 Resolution is hereby amended to read as follows:

“The Authority will maintain rates and charges to the District sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues and the establishment of the special funds maintained for the payment and security of such obligations.

SECTION 10: The second paragraph of Section 26 of the Series 2018 Resolution is hereby amended to read as follows:

“Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the Engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by such Engineers and submitted to the Authority and the District’s Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the City and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such

balance shall be deposited in the Bond Fund or the Reserve Fund subject to tax law limitations.”

SECTION 11: The first paragraph of Section 39(b) of the Series 2018 Resolution is hereby amended to read as follows:

“Annual Reports. The Authority shall provide annually to the MSRB (1) within six (6) months after the end of each Fiscal Year, financial information and operating data of the general type described in **Exhibit D** hereto and (2) if not provided as part of such financial information and operating data, audited financial statements of the Authority and the District, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type included in the final Application for Financial Assistance and described in **Exhibit D** by the required time and audited financial statements when and if such audited financial statements become available.

SECTION 12: Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and the Texas Water Development Board, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In addition, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, Bond Counsel, and the Texas Water Development Board are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents amended by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: All terms not herein defined shall have the meaning in the Series 2018 Resolution.

SECTION 14: Except as hereby amended and modified, all of the provisions of the Series 2018 Resolution are hereby ratified, confirmed and readopted.

SECTION 15: It is officially found, determined, and declared that the meeting at which

this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 16: This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this_____.

GREATER TEXOMA UTILITY
AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Authority Seal)

EXHIBIT A

AGENDA ITEM XVIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XVIII

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO AMENDING THE RESOLUTION
AUTHORIZING THE “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE
BONDS, SERIES 2018A (CITY OF GUNTER PROJECT)”; INCLUDING THE ADOPTION OF A
RESOLUTION PERTAINING THERETO.**

ISSUE

Consider all matters incident and related to amending the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)”.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter’s water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

A RESOLUTION amending the resolution authorizing the issuance of the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)” and resolving other matters incident and related thereto.

WHEREAS, the Board of Directors (the “Board”) of the Greater Texoma Utility Authority (the “Authority”) adopted a resolution (the “Series 2018A Resolution”) on December 17, 2018 authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2018A (City of Gunter Project)” (the “Series 2018A Bonds”); and

WHEREAS, the Series 2018A Resolution provides that the Series 2018A Bonds are payable from and secured by amounts received by the Authority from the City of Gunter, Texas (the “City”) as the “contracting party” pursuant to a certain “Water and Sewer Facilities Contract” dated as of October 16, 2017 by and between the Authority and the City, as amended; and

WHEREAS, the City and Mustang Special Utility District (“Mustang SUD”) entered into a certain “Asset Purchase Agreement”, effective _____, 2022”, transferring and conveying the City’s water and sewer system (the “System”) to Mustang SUD subject to the terms and conditions therein, including the assumption of the contractual obligations of the City by Mustang SUD; and

WHEREAS, in order to accommodate the transfer of the System to Mustang SUD as requested by the City and Mustang SUD, the Board hereby finds and determines that the 2018A Resolution should be amended to reflect the substitution of Mustang SUD as the “contracting party” for the Project, as defined in the Series 2018A Resolution; and

WHEREAS, pursuant to Section 38 of the Series 2018A Resolution, the Authority is authorized to amend the Series 2018A Resolution upon the written consent of the bondholders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding; and

WHEREAS, “Bond Similarly Secured” refers to, collectively, the Series 2018A Bonds and the bonds authorized by a resolution adopted on February 19, 2018 by the Board of the Authority authorizing issuance of a series of bonds in accordance with the Series 2018 Resolution; and

WHEREAS, the Texas Water Development Board (the “TWDB”) is the sole holder of the Bonds Similarly Secured and the Authority has obtained or will obtain written consent from the TWDB to amend the Series 2018A Resolution as provided herein; and

WHEREAS, the Board hereby finds and determines that Sections 10(e), 10(q), 18, 19(c), 20, 21(c), 21(e), 22, 23(d), 26, and 39(b) of the Series 2018A Resolution should be amended to provide for the substitution of Mustang SUD as the “contracting party” under the Water and Sewer Facilities Contract; now, therefore,

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

SECTION 1: Section 10(e) of the Series 2018A Resolution is hereby amended to read

as follows:

“The term "Contract" or "Water and Sewer Facilities Contract" shall mean that certain contract, dated as of the ___ day of _____, 2022, by and between the Authority and the District, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a copy of such Contract being attached hereto as Exhibit B for the purposes of identification.”

The Contract referenced above is hereto attached to this Resolution as Exhibit A.

SECTION 2: Section 10(q) is hereby added to the Series 2018A Resolution to read as follows:

“The term “District” shall mean the Mustang Special Utility District and its successors and assigns.”

SECTION 3: Section 18 of the Series 2018A Resolution is hereby amended to read as follows:

“Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund referenced in this Resolution and used as a credit to the amount that would otherwise be required to be paid by the District under Section 3.01 of the Contract.”

SECTION 4: Section 19(c) of the Series 2018A Resolution is hereby amended to read as follows:

“The District shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the District, under and pursuant to the Contract.”

SECTION 5: Section 20 of the Series 2018A Resolution is hereby amended to read as follows:

“The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker’s compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while the District or any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance. The Authority further covenants that such insurance with respect to the Project shall be in an amount sufficient to protect the Board’s interest in the Project.”

SECTION 6: Section 21(c) of the Series 2018A Resolution is hereby amended to read

as follows:

“The Accountant’s comments regarding the manner in which the Authority and the District have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.”

SECTION 7: The third paragraph of Section 21(e) of the Series 2018A Resolution is hereby amended to read as follows:

“By its approval of this Resolution, the District agrees (a) to provide the Texas Water Development Board with annual audit reports, to be submitted without charge, within _____ days of the close of each fiscal year, (b) in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system and (c) to implement any water conservation program required by the Board until all financial obligations to the Board have been discharged.”

SECTION 8: The first paragraph of Section 22 of the Series 2018A Resolution is hereby amended to read as follows:

“In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults (i) in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (ii) in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution or (b) the District defaults under the Contract, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.”

SECTION 9: Section 23(d) of the Series 2018A Resolution is hereby amended to read as follows:

“The Authority will maintain rates and charges to the District sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues and the establishment of the special funds maintained for the payment and security of such obligations.

SECTION 10: The second paragraph of Section 26 of the Series 2018A Resolution is hereby amended to read as follows:

“Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the Engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by such Engineers and submitted to the Authority and the District’s Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the City and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such

balance shall be deposited in the Bond Fund or the Reserve Fund subject to tax law limitations.”

SECTION 11: The first paragraph of Section 39(b) of the Series 2018A Resolution is hereby amended to read as follows:

“Annual Reports. The Authority shall provide annually to the MSRB (1) within six (6) months after the end of each Fiscal Year, financial information and operating data of the general type described in **Exhibit D** hereto and (2) if not provided as part of such financial information and operating data, audited financial statements of the Authority and the District, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type included in the final Application for Financial Assistance and described in **Exhibit D** by the required time and audited financial statements when and if such audited financial statements become available.

SECTION 12: Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and the Texas Water Development Board, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In addition, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, Bond Counsel, and the Texas Water Development Board are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents amended by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: All terms not herein defined shall have the meaning in the Series 2018A Resolution.

SECTION 14: Except as hereby amended and modified, all of the provisions of the Series 2018A Resolution are hereby ratified, confirmed and readopted.

SECTION 15: It is officially found, determined, and declared that the meeting at which

this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 16: This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this _____.

GREATER TEXOMA UTILITY
AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Authority Seal)

EXHIBIT A

AGENDA ITEM XIX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: February 15, 2023

SUBJECT: AGENDA ITEM NO. XIX

CONSIDER ALL MATTERS INCIDENT AND RELATED TO AMENDING THE RESOLUTION AUTHORIZING THE “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2010 (LAKE TEXOMA WATER STORAGE PROJECT)”; INCLUDING THE ADOPTION OF A RESOLUTION PERTAINING THERETO.

ISSUE

Consider all matters incident and related to amending the “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)”.

BACKGROUND

Mustang Special Utility District agreed to take over the City of Gunter’s water and wastewater system in September 2022. The City of Gunter has three bond issuances with the Authority and this item is related to replacing the City of Gunter with Mustang Special Utility District in the contract revenue bonds.

CONSIDERATIONS

Kristen Savant will be present to further explain this item.

STAFF RECOMMENDATIONS

The Authority Staff recommends approval of this item.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager

A RESOLUTION amending the resolution authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)”; and resolving other matters incident and related thereto.

WHEREAS, the Board of Directors (the “Board”) of the Greater Texoma Utility Authority (the “Authority”) adopted a resolution (the “Series 2010 Resolution”) on June 10, 2010 authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2010 (Lake Texoma Water Storage Project)” (the “Bonds”); and

WHEREAS, the Series 2010 Resolution provides that the Bonds are payable from and secured by amounts received by the Authority from various “Participants” (as defined in the Series 2010 Resolution) as the “contracting parties” pursuant to contracts identified in Section 10 thereof by and between the Authority and the Participants; and

WHEREAS, the City of Gunter, Texas (the “City”) and Mustang Special Utility District (“Mustang SUD”) entered into a certain “Asset Purchase Agreement”, effective _____, 2022”, transferring and conveying the City’s water and sewer system(the “System”) to Mustang SUD (subject to the terms and conditions therein, including the assumption of the contractual obligations of the City by Mustang SUD); and

WHEREAS, in order to accommodate the transfer of the System to Mustang SUD as requested by the City and Mustang SUD, the Board hereby finds and determines that the 2010 Resolution should be amended to reflect the substitution of Mustang SUD for the City as a Participant for the Project; and

WHEREAS, pursuant to Section 38 of the Series 2010 Resolution, the Authority is authorized to amend the Series 2010 Resolution upon the written consent of bondholders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding; and

WHEREAS, the Texas Water Development Board (the “TWDB”) is the sole holder of the Bonds and the Authority has obtained written consent from the TWDB to amend the Series 2010 Resolution to provide that Mustang SUD will replace the City as a Participant and obligated for the payment of debt service on the Bonds as described in the Water and Sewer Facilities Contract, by and between the Authority and Mustang SUD, effective _____, 2022; and

WHEREAS, the Board hereby finds and determines that Sections 10(e)(iv), 10(k), and Exhibit B-4 of the Series 2010 Resolution should be amended to provide for the substitution of Mustang SUD as a Participant under the 2010 Resolution; now, therefore,

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

SECTION 1: Section 10(e)(iv) of the Series 2010 Resolution is hereby amended to read as follows:

“the Water and Sewer Facilities Contract between the Authority and Mustang Special Utility District, dated as of _____, 2022, as assigned, together with all amendments thereto (the “Mustang Special Utility District Contract”)”

The Contract referenced above is hereto attached to this Resolution as Exhibit A.

SECTION 2: Section 10(k) of the 2010 Resolution is hereby amended to read as follows:

“The term “Participants” shall mean collectively the City of Collinsville, Texas, the City of Denison, Texas, the City of Gainesville, Texas, Mustang Special Utility District, the City of Lindsay, Texas, the Marilee Special Utility District, the Northwest Grayson County Water Control and Improvement District No. 1, the City of Pottsboro, Texas, the Red River Authority of Texas, the City of Sherman, Texas, the City of Southmayd, the Two Way Special Utility District and the City of Whitesboro, Texas.”

SECTION 3: Exhibit B-4 of the 2010 Resolution is hereby amended to read as follows:

“Mustang Special Utility District Contract

SECTION 12: Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In addition, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents amended by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: Except as hereby amended and modified, all of the provisions of the Series 2010 Resolution are hereby ratified, confirmed and readopted.

SECTION 14: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 15: This Resolution shall be in force and effect from and after its passage on the date shown below.

[remainder of page left blank intentionally]

PASSED AND ADOPTED, this February 20, 2023.

GREATER TEXOMA UTILITY
AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Authority Seal)

EXHIBIT A

AGENDA ITEM XXI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: January 11, 2023

SUBJECT: AGENDA ITEM NO. XXI

DISCUSSION AND POSSIBLE ACTION ON THE BOARD POLICY MANUAL.

ISSUE

Discussion and possible action on proposed amendment to the Board Policy Manual.

BACKGROUND

The Greater Texoma Utility Authority Board Policy Manual basically is a compilation of Board-approved policies and a description of its organization and method of operation. The policies in the Board Policy Manual are intended to comply with state law and operating policies that have been established by the Board.

The proposed changes include what constitute a majority of the Board, the regular meeting time, and procurements of goods and services.

The draft Board Policy Manual was sent to the Board via email 10 days in advance of the Board meeting.

ATTACHMENT

Board Policy Manual – Changes Only

PREPARED AND SUBMITTED BY:

Paul M. Sigle, General Manager



BOARD POLICY MANUAL

Submitted to:

Board of Directors
Greater Texoma Utility Authority
5100 Airport Drive
Denison, TX 75020

Reviewed and Updated: ~~July 18, 2011~~ November 21, 2022

PART 1 -- THE BOARD AND ITS OPERATION

1.00 -- PURPOSE OF THE GREATER TEXOMA UTILITY AUTHORITY **BOARD POLICY MANUAL**

The Greater Texoma Utility Authority Board Policy Manual basically is a compilation of Board-approved policies and a description of its organization and method of operation. The policies in the Board Policy Manual are intended to comply with state law and to operating policies that have been established by the Board. The Board policies may be amended by a two-thirds vote of the full Board provided copies of such amendments have been sent to the Board members ten days before the meeting at which the policies are to be considered for amendment.

As new policies are enacted or present policies revised or rescinded by the Board, such additions or changes will be issued by the Authority office and inserted in the Board Policy Manual according to code and subject. It is essential to keep this document up-to-date at all times. The format and the system are organized to keep the Board Policy Manual current with a minimum of effort.

The Board Policy Manual is structured for use by the Board as a ready reference to existing policies and to aid in determining areas where policies are lacking or where policies need review and possible revision. It is also designed to provide the administration staff with all established Board policies.

1.10 Background and Development of the Greater Texoma Utility Authority

In the late 1970's the Cities of Sherman and Denison began to realize the impending need for major capital improvements in their water and wastewater systems. A retreat concerning the community was held in Eufala, Oklahoma, in 1978, in which over 100 Denison citizens participated. City Managers of the Cities of Denison and Sherman discussed with their respective councils the desire and need to form an organization or entity through which the respective cities could achieve their desired objectives with regard to development of additional water resources, correction of existing wastewater problems and solid waste problems. Legislation was drafted in late 1978, and reviewed in early 1979 with State Representative Bob Bush and State Senator Ed Howard, who agreed to introduce and support the necessary enabling legislation allowing for the creation of a municipal utility district to serve the communities in the area.

1.11 The Authorizing Statute--HB976 (1979)

Legislation authorizing the creation of the Greater Texoma Municipal Utility District was introduced in the House of Representatives in early 1979, passed the House under Bob Bush's sponsorship, and the Senate under Ed Howard's sponsorship, and was signed by then Governor Clements on May 6, 1979. The bill provided for an enabling election to be held the next regular election date. This election was conducted in the Cities of Denison and Sherman August 11, 1979. The citizens of both of these communities authorized the creation of the Greater Texoma Municipal Utility District. The Municipal Utility District began functions and accepted contractual

employed, shall perform such duties as may be assigned by the Board or assigned committee. The General Manager may hold other offices of GTUA except the office of President or Vice-President. The General Manager shall serve as the Chief Budget Officer of GTUA, and as such shall be responsible for the preparation and administration of all budgets of GTUA which have been adopted by the Board. The General Manager, who shall have operating responsibility for the GTUA, may delegate specific duties from time to time to other GTUA employees. He shall identify, in writing, a subordinate who shall serve as Acting General Manager during such time as he is absent or unable to serve as General Manager. The Board of Directors has adopted a seal for the GTUA, with the General Manager appointed as custodian of the seal for Greater Texoma Utility Authority.

2.12 Committees of the Board

There shall be no standing committees, but a committee may be appointed from time to time to serve as the Board may deem helpful and useful.

2.13 The Special Committee and Task Force

The Board may authorize special committees or task forces for specific assignment to handle special projects, problems, or planning. These would be appointed for the specific task and be abolished on the completion of its assigned work.

The Board may appoint a special or a continuing Citizens Advisory Committee as needed to assist the Board in communicating an understanding of the services of the GTUA and in receiving suggestions and advice from the committee regarding its role and services.

2.14 Board Meetings

Notice of all Board Meetings shall be placed in the glass-encased outdoor bulletin board located on the main entrance to the Administrative Offices of the GTUA at 5100 Airport Drive, Denison Texas 75020, which the Board has determined is a place convenient to the public. The location of the District Office for the GTUA is 5100 Airport Drive, Denison, Grayson County, Texas 75020.

A. Regular Meetings. The regular meetings of the GTUA Board will be held on a monthly basis at the Administrative Offices of the GTUA, at 5100 Airport Drive, Denison, Grayson County, Texas, unless otherwise specified in the call of the meeting. The Board shall establish regularly scheduled meeting dates, times, and places, and a five majority of the appointed and qualified Board Members shall constitute a quorum. Currently, the Board has established the third Monday of each month for the regular meeting date, with the time of the meeting being 12:~~00~~³⁰ p.m.

PART 2 -- CODIFICATION OF BOARD POLICIES AND RESOLUTIONS

11.12 Policy Regarding Monthly Board Meeting Date and Time

Policy: Policy Regarding Monthly Board Meeting Date and Time

Recorded Action: Minutes Dated November 18, 1991
 Amended Policy - Minutes Dated January 11, 1993
 Amended Policy – Minutes Dated October 24, 2022

Purpose: The Board of Directors of the Greater Texoma Utility Authority meets monthly for discussion of the Authority's activities; a date and time shall be set for the monthly meetings; and during the January 11, 1993 Board Meeting, the Board voted and approved to change the monthly meeting date to the third Monday of each month as the date for each monthly meeting with the time being 12:30 p.m. On October 24, 2022 Board Meeting, the Board voted and approved to change the monthly meeting time to 12:00 p.m.

Statement of Policy: The monthly meeting date and time are hereby established as the third Monday of each month, at 12:~~30~~00 p.m.

11.13 Policy Relating to Requests for Copies of Authority Records

Policy: Policy By the Board of Directors of the Greater Texoma Utility Authority Relating to Requests for Copies of Authority Records

Recorded Action: Minutes Dated March 9, 1992

Purpose: From time to time individuals and entities request copies of the Authority's records, and the Authority has a need to recover the costs of providing the requested copies of records.

Statement of Policy: The cost for providing non-certified copies shall be as set out by the State Purchasing and General Services Commission's most recently published costs figures to be used by state agencies. In the event it is contemplated that the cost for the copying of the records will be excessive, and the provision of the copies would cause inordinate adversity to the Authority if the cost of recopying the requested records was not recovered, then payment of the costs for the recopying of the records will be recovered by the Custodian of Records requiring one of the following:

- A. Requirement of a bond for payment of the costs for provision of copies of the requested records; or
- B. Requirement of a prepayment made in cash for the anticipated costs for the provision of copies of the requested records.

30.00 -- POLICIES ON PROCUREMENT

30.01 Policy for the Procurement of Goods and Services Other than High Technology Procurement and Procurement of Professional Services

Policy: Policy for the Procurement of Goods and Services Other than High Technology Procurement and Procurement of Professional Services

Recorded Action: Minutes Dated January 17, 1980
 Amended: Minutes Dated July 19, 2004
 Amended: Minutes Dated March 17, 2008
 Amended: Minutes Dated October 24, 2022

Purpose: To ensure that goods and services necessary to conduct the official business of the Authority are obtained at the lowest possible cost in a fair and impartial manner. This section does not apply to the procurement of professional services or to the procurement of high technology equipment, which are dealt with in following sections of this Manual.

Statement of Amended Policy: In 1979, the 66th Legislature created the Greater Texoma Municipal Utility District, a conservation and reclamation district in Grayson County. Four years later, legislation was passed that changed the name of the district to the Greater Texoma Utility Authority (Authority). This change was made in an effort to avoid any possible confusion with developer municipal utility districts. Section 3A relating to bidding requirements was added to the same piece of legislation in 1983, to provide guidance from the Texas Water Code regarding competitive bidding procedures. Since 1983, the Texas Water Code has been expanded to provide ample guidance for bidding procedures for conservation and reclamation districts like the Authority. The Texas House of Representatives adopted HB1120 March 28,2003 and the Texas Senate adopted HB 1120 May 20, 2003, concerning competitive bidding requirements for the Authority, repealing Section 3A, Chapter 97, Acts of the 66th Legislature, Regular Session, 1979. The effect of the repeal of this section is to remove the competitive bidding requirement specific to the Authority, making the Authority subject to Chapter 49 of the Texas Water Code, as are other districts without special provisions. The Texas Senate approved Senate Bill 657 and the Texas House of Representatives approved companion House Bill 1033 in April 2007, to be effective September 1, 2007, amending the threshold amount certain water districts are required to solicit competitive bids, and the required number of times the notice is to be published for contracts over \$50,000.00, advertising the letting of the contract.

This policy is intended to comply with the requirements of the Texas Water Code §49.273, as approved by House Bill 1120 March 28, 2003 by the House of Representatives and May 20, 2003 by the Senate, as amended by Senate Bill 657 and companion House Bill 1033 effective September 1, 2007.

Section I: The Board of Directors (Board) hereby adopts Section 49.273, of the Texas Water Code, as amended, for bidding requirements:

A. The Board shall contract for construction and repair and renovation of facilities and for the purchase of equipment, materials, machinery, and all things that constitute or will constitute the plant, works, facilities, or improvements in accordance with Section 49.273 of the Texas Water Code. The bidding documents, plans, specifications, and other data needed to bid on the project must be available at the time for the first advertisement and the advertisement shall state the location at which these documents may be reviewed.

B. A contract may cover all the work to be provided for the Authority or the various elements of the work may be segregated for the purpose of receiving bids and awarding contracts. A contract may provide that the work will be completed in stages over a period of years.

C. A contract may provide for the payment of a total sum that is the completed cost of the work or may be based on bids to cover cost of units of the various elements entering into the work as estimated and approximately specified by the project engineer, or a contract may be let and awarded in any other form or composite of forms and to any responsible person or persons that, in the Board's judgment, will be most advantageous to the Authority and result in the best and most economical completion of the proposed plants, improvements, facilities, works, equipment, and appliances.

D. For contracts over ~~\$50,000~~\$75,000 the Board shall advertise the letting of the contract, including the general conditions, time, and place of opening of sealed bids. The notice shall be published in one or more newspapers circulated in each county in which part of the Authority is located. If one newspaper meets both of these requirements, publication in such newspaper is sufficient. If there are more than four counties in the Authority's district, notice may be published in any newspaper with general circulation of the Authority's district. The notice shall be published once a week for two consecutive weeks before the date that the bids are opened, and the first publication shall be not later than the ~~21st~~14th day before the date of the opening of the sealed bids.

E. For contracts over \$25,000, but not more than ~~\$50,000~~\$75,000, the Board shall solicit written competitive bids on uniform written specifications from at least three bidders.

F. For contracts not more than \$25,000, the Board is not required to advertise or seek competitive bids

G. The Board may not subdivide work to avoid the advertising requirements specified in this section.

H. The Board may not accept bids that include substituted items unless the substituted items were included in the original bid proposal and all bidders had the opportunity to bid on the substituted items or unless notice is given to all bidders at a mandatory pre-bid conference.

I. If changes in plans and specifications are necessary after the performance of the contract is begun, or if it is necessary to decrease or increase the quantity or work to be performed or of the materials, equipment, or supplies to be furnished, the Board may approve change orders making the changes. The aggregate of the change orders may not increase the original contract price by more than ~~10-25~~ percent. Additional change orders may be issued only as a result of unanticipated conditions encountered during construction, repair, or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities.

J. The Board is not required to advertise or seek competitive bids for the repair of facilities if the scope or extent of the repair work cannot be readily ascertained or if the nature of the repair work does not readily lend itself to competitive bidding.

K. The Board may use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing.

L. The Board is not required to advertise or seek competitive bids for security or surveillance systems or components of or additions to the Authority's facilities relating to security or surveillance, including systems used for the prevention of terrorist or criminal acts and incidents or acts of war, if the Board finds that doing so would compromise the safety and security of Authority facilities or residents.

M. In accordance with this section, the Board may elect to contract for the construction or repair and renovation of the Authority's facilities and for the purchase of equipment, materials, machinery, and all things that constitute or will constitute the plant, works, facilities, or improvements of the Authority, notwithstanding a conflicting provision in the Authority's special law. An election under this subsection must be by resolution of the Board and applies only to a contract entered into on or after the effective date of the resolution.

Section II: All policies or resolutions that are in conflict with the provisions of this resolution be, and the same are hereby, repealed and all other policies or resolutions of the Authority not in conflict with the provisions of this resolution shall remain in full force and effect.

30.02 Policy Relating to the Procurement of Professional Services

Policy: Policy Resolution Relating to the Procurement of Professional Services by the Greater Texoma Utility Authority

Purpose: From time to time during the conduct of its contractual obligations with member cities, the Greater Texoma Utility Authority will find it necessary to engage the services of firms and individuals governed by the Professional Services Procurement Act, V.A.C.S. 664-4. The purpose of this statement is to establish a policy to be utilized by the Authority in securing these professional services.

Statement of Policy: The following policy is hereby enacted:

ADJOURN