



**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
AUGUST 21, 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, August 21, 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 21st day of August, 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. Consent Agenda
 - * Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- IV. * Consider and act upon approval of Minutes July 24, 2023, Meeting.
- V. * Consider and act upon approval of accrued liabilities for July 2023.
- VI. Citizens to be Heard.
- VII. Receive Quarterly Investment Report.
- VIII. Consider and act upon authorizing the execution of an Investment Advisor Services Contract between Greater Texoma Utility Authority and Valley View Consulting, L.L.C.
- IX. Consider and act upon Account Agreement for Interbank.
- X. Consider and act upon an Engagement Letter for Independent Audit Services for Fiscal Year 2022-2023.
- XI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2023 (White Shed Water Supply Corporation Project)", including the adoption of a resolution approving the issuance of such bonds.

- XII. Consider and act upon Change Order No. 1 to the contract with Archer Western Construction, LLC for the City of Sherman WTP Expansion Package 1.
- XIII. Consider and act upon the award of contract for City of Sherman Water Treatment Plant EDR Rehabilitation, Bid Package One.
- XIV. Consider and act upon the award of contract for City of Van Alstyne Elevated Storage Tank Project
- XV. Consider and act upon an Agreement for Wastewater Treatment Services with the City of Weston
- XVI. Consider and act upon Board Policy for appointing Board Members from Home-Rule Cities (Place 7 and 8).
- XVII. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.
- XVIII. 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 IV

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

MONDAY, JULY 24, 2023

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

Members Present: Brad Morgan, Ken Brawley, Scott Blackerby, Robert Hallberg, Henry Koehler, Kristofor Spiegel, and Stanley Thomas

Members Absent: Matt Brown and Donald Johnson

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

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel:

Visitors:

I. Call to Order

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

II. Pledge of Allegiance

Board Member Kristofor Spiegel led the group in the Pledge of Allegiance.

III. Administer Oath of Office.

Oath of Office was administered to Kristofor Spiegel and Henry Koehler by Velma Starks, Notary Public.

IV. 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.

V. * Consider and act upon approval of Minutes of June 19, 2023, Meeting.

VI. * Consider and act upon approval of accrued liabilities for June 2023.

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

VII. Citizens to be Heard.

No citizens wished to be heard.

VIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (Gober Municipal Utility District Project)", including the adoption of a resolution approving the issuance of such bonds.

General Manager Paul Sigle provided background information for the Board. Closing is set for September 18, 2023. Board Member Scott Blackerby made the motion to approve the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (Gober Municipal Utility District Project). Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

IX. Consider and act upon the Guaranteed Maximum Price Three (GMP 3.00) for Garney Companies, Inc. for the City of Sherman 36-inch West Sherman Water Main Project.

General Manager Paul Sigle provided background information for the Board. The Authority Staff recommends authorizing the General Manager to approve the GMP 3.00 for Garney in the amount of \$18,589,227.07 for a total contract amount of \$29,407,579.68. Board Member Scott Blackerby made the motion to approve the GMP 3.00 for Garney Companies, Inc. for the City of Sherman 36-inch West Sherman Water Main Project. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

X.. Consider and act upon authorizing the Award of Contract with Veolia WTS Solutions USA, Inc. on behalf of the City of Sherman.

General Manager Paul Sigle provided background information for the Board. Veolia WTS Solutions USA, Inc. is the sole provider of EDR Stack Replacements Materials and Services, and the City of Sherman has received a quote in the amount of \$5,644,790 for the purchase of EDR equipment. The City of Sherman's Water Production Staff will handle the installation of the equipment. Discussion was held. Board Member Ken Brawley made the motion to award the contract to Veolia WTS Solutions USA, Inc. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

XI. Consider and act upon authorizing the Award of Contract for CGMA Bloomdale Pump Station Phase 2 Improvements Contract B.

General Manager Paul Sigel provided background information for the Board. One bid from Tank Builder's, Inc. of Ft. Worth, Texas with a base bid of \$879,200.00 was received. Board Member Robert Hallberg made the motion to award the contract to Tank Builder's, Inc. Board Member Kristofor Spiegel seconded the motion. Motion passed unanimously.

XII. Consider and act upon Change Order No. 2 to the contract with THI Water Well for the City of Whitewright Well No. 5 Project.

General Manager Paul Sigle provided background information for the Board. THI has recommended reducing the wellbore size. Reducing the wellbore size will result in a reduction of \$36,170.00 due to reduce gravel, rig time and under reamer. The decrease will result in a new contract price of \$1,492,118.00. Board Member Scott Blackerby made the motion to approve Change Order No.2 contingent on the approval of the City of Whitewright. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XIII. Consider and act upon a Water Production Services Agreement for Weston Water Supply Corporation.

General Manager Paul Sigle provided background information for the Board. GTUA will provide services for operating the water system and billing services. An additional operator was hired. Discussion was held. Board Member Stanley Thomas made the motion to execute the agreement with Weston Water Supply Corporation for Water Production Services. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XIV. Consider and act upon appointments to the Budget and Finance Committee for fiscal year 2023-2024.

The following Board Members were appointed to the Budget and Finance Committee: Henry Koehler, Kris Spiegel, Robert Hallberg and Brad Morgan.

XV. Discussion and possible action on the Authority's health insurance plan.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member Robert Hallberg made the motion to keep the insurance plan and accept premium increase of about 9.73%. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XVI. Consider and act upon all matters incident and related to the request for proposals related to investment advising services for the Authority, including appointing a selection committee.

General Manager Paul Sigle provided background information for Board. The following Board Members: Scott Blackerby, Stanley Thomas, and Brad Morgan were appointed to the selection committee. Discussion was held. Board Member Ken Brawley made the motion due to the current economical environment that Valley View's contract be extended two years. Board Member Kristofor Spiegel seconded the motion. Motion passed unanimously.

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

- White Shed bond issues next meeting
- CGMA letter regarding easement issue sent neither City of Anna nor GTUA heard anything from any landowners.

XVIII Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Robert Hallberg seconded the motion. Board President Brad Morgan declared the meeting adjourned at 12:38 p.m.

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Recording Secretary

Secretary-Treasurer

AGENDA ITEM V

RESOLUTION NO. _____

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

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Bank of Texas Visa (License renewals for WE & DT)	222.00		
<u>Fuel and Reimbursements for Mileage</u>			
Nichole Sims-Murphy (Reimbursement for mileage)	249.47		
Tasha Hamilton (Reimbursement for mileage)	21.16		
Paul Sigle (Fuel)	44.51		
Stacy Pattrick (Reimbursement for mileage)	9.83		
Velma Starks (Reimbursement for mileage)	49.92		
Valero Fleet Plus (Fuel - operations vehicles)	1,735.84		
<u>Insurance</u>			
Paul Sigle (Personal Auto, June)	95.70		
TWCA Risk Management (Liability insurance)	11,960.05		
TWCA Risk Management (Workers' compensation insurance)	411.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,456.72		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	412.77		
<u>Meetings and Conferences</u>			
American Express - (Women's Leadership & Mentorship for NM)	414.43		
Bank of Texas Visa (BOD Lunch June, Cackle & Oink)	180.25		
Feast On This (BOD Lunch July)	246.00		
<u>Miscellaneous</u>			
Awards Unlimited (Name Plates for new BOD members, Spiegel and Koehler)	25.90		
Equipment Member City (Whitewright - Two bacteriological analysis from Two different testing sites)	48.00		
Equipment Member City (Weston Water Supply - Water meter key)	48.65		
<u>Postage</u>			
Velma Starks - (UPS Shipping Sherman docs)	9.35		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
Gonzalez Landscape (Lawn Care)	145.83		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (Weston Water Supply - Labor & set up of RVS System on server)	127.50		
Flores Heating & Air Conditioning (Service call. Repaired unit #4)	270.63		
Flores Heating & Air Conditioning (Service call for A/C unit #1 Found short at contactor. Repaired issued and tested operation)	170.49		
Ram Quaiety Services (Pest Control)	422.19		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Auto Works (2012 Ford F150 replaced blowing motor. 2014 Ford F150 patched tire.)	291.48		
Auto Works (2016 Ford F150 transmission repair)	2,256.44		
Discount Tire (2016 Ford F150 4 new tires)	1,084.52		
Grayson Co. Tax Assessor (2019 F150 registration for 23-24)	7.50		
Whistlestop Car Spa (2014 Ford F150 Truck wash and oil change (RM))	111.82		
<u>Supplies</u>			
American Express (General Office Supplies, Zoom)	16.62		
Bank of Texas Visa (General Office Supplies, misc. janitorial supplies, Adobe Acrobat, Print Works, Checks)	545.75		
Lowes (misc. wire, step ladder, connection ports, 2x4 lay inprismatic pane, 8 inch cable tie, 2x4 FLTPHL LED 4000K.)	564.73		
<u>Utilities</u>			
ATMOS Energy (Gas)	102.62		
AT&T Mobility (Cell Phones)	81.41		
City of Denison (Water)	226.69		
City of Sherman (Trash services)	85.00		
Shell Energy (Electric)	544.30		
Zully Inc.(phone lines - local & long distance)	339.88		
Dave Tomlinson (Reimbursement for cell phone expenses, June & July)	50.00		
Eric Kyukendall (Reimbursement for cell phone expenses, July)	25.00		
Nichole Sims-Murphy (Reimbursement for cell phone expences, June & July)	50.00		
Paul Sigle (Reimbursment for cell phone expense & internet change)	8.34		

	CURRENT	PRIOR MONTH	PRIOR YEAR
Richard McCool (Reimbursement for cell phone expense, June & July)	50.00		
Steve White (Reimbursement for cell phone expenses)	25.00		
Wayne Eller (Reimbursement for cell phone expenses June & July)	50.00		
TOTAL:	\$ 26,880.29	\$ 9,303.84	\$ 10,171.90

SOLID WASTE:

<u>Insurance</u>			
TWCA Risk Management Fund (General Liabilities, Auto, E&O, Excess etc.)	844.73		
<u>Supplies</u>			
Lowe's (weedkiller and drano for Landfill)	38.01		
<u>Utilities</u>			
Grayson-Collin Electric	142.17		
Star Water Supply	68.34		
TOTAL:	\$ 1,093.25	\$ 465.45	\$ 2,955.81

WASTEWATER:

<u>Advertising</u>			
Bank of Texas Visa (Sherman 2023 - Ad in Column for CMAR Cont. Mgr for WWTP South MBR Proj. Ran 6/11/23-6/18 in Herald Democrat)	190.88		
Bank of Texas Visa (Sherman 2023 - Ad in Column for CMAR Cont. Mgr for WWTP South MBR Proj. Ran 6/11/23-6/18 in McKinney Gazette)	427.18		
Bank of Texas Visa (Sherman 2023 - Ad in Column for CMAR Cont. Mgr for WWTP South MBR Proj. Ran 6/10/23-6/17 in Herald-Ban Gain Classify)	269.20		
<u>Construction Contracts</u>			
Archer Western (Sherman 2022 - WTP Expansion PKg #1, Pay App #5)	201,678.35		
Archer Western (Pottsboro 2019 - WWTP Expansion & Rehab for 65 MGD flow rate. Pay App #3)	608,023.86		
Red River Const. (Sherman 2020 - Post Oak WWTP Aeration Basin & other secondary treatment improvements #24)	51,917.33		
Spiares Engineering (Sherman 2023 - 30% of Water & WW for Hickory Hill Thoroughfare & Utility Impr. Const and final design)	12,000.00		
<u>Engineering Fees</u>			
Binkley & Barfield (Sherman 2021 - South side Sanitary Sewer Replacement for engineering services for June 2023)	10,239.58		
Freeman-Millican (Sherman 2021 - Architecture & Engineering services for the lab bldg addition & remodel dated 5/10/23)	16,066.50		
Garver LLC (Sherman 2022 - WWTP Expansion project. Professional Engineering Services through 6/30/23)	1,094,132.64		
Geotex Engineering (Sherman 2019 - Northwest Sewer & Lift Station various samplings, formerly D&S Engineering)	935.69		
Mead & Hunt (Sherman 2020 - Post Oak Equalization Basin Improvements for June 2023)	1,006.62		
Mead & Hunt (Sherman 2019 - Post Oak WWTP Aeration & Secondary Treatment services for June 2023)	1,326.25		
Plummer (Sherman 2022 - Industrial WW Support - WWT and Water Reuse Master Plan through 6/30/23)	384,026.07		
<u>Insurance</u>			
TWCA Risk Management Fund (Pottsboro 2019 General Liabilities, Auto, E&O, Excess etc.)	1,036.84		
TWCA Risk Management Fund (Sherman 2020 General Liabilities, Auto, E&O, Excess etc.)	352.16		
TWCA Risk Management Fund (Sherman 2021 General Liabilities, Auto, E&O, Excess etc.)	101.86		
TWCA Risk Management Fund (Sherman 2023 General Liabilities, Auto, E&O, Excess etc.)	7,753.60		
TWCA Risk Management Fund (Whitewright 2019 General Liabilities, Auto, E&O, Excess etc.)	9.82		
TOTAL:	\$ 2,391,494.43	\$ 2,068,331.23	\$ 1,377,299.59

WATER:

<u>Advertising</u>			
American Express (Sherman 2023 - WTP Concentrate Discharge equipment procurement bids run dates 7/9/23-7/16/23 in McKinney Courier Gazette)	1,580.34		
American Express (Van Alstyne 2021 - 750K Elevated Storage Tank bids run date 7/9/23-7/16/23 in the McKinney Courier Gazette)	1,107.38		
Bank of Texas Visa (Van Alstyne 2021 - Ad for 750K Elevated Storage Tank. Ran 7/1/23-7/8/23 in Herald-Ban Classify)	1,777.20		
<u>Construction Costs</u>			
Garney Construction (Sherman 2022 - 36" NW/SW water main transmission line through June 2023)	111,833.62		
Great Plains (Lake Kiowa 2021 - Water Line project professional services for February 2023)	14,740.00		
Great Plains (Lake Kiowa 2021 - Water Line project professional services for May 2023)	16,710.00		
H2O Innovations (Sherman 2022 - WTP Expansion Pkg 1. Pay App #1)	217,886.90		
<u>Engineering Fees</u>			
City of Gainesville (Gainesville 2022 - Reimburse Kimley Horn engineerings fees for Foundry Rd 16 inch wtr line from 11/30/22-4/30/23)	48,437.50		
Cobb Fendley (LK Kiowa 2021 - Water Main replacement PH4 for period ending 5/7/23)	3,198.40		
Cobb Fendley (LK Kiowa 2021 - Water Main replacement PH4 for period ending 6/11/23)	2,242.00		
Freese & Nichols (Sherman 2022 - Lake Texoma Pump Station Expansion Admendment 1 through 6/30/23)	34,669.92		
Freese & Nichols (Sherman 2022 - Sherman 22 OM - NW & SW transmission Pipeline services through 6/30/23)	214,598.99		
Freese & Nichols (Sherman 2022 - Sherman 22 OM - Shepherd 2.0 MG elevated Storage Tank for services through 6/30/23)	26,294.54		
Freese & Nichols (Sherman 2022 - Engineering services for Terminal Storage Reservoir as of 6/30/23)	27,215.62		

	CURRENT	PRIOR MONTH	PRIOR YEAR
Hayter Engineering (Sherman 2021 - South Surface Wtr Line & SW Booster Pump Station modifications for Legacy water surface water line)	972.50		
McManus & Johnons (Van Alstyne 2021 - Elevated storage tank. 100% Design complete)	10,000.00		
Pape-Dawson (Sherman 2022 - Program Management services through 6/30/23. TI infrastructure improvements program)	318,271.84		
Pape-Dawson (Sherman 2023 - WTP Concentrate Discharge & Outfall Design services through 6/20/23)	163,515.67		
Parkhill (Sherman 2021 - Sherman emergency power generation for June 2023 engineering services)	5,323.59		
Plummer (Sherman 2022 - WWTP Electrical Switchgear Design for electrical generator services through 6/30/23)	26,042.10		
Underwood Drafting & Surveying (CGMA - 2 man field crew staked every 200 ft for GTUA easement (25x7200 Addison wilson))	1,750.00		
<u>Groundwater</u>			
American Express (NTGCD - GoDaddy MS365 renewal for KE, Momos donuts for GMA8 meeting)	112.80		
AT&T Mobility (NTGCD - W. Parkman - cell phone)	74.40		
Allen Burks (NTGCD - cell phone reimbursement, June & July)	25.00		
Allen Burks (RRGCD - cell phone reimbursement, June & July)	25.00		
Bank of Texas Visa (NTGCD - BOD Chick-Fil-A)	303.55		
Kenneth Elliott (NTGCD - cell phone reimbursement June & July)	50.00		
Kenneth Elliott (RRGCD - cell phone reimbursement June & July)	50.00		
Paul Sigle (NTGCD - cell phone reimbursement)	8.33		
Paul Sigle (RRGCD - cell phone reimbursement)	8.33		
Valero Fleet Plus (NTGCD - Fuel)	198.22		
Valero Fleet Plus (RRGCD - Fuel)	47.06		
Velma Starks (NTGCD - mileage reimbursement)	18.11		
Velma Starks (RRGCD - mileage reimbursement)	30.58		
Zully, Inc. (NTGCD - 800 line, local & long distance, June & July)	339.88		
Zully, Inc. (RRGCD - 800 line, local & long distance, June & July)	339.88		
<u>Insurance</u>			
TWCA Risk Management Fund (CGMA General Liabilities, Auto, E&O, Excess etc.)	1,279.88		
TWCA Risk Management Fund (CGMA General Liabilities, Auto, E&O, Excess etc.)	423.33		
TWCA Risk Management Fund (Gainesville 2022 - General Liabilities, Auto, E&O, Excess etc.)	282.22		
TWCA Risk Management Fund (Lake Kiowa 2021- General Liabilities, Auto, E&O, Excess etc.)	353.39		
TWCA Risk Management Fund (Princeton 2022 - General Liabilities, Auto, E&O, Excess etc.)	193.87		
TWCA Risk Management Fund (Sherman 2022 - General Liabilities, Auto, E&O, Excess etc.)	1,763.25		
<u>Miscellaneous</u>			
Gonzalez Landscape (Sherman 2012 - Pump Station mowing)	200.00		
Chapin Title Company (Sherman 2023 - Purchased Construction Easement for 36" water line identified as 6.25 Deaver Property #358 Parcel 256173)	99,411.00		
Kimberly A Smith (Sherman 2023 - Construction Easement for the 36" water line)	6,250.00		
Mary Aycock (Sherman 2023 - Purchased construction easement for 36" water line from the White Family Trust)	6,250.00		
William White (Sherman 2023 - Purchased Construction easement for 36" water line from the White Family Trust)	6,250.00		
Ernestine White (Sherman 2023 - Purchased Construction easement for 36" water line from the White Family Trust)	6,250.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Lake Texoma 2010 - GTUACRBS10LT 7/27/23)	300.00		
<u>CGMA Equipment</u>			
American Express (CGMA - Tractor rental waterline clean up)	6,413.19		
Bank of Texas Visa - (CGMA - Tractor rental waterline clean up)	436.26		
Stewart & Stevenson (CGMA - Bloomdale emergency generator lease, 6/19/23-7/16/23)	6,489.00		
Tractor Supply (CGMA - Gas Auger for water line maintenance)	541.22		
USA Bluebook (CGMA - Chlorine Colorimeter)	620.00		
<u>CGMA Repair & Maintenance</u>			
Enviornmental Monitoring Lab (CGMA - Bacteriological Analysis)	24.00		
Enviornmental Monitoring Lab (CGMA - Nitrate Nitrogen, Nitrite Nitrogen Water tests, multiple test sites along water lines)	3,104.00		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station, Dec.)	380.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	130.15		
<u>Supplies</u>			
Elliot Electrical Supply (CGMA - pvc elbow)	3.66		
Lowe's (CGMA - Misc materials for May 2023 water line repairs and general maintenance)	1,491.04		
Tractor Supply (CGMA - Small hand tools to repair water lines)	182.87		
Uline (CGMA - General supplies, neoprene apron, gloves, windex, White reflective tape, etc.)	382.38		
United Ag & Turf (CGMA - Pole Saw Bar)	43.68		
USA Bluebook (CGMA - Respirator, Chlorine Secondary Standards kit, warning water pipeline decals, skin solutions towleets)	3,373.52		
<u>CGMA Utilities</u>			
A1 Little John (CGMA - Bloomdale P.S. - Portable toilet rental from 7/18/23-8/14/23)	130.44		
AT & T Mobility (CGMA - Emergency back up lines)	112.46		
AT & T U-Verse (CGMA - Bloomdale Pump Station, Internet)	53.76		
North Texas Municipal Water District (CGMA - Water Usage, June)	351,146.00		
Shell Energy (CGMA - Bloomdale Pump Station)	20,992.09		
Waste Connections Lone Star (CGMA - Bloomdale Pump Station trash collection)	194.44		
TOTAL:	\$ 1,775,250.35	\$ 2,617,752.82	\$ 2,070,391.74
GRAND TOTAL:	\$ 4,194,718.32	\$ 4,695,853.34	\$ 3,460,819.04

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 VII



Greater Texoma Utility Authority

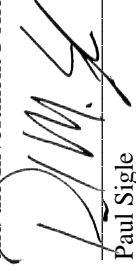
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2023

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.



Paul Sigle
General Manager



Debi Atkins
Finance Officer

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

Summary

Quarter End Results by Investment Category:

Asset Type	March 31, 2023		June 30, 2023		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.55%	\$ 352,689	\$ 352,689	\$ 1,160,319	\$ 1,160,319
NOW/MMA/MMF/ICS	5.18%	54,967,616	54,967,616	76,899,301	76,899,301
Local Government Pools	5.08%	32,548,910	32,548,910	25,152,396	25,152,396
CDs/Securities	4.84%	75,673,430	75,656,474	196,771,945	196,771,945
Totals		\$ 163,542,645	\$ 163,525,688	\$ 299,983,961	\$ 299,983,961

Quarter End Average Yield (1)

Total Portfolio 4.93%

Rolling Three Month Treasury 5.28%

Rolling Six Month Treasury 5.08%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 4.25%

Rolling Three Month Treasury 4.75%

Rolling Six Month Treasury 4.57%

TexPool 4.55%

Interest Revenue

Quarterly Interest Income \$ 1,460,763 Approximate

Year-to-date Interest Income \$ 3,556,159 Approximate

Bank Fee Offset

Quarterly Bank Fees Offset \$ 1,656

Year-to-date Bank Fees Offset \$ 4,798

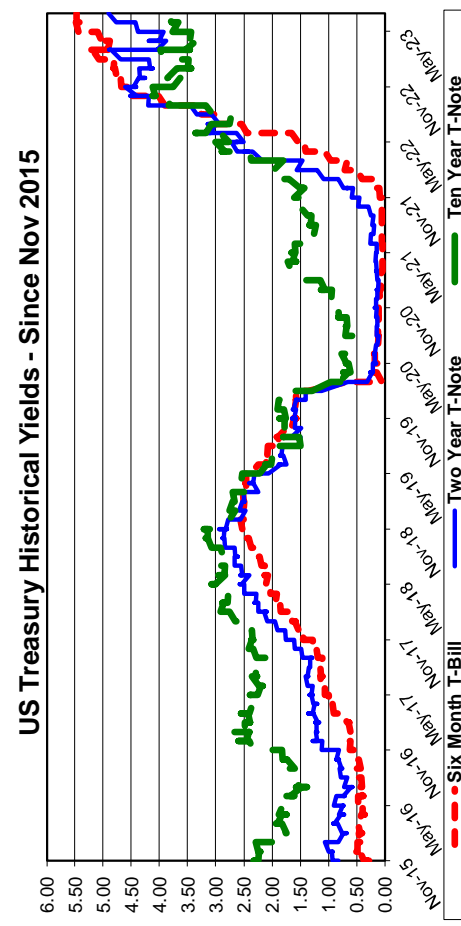
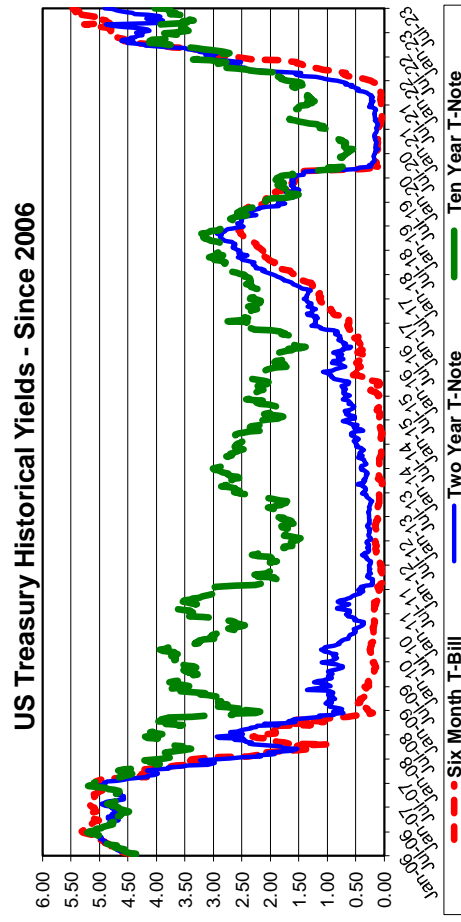
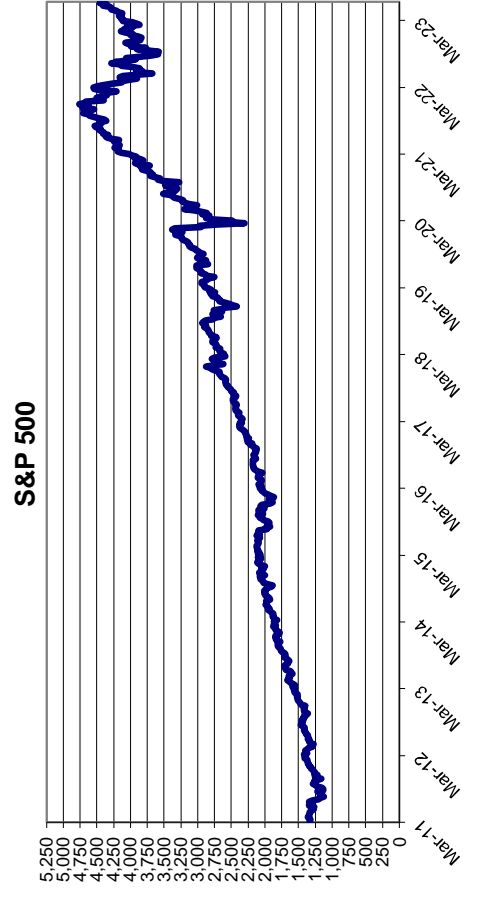
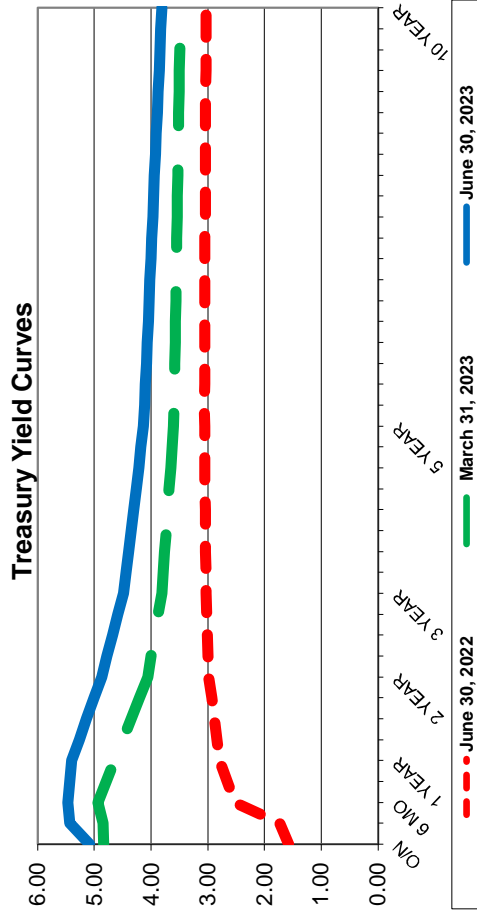
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

6/30/2023

The Federal Open Market Committee (FOMC) paused and kept the Fed Funds target range 5.00% - 5.25% June 14th (Effective Fed Funds are trading +/-5.08%). Another increase is projected after the July 25-26 meeting. First quarter 2023 GDP (Final) recorded 2.0%. June Non-Farm Payroll added 209k new jobs, below the 230k projection. The three month average declined to 244k. The S&P Stock Index continues moderate increases, trading +/-4,400. The yield curve rose from last month but remains steeply inverted with the expectation of future FOMC rate decreases. Crude Oil trades over +/- \$70 per barrel. Inflation declined slightly but is still over the FOMC 2% target (Core PCE +/-4.6% and CPI +/-5.3%). The Ukrainian/Russian war and Middle East conflicts increase market anxiety.



**Investment Holdings
June 30, 2023**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
BOT DDA (3)		0.549%	07/01/23	06/30/23	\$ 1,160,319	\$ 1,160,319	1.00	\$ 1,160,319	1	0.55%
BOT Escrow MMF		5.020%	07/01/23	06/30/23	21,368,005	\$ 21,368,005	1.00	21,368,005	1	5.02%
Invesco Govt & Agy Inst MMMF		5.050%	07/01/23	06/30/23	713	\$ 713	1.00	713	1	5.05%
Veritex Bank MMA		5.170%	07/01/23	06/30/23	208,115	\$ 208,115	1.00	208,115	1	5.17%
Veritex Bank MMA Escrow		5.170%	07/01/23	06/30/23	1,183,661	\$ 1,183,661	1.00	1,183,661	1	5.17%
NexBank ICS		5.300%	07/01/23	06/30/23	36,238,165	\$ 36,238,165	1.00	36,238,165	1	5.30%
NexBank ICS Escrow		5.300%	07/01/23	06/30/23	7,790,147	\$ 7,790,147	1.00	7,790,147	1	5.30%
East West Bank MMA		5.010%	07/01/23	06/30/23	10,110,496	\$ 10,110,496	1.00	10,110,496	1	5.01%
TexPool	AAA	5.090%	07/01/23	06/30/23	28,942	\$ 28,942	1.00	28,942	1	5.09%
TexSTAR	AAA	5.076%	07/01/23	06/30/23	25,123,454	\$ 25,123,454	1.00	25,123,454	1	5.08%
East West Bank		5.150%	07/10/23	04/10/23	750,000	750,000	100.00	750,000	10	5.15%
East West Bank		5.150%	07/10/23	04/10/23	1,000,000	1,000,000	100.00	1,000,000	10	5.15%
East West Bank		3.010%	07/14/23	07/15/22	4,400,000	4,400,000	100.00	4,400,000	14	3.01%
East West Bank		3.010%	07/17/23	07/15/22	1,200,000	1,200,000	100.00	1,200,000	17	3.01%
East West Bank		3.010%	07/17/23	07/15/22	300,000	300,000	100.00	300,000	17	3.01%
East West Bank		3.010%	07/17/23	07/15/22	50,000	50,000	100.00	50,000	17	3.01%
East West Bank		3.010%	07/17/23	07/15/22	500,000	500,000	100.00	500,000	17	3.01%
East West Bank		4.920%	08/10/23	02/10/23	1,000,000	1,000,000	100.00	1,000,000	41	4.92%
East West Bank		5.490%	08/15/23	05/03/23	18,400,000	18,400,000	100.00	18,400,000	46	5.49%
East West Bank		3.230%	08/22/23	08/23/22	1,000,000	1,000,000	100.00	1,000,000	53	3.23%
East West Bank		3.230%	08/23/23	08/23/22	500,000	500,000	100.00	500,000	54	3.23%
East West Bank		3.230%	08/24/23	08/24/22	200,000	200,000	100.00	200,000	55	3.23%
East West Bank		3.230%	08/24/23	08/24/22	500,000	500,000	100.00	500,000	55	3.23%
East West Bank		3.230%	08/24/23	08/24/22	700,000	700,000	100.00	700,000	55	3.23%
Texas Capital		3.370%	09/09/23	09/13/22	200,000	200,000	100.00	200,000	71	3.37%
Texas Capital		3.370%	09/09/23	09/13/22	1,422,000	1,422,000	100.00	1,422,000	71	3.37%
East West Bank		4.920%	09/10/23	02/10/23	6,000,000	6,000,000	100.00	6,000,000	72	4.92%
Bank OZK		0.121%	09/12/23	09/13/22	935,930	935,930	100.00	935,930	74	0.12%
Texas Capital		3.370%	09/13/23	09/13/22	700,000	700,000	100.00	700,000	75	3.37%
Texas Capital		3.370%	09/13/23	09/13/22	400,000	400,000	100.00	400,000	75	3.37%
Texas Capital		3.370%	09/13/23	09/13/22	200,000	200,000	100.00	200,000	75	3.37%
East West Bank		5.490%	09/13/23	05/03/23	2,707,900	2,707,900	100.00	2,707,900	75	5.49%
Texas Capital		3.370%	10/09/23	09/13/22	100,000	100,000	100.00	100,000	101	3.37%
East West Bank		4.920%	10/10/23	02/10/23	500,000	500,000	100.00	500,000	102	4.92%
East West Bank		5.080%	10/10/23	04/07/23	1,000,000	1,000,000	100.00	1,000,000	102	5.08%
East West Bank		5.080%	10/10/23	04/07/23	300,000	300,000	100.00	300,000	102	5.08%
East West Bank		5.080%	10/10/23	04/07/23	1,000,000	1,000,000	100.00	1,000,000	102	5.08%
East West Bank		4.920%	10/10/23	02/10/23	6,000,000	6,000,000	100.00	6,000,000	102	4.92%
Texas Capital		3.370%	10/13/23	09/13/22	700,000	700,000	100.00	700,000	105	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	400,000	400,000	100.00	400,000	105	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	75,000	75,000	100.00	75,000	105	3.37%
East West Bank		4.630%	10/26/23	10/26/22	3,258,500	3,258,500	100.00	3,258,500	118	4.63%

**Investment Holdings
June 30, 2023**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Texas Capital		3.380%	11/09/23	09/13/22	100,000	100,000	100.00	100,000	132	3.38%
East West Bank		4.920%	11/10/23	02/10/23	6,000,000	6,000,000	100.00	6,000,000	133	4.92%
East West Bank		5.260%	11/15/23	05/09/23	22,800,000	22,800,000	100.00	22,800,000	138	5.26%
East West Bank		5.260%	11/15/23	05/09/23	150,000	150,000	100.00	150,000	138	5.26%
East West Bank		4.690%	12/07/23	12/07/22	2,121,000	2,121,000	100.00	2,121,000	160	4.69%
East West Bank		4.920%	12/11/23	02/10/23	8,000,000	8,000,000	100.00	8,000,000	164	4.92%
Texas Capital		3.380%	12/13/23	09/13/22	700,000	700,000	100.00	700,000	166	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	50,000	50,000	100.00	50,000	166	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	200,000	200,000	100.00	200,000	166	3.38%
East West Bank		5.260%	12/13/23	05/09/23	150,000	150,000	100.00	150,000	166	5.26%
East West Bank		5.260%	12/13/23	05/09/23	200,000	200,000	100.00	200,000	166	5.26%
East West Bank		5.610%	12/28/23	06/28/23	314,000	314,000	100.00	314,000	181	5.61%
East West Bank		5.610%	12/28/23	06/28/23	401,000	401,000	100.00	401,000	181	5.61%
East West Bank		4.910%	01/10/24	02/10/23	3,000,000	3,000,000	100.00	3,000,000	194	4.91%
East West Bank		4.910%	01/10/24	02/10/23	2,892,000	2,892,000	100.00	2,892,000	194	4.91%
Texas Bank & Trust		5.100%	01/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	194	5.10%
Texas Bank & Trust		5.100%	01/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	194	5.10%
Texas Capital		3.380%	01/13/24	09/13/22	600,000	600,000	100.00	600,000	197	3.38%
East West Bank		5.260%	01/17/24	05/09/23	600,000	600,000	100.00	600,000	201	5.26%
Texas Capital		3.390%	02/09/24	09/13/22	100,000	100,000	100.00	100,000	224	3.39%
Texas Capital		3.390%	02/13/24	09/13/22	600,000	600,000	100.00	600,000	228	3.39%
East West Bank		5.080%	02/14/24	05/03/23	23,200,000	23,200,000	100.00	23,200,000	229	5.08%
Texas Capital		3.400%	03/09/24	09/13/22	1,422,000	1,422,000	100.00	1,422,000	253	3.40%
Texas Capital		3.400%	03/13/24	09/13/22	600,000	600,000	100.00	600,000	257	3.40%
East West Bank		5.080%	03/13/24	05/03/23	3,165,100	3,165,100	100.00	3,165,100	257	5.08%
Texas Bank & Trust		4.910%	04/07/24	04/07/23	995,000	995,000	100.00	995,000	282	4.91%
Texas Bank & Trust		5.000%	04/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	285	5.00%
Texas Capital		3.400%	04/13/24	09/13/22	600,000	600,000	100.00	600,000	288	3.40%
Cap Tex		4.650%	04/26/24	10/26/22	3,275,000	3,275,000	100.00	3,275,000	301	4.65%
BOKF		4.927%	05/09/24	05/09/23	7,000,000	7,000,000	100.00	7,000,000	314	4.93%
Texas Capital		3.410%	05/13/24	09/13/22	500,000	500,000	100.00	500,000	318	3.41%
East West Bank		4.890%	05/15/24	05/03/23	8,354,000	8,354,000	100.00	8,354,000	320	4.89%
East West Bank		4.890%	05/15/24	05/03/23	21,100,000	21,100,000	100.00	21,100,000	320	4.89%
East West Bank		4.890%	05/15/24	05/15/23	1,000,000	1,000,000	100.00	1,000,000	320	4.89%
Bank OZK		4.920%	05/16/24	05/16/23	8,000,000	8,000,000	100.00	8,000,000	321	4.92%
Texas Capital		3.410%	06/13/24	09/13/22	500,000	500,000	100.00	500,000	349	3.41%
East West Bank		5.400%	06/28/24	06/28/23	250,700	250,700	100.00	250,700	364	5.40%
East West Bank		5.400%	06/28/24	06/28/23	2,332,559	2,332,559	100.00	2,332,559	364	5.40%
East West Bank		5.400%	06/28/24	06/28/23	3,528,256	3,528,256	100.00	3,528,256	364	5.40%
Texas Capital		3.410%	07/13/24	09/13/22	500,000	500,000	100.00	500,000	379	3.41%
Texas Capital		3.425%	08/13/24	09/13/22	400,000	400,000	100.00	400,000	410	3.43%
Texas Capital		3.430%	09/09/24	09/13/22	1,372,000	1,372,000	100.00	1,372,000	437	3.43%
Texas Capital		3.425%	09/13/24	09/13/22	300,000	300,000	100.00	300,000	441	3.43%

Investment Holdings
June 30, 2023

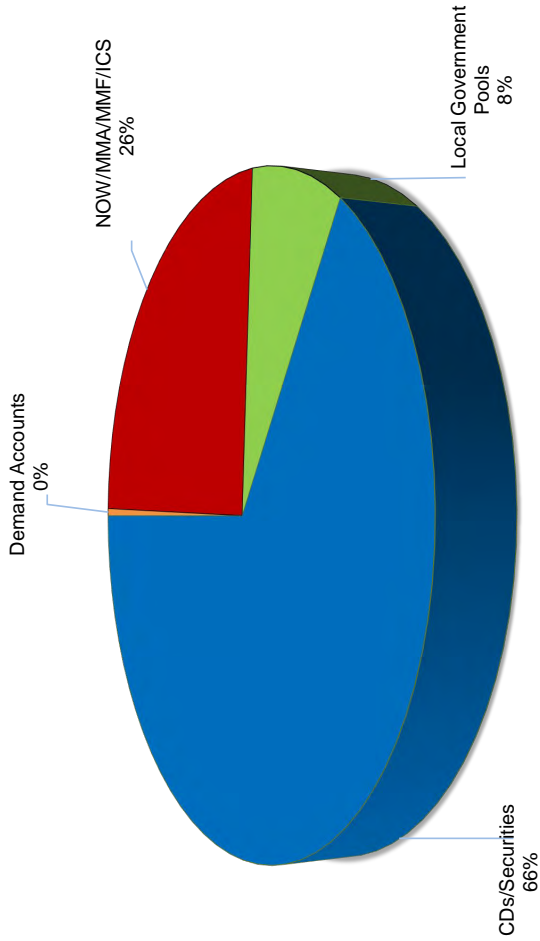
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
					<u>\$ 299,983,961</u>	<u>\$ 299,983,961</u>		<u>\$ 299,983,961</u>	<u>127</u>	<u>4.93%</u>
									<u>(1)</u>	<u>(2)</u>

(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.

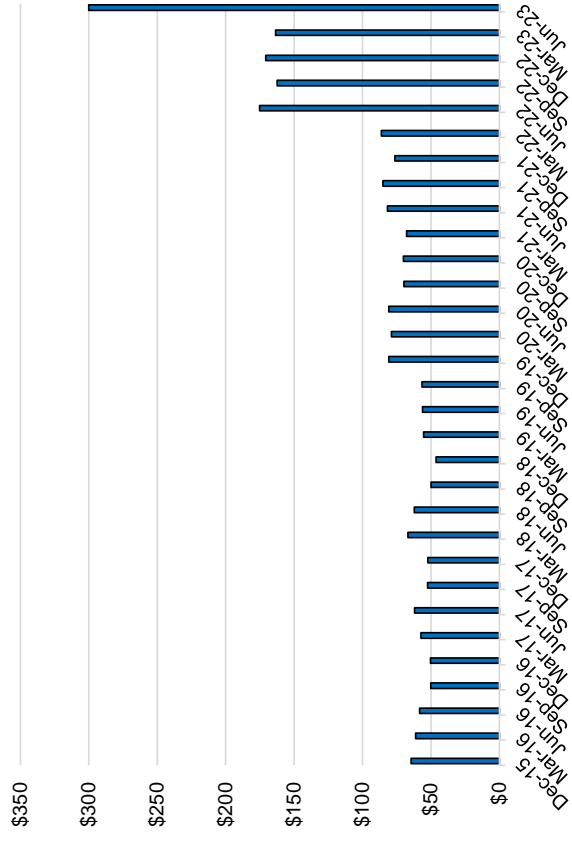
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(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.

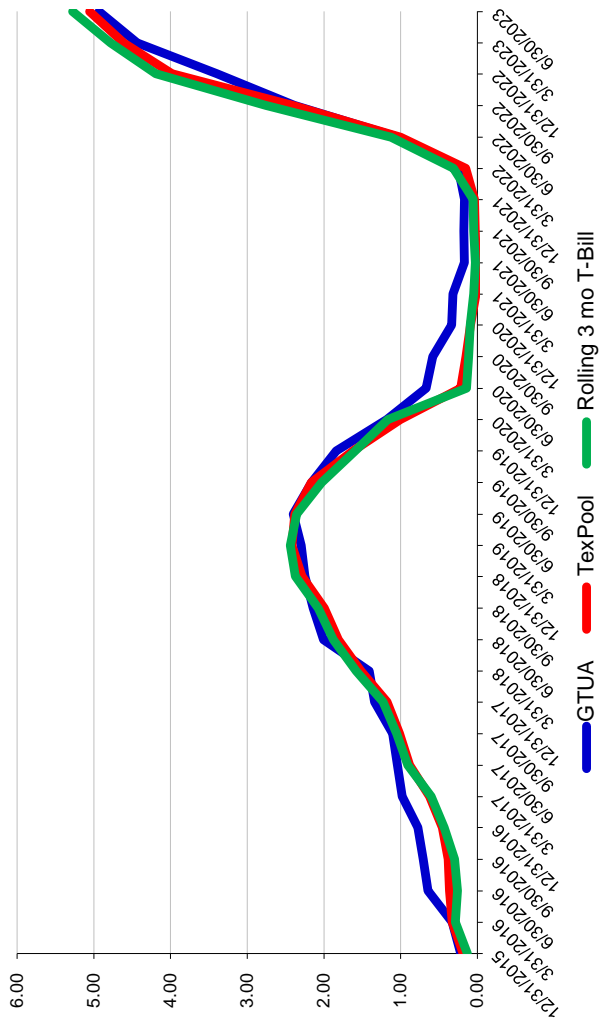
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 3/31/23	Increases	Decreases	Book Value 06/30/23	Market Value 3/31/23	Change in Market Value	Market Value 06/30/23
BOT DDA (3)	0.55%	07/01/23	\$ 352,689	\$ 807,630	\$ -	\$ 1,160,319	\$ 352,689	\$ 807,630	\$ 1,160,319
BOT Escrow MMF	5.02%	07/01/23	33,590,427	-	(12,222,422)	21,368,005	33,590,427	(12,222,422)	21,368,005
Invesco Govt & Agy Inst MMMF	5.05%	07/01/23	5,094	-	(4,381)	713	5,094	(4,381)	713
Veritex Bank MMA	5.17%	07/01/23	206,461	1,653	-	208,115	206,461	1,653	208,115
Veritex Bank MMA Escrow	5.17%	07/01/23	1,169,335	14,326	-	1,183,661	1,169,335	14,326	1,183,661
NexBank ICS	5.30%	07/01/23	9,996,299	26,241,866	-	36,238,165	9,996,299	26,241,866	36,238,165
NexBank ICS Escrow	5.30%	07/01/23	10,000,000	-	(2,209,853)	7,790,147	10,000,000	(2,209,853)	7,790,147
East West Bank MMA	5.01%	07/01/23	-	10,110,496	-	10,110,496	-	10,110,496	10,110,496
TexPool	5.09%	07/01/23	5,168	23,774	-	28,942	5,168	23,774	28,942
TexSTAR	5.08%	07/01/23	32,543,742	-	(7,420,287)	25,123,454	32,543,742	(7,420,287)	25,123,454
East West Bank	3.06%	04/18/23	1,000,000	-	(1,000,000)	-	1,000,000	(1,000,000)	-
East West Bank	3.06%	04/18/23	700,000	-	(700,000)	-	700,000	(700,000)	-
East West Bank	3.06%	04/18/23	300,000	-	(300,000)	-	300,000	(300,000)	-
East West Bank	3.06%	04/18/23	500,000	-	(500,000)	-	500,000	(500,000)	-
East West Bank	3.06%	04/21/23	1,300,000	-	(1,300,000)	-	1,300,000	(1,300,000)	-
East West Bank	3.06%	04/21/23	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)	-	2,283,044	(2,283,044)	-
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	5.15%	07/10/23	-	750,000	-	750,000	-	750,000	750,000
East West Bank	5.15%	07/10/23	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
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%	07/17/23	1,200,000	-	-	1,200,000	1,200,000	-	1,200,000
East West Bank	3.01%	07/17/23	300,000	-	-	300,000	300,000	-	300,000
East West Bank	3.01%	07/17/23	50,000	-	-	50,000	50,000	-	50,000
East West Bank	3.01%	07/17/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	4.92%	08/10/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
East West Bank	5.49%	08/15/23	-	18,400,000	-	18,400,000	-	18,400,000	18,400,000
East West Bank	3.23%	08/22/23	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
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
East West Bank	3.23%	08/24/23	200,000	-	-	200,000	200,000	-	200,000
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
East West Bank	4.92%	09/10/23	6,000,000	-	-	6,000,000	6,000,000	-	6,000,000
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
East West Bank	5.49%	09/13/23	-	2,707,900	-	2,707,900	-	2,707,900	2,707,900
Texas Capital	3.37%	10/09/23	100,000	-	-	100,000	100,000	-	100,000

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 3/31/23	Increases	Decreases	Book Value 06/30/23	Market Value 3/31/23	Change in Market Value	Market Value 06/30/23
East West Bank	4.92%	10/10/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	5.08%	10/10/23	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
East West Bank	5.08%	10/10/23	-	300,000	-	300,000	-	300,000	300,000
East West Bank	5.08%	10/10/23	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
East West Bank	4.92%	10/10/23	6,000,000	-	-	6,000,000	6,000,000	-	6,000,000
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	4.92%	11/10/23	6,000,000	-	-	6,000,000	6,000,000	-	6,000,000
East West Bank	5.26%	11/15/23	-	22,800,000	-	22,800,000	-	22,800,000	22,800,000
East West Bank	5.26%	11/15/23	-	150,000	-	150,000	-	150,000	150,000
East West Bank	4.69%	12/07/23	2,121,000	-	-	2,121,000	2,121,000	-	2,121,000
East West Bank	4.92%	12/11/23	8,000,000	-	-	8,000,000	8,000,000	-	8,000,000
East West Bank	4.92%	12/11/23	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
East West Bank	5.26%	12/13/23	-	150,000	-	150,000	-	150,000	150,000
East West Bank	5.26%	12/13/23	-	200,000	-	200,000	-	200,000	200,000
East West Bank	5.61%	12/28/23	-	314,000	-	314,000	-	314,000	314,000
East West Bank	5.61%	12/28/23	-	401,000	-	401,000	-	401,000	401,000
East West Bank	4.91%	01/10/24	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000
East West Bank	4.91%	01/10/24	2,892,000	-	-	2,892,000	2,892,000	-	2,892,000
Texas Bank & Trust	5.10%	01/10/24	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Texas Bank & Trust	5.10%	01/10/24	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Texas Capital	3.38%	01/13/24	600,000	-	-	600,000	600,000	-	600,000
East West Bank	5.26%	01/17/24	-	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
East West Bank	5.08%	02/14/24	-	23,200,000	-	23,200,000	-	23,200,000	23,200,000
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
East West Bank	5.08%	03/13/24	-	3,165,100	-	3,165,100	-	3,165,100	3,165,100
Texas Bank & Trust	4.91%	04/07/24	-	995,000	-	995,000	-	995,000	995,000
Texas Bank & Trust	5.00%	04/10/24	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
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
BOKF	4.93%	05/09/24	-	7,000,000	-	7,000,000	-	7,000,000	7,000,000
Texas Capital	3.41%	05/13/24	500,000	-	-	500,000	500,000	-	500,000
East West Bank	4.89%	05/15/24	-	8,354,000	-	8,354,000	-	8,354,000	8,354,000
East West Bank	4.89%	05/15/24	-	21,100,000	-	21,100,000	-	21,100,000	21,100,000
East West Bank	4.89%	05/15/24	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
Bank OZK	4.89%	05/16/24	-	8,000,000	-	8,000,000	-	8,000,000	8,000,000
Texas Capital	3.41%	06/13/24	500,000	-	-	500,000	500,000	-	500,000
East West Bank	5.40%	06/28/24	-	250,700	-	250,700	-	250,700	250,700
East West Bank	5.40%	06/28/24	-	2,332,559	-	2,332,559	-	2,332,559	2,332,559

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 3/31/23	Increases	Decreases	Book Value 06/30/23	Market Value 3/31/23	Change in Market Value	Market Value 06/30/23
East West Bank	5.40%	06/28/24	-	3,528,256	-	3,528,256	-	3,528,256	3,528,256
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	4.93%		\$ 163,542,645	\$ 168,898,260	\$ (32,456,943)	\$ 299,983,961	\$ 163,525,688	\$ 136,458,273	\$ 299,983,961

**Allocation by Fund
Book & Market Value**

June 30, 2023

		Investment												
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve							
		\$	\$	\$	\$	\$	\$							
BOT DDA (3)	06/30/23	\$ 1,160,319	\$ 1,160,319	-	-	-	-							
BOT Escrow MFMF	06/30/23	21,368,005	-	21,368,005	-	-	-							
Invesco Govt & Agy Inst MMMF	06/30/23	713	713	-	-	-	-							
Veritex Bank MMA	06/30/23	208,115	-	208,115	-	-	-							
Veritex Bank MMA Escrow	06/30/23	1,183,661	-	1,183,661	-	-	-							
NexBank ICS	06/30/23	36,238,165	-	20,220,638	15,686,485	331,041	-							
NexBank ICS Escrow	06/30/23	7,790,147	-	7,790,147	-	-	-							
East West Bank MMA	06/30/23	10,110,496	-	10,110,496	-	-	-							
TexPool	06/30/23	28,942	28,942	-	-	-	-							
TexSTAR	06/30/23	25,123,454	15,983	19,068,229	3,632,257	1,803,121	603,864							
East West Bank	07/10/23	750,000	-	750,000	-	-	-							
East West Bank	07/10/23	1,000,000	-	1,000,000	-	-	-							
East West Bank	07/14/23	4,400,000	-	3,400,000	-	-	1,000,000							
East West Bank	07/17/23	1,200,000	-	1,200,000	-	-	-							
East West Bank	07/17/23	300,000	-	300,000	-	-	-							
East West Bank	07/17/23	50,000	-	50,000	-	-	-							
East West Bank	07/17/23	500,000	-	500,000	-	-	-							
East West Bank	08/10/23	1,000,000	-	1,000,000	-	-	-							
East West Bank	08/15/23	18,400,000	-	18,400,000	-	-	-							
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	-	-							
East West Bank	09/10/23	6,000,000	-	6,000,000	-	-	-							
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	-	-	-							
East West Bank	09/13/23	2,707,900	-	-	2,707,900	-	-							
Texas Capital	10/09/23	100,000	-	100,000	-	-	-							
East West Bank	10/10/23	500,000	-	500,000	-	-	-							
East West Bank	10/10/23	1,000,000	-	1,000,000	-	-	-							

**Allocation by Fund
Book & Market Value**

June 30, 2023

	Maturity	Investment					Bond I&S	Revenue	Reserve
		General	Construction						
		Total							
East West Bank	10/10/23	300,000	300,000	-	-	-	-	-	
East West Bank	10/10/23	1,000,000	1,000,000	-	-	-	-	-	
East West Bank	10/10/23	6,000,000	6,000,000	-	-	-	-	-	
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	11/10/23	6,000,000	6,000,000	-	-	-	-	-	
East West Bank	11/15/23	22,800,000	22,800,000	-	-	-	-	-	
East West Bank	11/15/23	150,000	150,000	-	-	-	-	-	
East West Bank	12/07/23	2,121,000	-	-	-	-	-	2,121,000	
East West Bank	12/11/23	8,000,000	8,000,000	-	-	-	-	-	
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	-	-	-	-	-	
East West Bank	12/13/23	150,000	150,000	-	-	-	-	-	
East West Bank	12/13/23	200,000	200,000	-	-	-	-	-	
East West Bank	12/28/23	314,000	314,000	-	-	-	-	-	
East West Bank	12/28/23	401,000	401,000	-	-	-	-	-	
East West Bank	01/10/24	3,000,000	3,000,000	-	-	-	-	-	
East West Bank	01/10/24	2,892,000	-	-	-	-	-	2,892,000	
East West Bank	01/10/24	1,000,000	1,000,000	-	-	-	-	-	
Texas Bank & Trust	01/10/24	1,000,000	1,000,000	-	-	-	-	-	
Texas Bank & Trust	01/10/24	1,000,000	1,000,000	-	-	-	-	-	
Texas Capital	01/13/24	600,000	600,000	-	-	-	-	-	
East West Bank	01/17/24	600,000	600,000	-	-	-	-	-	
Texas Capital	02/09/24	100,000	100,000	-	-	-	-	-	
Texas Capital	02/13/24	600,000	600,000	-	-	-	-	-	
East West Bank	02/14/24	23,200,000	23,200,000	-	-	-	-	-	
Texas Capital	03/09/24	1,422,000	-	-	-	1,422,000	-	-	
Texas Capital	03/13/24	600,000	600,000	-	-	-	-	-	
East West Bank	03/13/24	3,165,100	-	-	-	3,165,100	-	-	
Texas Bank & Trust	04/07/24	995,000	-	-	-	-	-	995,000	
Texas Bank & Trust	04/10/24	1,000,000	1,000,000	-	-	-	-	-	
Texas Capital	04/13/24	600,000	600,000	-	-	-	-	-	
Cap Tex	04/26/24	3,275,000	-	-	-	-	-	3,275,000	

**Allocation by Fund
Book & Market Value**

June 30, 2023

	Maturity	Investment				
		General	Construction	Bond I&S	Revenue	Reserve
	Total					
BOKF	05/09/24	-	7,000,000	-	-	-
Texas Capital	05/13/24	-	500,000	-	-	-
East West Bank	05/15/24	-	8,354,000	-	-	8,354,000
East West Bank	05/15/24	-	21,100,000	-	-	-
East West Bank	05/15/24	-	1,000,000	-	-	-
Bank OZK	05/16/24	-	8,000,000	-	-	-
Texas Capital	06/13/24	-	500,000	-	-	-
East West Bank	06/28/24	-	250,700	-	-	250,700
East West Bank	06/28/24	-	2,332,559	-	-	-
East West Bank	06/28/24	-	3,528,256	-	-	-
Texas Capital	07/13/24	-	500,000	-	-	-
Texas Capital	08/13/24	-	400,000	-	-	-
Texas Capital	09/09/24	-	1,372,000	1,372,000	-	-
Texas Capital	09/13/24	-	300,000	-	-	-
Totals		\$ 1,205,957	\$ 242,550,106	\$ 29,407,742	\$ 2,134,162	\$ 24,685,994

**Allocation by Fund
Book Value**

March 31, 2023

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
		\$	\$				
BOT DDA (3)	03/31/23	352,689	352,689				
BOT Escrow MMF	03/31/23	33,590,427		33,590,427			
Invesco Govt & Agy Inst MMMF	03/31/23	5,094	5,094				
Veritex Bank MMA	03/31/23	206,461		206,461			
Veritex Bank MMA Escrow	03/31/23	1,169,335		1,169,335			
NexBank ICS	03/31/23	9,996,299		5,030,838	4,638,497	326,965	
NexBank ICS Escrow	03/31/23	10,000,000		10,000,000			
TexPool	03/31/23	5,168	5,168				
TexSTAR	03/31/23	32,543,742	737,570	25,763,806	2,999,416	1,876,912	1,166,038
East West Bank	04/18/23	1,000,000	-	1,000,000	-	-	-
East West Bank	04/18/23	700,000	-	700,000	-	-	-
East West Bank	04/18/23	300,000	-	300,000	-	-	-
East West Bank	04/18/23	500,000	-	500,000	-	-	-
East West Bank	04/21/23	1,300,000	-	1,300,000	-	-	-
East West Bank	04/21/23	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	-	-	-
East West Bank	05/31/23	2,300,000	-	1,300,000	-	-	1,000,000
UST 0.125	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	07/17/23	1,200,000	-	1,200,000	-	-	-
East West Bank	07/17/23	300,000	-	300,000	-	-	-
East West Bank	07/17/23	50,000	-	50,000	-	-	-
East West Bank	07/17/23	500,000	-	500,000	-	-	-
East West Bank	08/10/23	1,000,000	-	1,000,000	-	-	-
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	-	-

**Allocation by Fund
Book Value**

March 31, 2023

	Maturity	Investment					Reserve
		General	Construction	Bond I&S	Revenue		
		Total					
East West Bank	09/10/23	6,000,000	6,000,000	-	-	-	
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	-	-	-	
East West Bank	10/10/23	500,000	500,000	-	-	-	
East West Bank	10/10/23	6,000,000	6,000,000	-	-	-	
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	11/10/23	6,000,000	6,000,000	-	-	-	
East West Bank	12/07/23	2,121,000	-	-	-	2,121,000	
East West Bank	12/11/23	8,000,000	8,000,000	-	-	-	
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	-	-	-	
East West Bank	01/10/24	3,000,000	3,000,000	-	-	-	
East West Bank	01/10/24	2,892,000	-	-	-	2,892,000	
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	-	-	
Texas Capital	09/13/24	300,000	300,000	-	-	-	

Totals **\$ 163,542,645** **\$ 1,100,521** **\$ 131,735,867** **\$ 11,853,913** **\$ 2,203,876** **\$ 16,648,468**

**Allocation by Fund
Market Value**

March 31, 2023

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve
		\$	\$				
BOT DDA (3)	03/31/23	352,689	352,689				
BOT Escrow MMF	03/31/23	33,590,427		33,590,427			
Invesco Govt & Agy Inst MMMF	03/31/23	5,094	5,094				
Veritex Bank MMA	03/31/23	206,461		206,461			
Veritex Bank MMA Escrow	03/31/23	1,169,335		1,169,335			
NexBank ICS	03/31/23	9,996,299		5,030,838	4,638,497	326,965	
NexBank ICS Escrow	03/31/23	10,000,000		10,000,000			
TexPool	03/31/23	5,168	5,168				
TexSTAR	03/31/23	32,543,742	737,570	25,763,806	2,999,416	1,876,912	1,166,038
East West Bank	04/18/23	1,000,000	-	1,000,000	-	-	-
East West Bank	04/18/23	700,000	-	700,000	-	-	-
East West Bank	04/18/23	300,000	-	300,000	-	-	-
East West Bank	04/18/23	500,000	-	500,000	-	-	-
East West Bank	04/21/23	1,300,000	-	1,300,000	-	-	-
East West Bank	04/21/23	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	-	-	-
East West Bank	05/31/23	2,283,044	-	1,290,416	-	992,628	-
UST 0.125	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	07/17/23	1,200,000	-	1,200,000	-	-	-
East West Bank	07/17/23	300,000	-	300,000	-	-	-
East West Bank	07/17/23	50,000	-	50,000	-	-	-
East West Bank	07/17/23	500,000	-	500,000	-	-	-
East West Bank	08/10/23	1,000,000	-	1,000,000	-	-	-
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	-	-

**Allocation by Fund
Market Value**

March 31, 2023

	Maturity	Investment					Reserve
		General	Construction	Bond I&S	Revenue		
		Total					
East West Bank	09/10/23	6,000,000	6,000,000	-	-	-	
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	-	-	-	
East West Bank	10/10/23	500,000	500,000	-	-	-	
East West Bank	10/10/23	6,000,000	6,000,000	-	-	-	
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	11/10/23	6,000,000	6,000,000	-	-	-	
East West Bank	12/07/23	2,121,000	-	-	-	2,121,000	
East West Bank	12/11/23	8,000,000	8,000,000	-	-	-	
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	-	-	-	
East West Bank	01/10/24	3,000,000	3,000,000	-	-	-	
East West Bank	01/10/24	2,892,000	-	-	-	2,892,000	
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	-	-	
Texas Capital	09/13/24	300,000	300,000	-	-	-	

Totals \$ 163,525,688 \$ 1,100,521 \$ 131,726,283 \$ 11,853,913 \$ 2,203,876 \$ 16,641,096

AGENDA ITEM VIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 16, 2023

SUBJECT: AGENDA ITEM NO. VIII

PREPARED BY: Debi Atkins, Finance Officer
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON AUTHORIZING THE EXECUTION OF AN INVESTMENT ADVISOR SERVICES CONTRACT BETWEEN GREATER TEXOMA UTILITY AUTHORITY AND VALLEY VIEW CONSULTING, L.L.C.

ISSUE

Consideration of Authorizing an Investment Advisor Services Contract

BACKGROUND

The Greater Texoma Utility Authority (“Authority”) currently maintains over 100 bank accounts in order to service the more than \$650 million in debt issued on many of the area’s water and wastewater providers’ behalf. In order to maximize the benefit that the Authority provides, the staff invests funds during the times in which they are held by the Authority. This has enabled the Authority to issue and manage debt at minimal cost to the water and wastewater providers we assist. The Authority staff invests all funds in accordance with the Public Funds Investment Act and the Authority’s Investment Policy.

In 2015, the Board authorized the staff to solicit Requests for Proposals for Investment Management Services at the April 2015 meeting. Proposals were solicited, and the Board selected Valley View Consulting, and their current contract expires on December 31, 2023. The Board of Directors discussed the solicitation of new proposals for investment advisor services at the July 24th meeting and decided to extend Valley View Consulting’s contract for two more years due to concerns with the current market.

CONSIDERATIONS

The staff has been very satisfied with the service provided by Valley View Consulting, and their performance is evidenced by the quarterly investment reports. Below are the rates for Valley View Consulting’s services.

<i>Average Quarter-End Book Value</i>	<i>Proposed Annual Fee</i>	<i>Current Annual Fee</i>
First \$85 million	0.040% (4 basis points)	0.049% (4.9 basis points)
Next \$65 million	0.030% (3 basis points)	0.030% (3 basis points)
Balances above \$150 million	0.020% (2 basis points)	0.030% (3 basis points)

RECOMMENDATION

The Authority Staff recommends authorizing the Investment Advisor Services Contract with Valley View Consulting.

Attachments

Contract

**AGREEMENT
BY AND BETWEEN
THE GREATER TEXOMA UTILITY AUTHORITY, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the Greater Texoma Utility Authority (the *Investor*) will have money available for investment (the *Investable Funds*) and Valley View Consulting, L.L.C. (the *Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide its professional services to direct and coordinate all programs of investing as may be considered and authorized by the Investor.
3. The Advisor agrees to perform the following duties, as requested:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the Investor's Investment Policy.
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy,
 - i. Assist the Investor in creating monthly portfolio accounting reports, and
 - j. Assist the Investor in selecting a primary depository services financial institution.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall remain in effect until December 31, 2025, with the option of the Investor to extend this Agreement in additional one or two-year increments. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement the Advisor shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

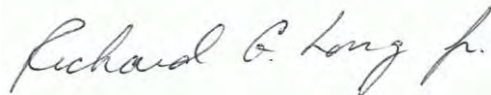
10. Any component unit of the Investor is eligible to participate in this Agreement.

11. The Investor acknowledges that:

- 1) _____ Investor was provided a written copy of Form ADV Part 2 not less than 48 hours prior to entering into this written contract, or
- 2) _____ Investor received a written copy of Form ADV Part 2 at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Form ADV Part 2.

When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and Advisor for the purposes and the consideration herein specified.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the Greater Texoma Utility Authority, Texas.

By: _____

Title: _____

Date: _____

APPENDIX A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by the Advisor in connection with the investment of the Investable Funds for the Investor, it is understood and agreed that its fee shall not exceed the following tiered schedule:

<u>Average Quarter End Book Value</u>	<u>Annual Fee</u>
First \$85 million	0.040% (4 basis points)
Next \$65 million	0.030% (3 basis points)
Balances above \$150 million	0.020% (2 basis points)

Said fee shall be prorated and due and payable at the end of each investment quarter.

Should the Investor issue debt and select a bond proceeds investment strategy that incorporates a flexible repurchase agreement or other structured investment, fees will be determined by applicable I.R.S. guidelines and industry standards, and any future amendments.

Said fee includes all costs of services related to this Agreement, and all travel and business expenses related to attending regularly scheduled meetings. With pre-trip Investor approval, the Advisor may also request reimbursement for special meeting or event travel and business expenses. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other fees retained by the Advisor shall be disclosed to the Investor.

AGENDA ITEM IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 16, 2023

SUBJECT: AGENDA ITEM NO. IX

PREPARED BY: Debi Atkins, Finance Officer
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON ACCOUNT AGREEMENT FOR INTERBANK.

ISSUE

Consider and act upon Account Agreement for InterBank.

BACKGROUND

The Authority does solicitation periodically for investing bond proceeds, and InterBank offered the best rate at 5.65% interest for a money market account. The Authority uses money market accounts to maximize interest returns for funds that will be used in the near future. In order to open the account with InterBank, the bank will need a resolution signed by Secretary-Treasurer, Scott Blackerby.

RECOMMENDATION

The Authority Staff recommend approving the Account Agreement for InterBank.

AGENDA ITEM X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 16, 2023

SUBJECT: AGENDA ITEM NO. X

PREPARED BY: Debi Atkins, Finance Officer
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON AN ENGAGEMENT LETTER FOR INDEPENDENT AUDIT SERVICES FOR FISCAL YEAR 2022-2023

ISSUE

Consideration of an engagement letter for independent audit services for FY 2022-2023.

BACKGROUND

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

In 2022, the Authority Staff discussed the audit solicitation process for the selection of an auditing firm. Following that meeting, the staff put together an RFP and sent out to six (6) auditing firms we have worked with in the past and/or are working for cities in the region. We received one (1) response, and that was from Patillo, Brown & Hill.

Patillo, Brown & Hill appear to be well qualified to perform the work. At the May 2022 meeting, the Board selected Patillo, Brown & Hill as a qualified firm and requested that we get an engagement letter to consider at the June 2022 meeting. The cost of the audit for FY 2021-2022 was \$53,900.

CONSIDERATIONS

The Audit Proposals were for a 5-year term, and the price proposed for this upcoming Audit is \$54,400. The \$54,400 is within the 1% increase from last year.

STAFF RECOMMENDATIONS

The staff recommends that the Board authorize an engagement letter with Patillo, Brown & Hill to perform the Authority's FY 2022-2023 Audit.

ATTACHMENTS

Engagement Letter

August 15, 2023

Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

To the Board of Directors and Management:

You have requested that we audit the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greater Texoma Utility Authority (the "Authority"), **as of September 30, 2023**, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's **basic financial statements as listed** in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended September 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an **opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs**. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material **misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion**. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

OFFICE LOCATIONS

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

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

- **Management's Discussion and Analysis.**

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

- Combining Statements and Schedules.
- Debt Schedules.

Schedule of Expenditures of Federal Awards

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

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

- Introductory Section
- Statistical Section.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It **is management's responsibility to submit a reporting package** including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic

submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

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

Audit of the Financial Statements

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

As part of an audit of financial statements in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

We will issue a written report upon completion of our audit of the Entity's basic financial statements. Our report will be addressed to those charged with governance of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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

Audit of Major Program Compliance

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

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

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

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

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

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

Management's Responsibilities

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

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

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report, if one is issued. This document would include more than an annual comprehensive financial report (ACFR) or annual financial report (AFR) and;
 - e. If applicable, a final version of the annual report, (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the **auditor's report**.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

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

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

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

Non-attest Services

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

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

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

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

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working condition, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

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

Document internal control and preliminary tests	September 2023
Mail confirmations	October 2023
Perform year-end audit procedures	Nov-Dec 2023
Issue audit reports	January 2024

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

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$54,400. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

Other Matters

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

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

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

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to investment information to verify valuation. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

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

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

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

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

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

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

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

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

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

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

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



Todd Pruitt, CPA
Waco, Texas
RESPONSE:

This letter correctly sets forth our understanding.

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

Name: _____

Title: _____

Date: _____

AGENDA ITEM XI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XV

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

**CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF
“GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, TAXABLE SERIES
2023 (WHITE SHED WATER SUPPLY CORPORATION PROJECT)”, INCLUDING THE ADOPTION
OF A RESOLUTION APPROVING THE ISSUANCE OF SUCH BONDS.**

ISSUE

Consider and act upon the issuance of bonds for White Shed Water Supply Corporation through Texas Water Development Board’s Texas Water Development Fund.

BACKGROUND

The White Shed WSC Board President, Jodie Gibbs, contacted the Authority General Manager requesting assistance in obtaining funding for a new well and elevated storage tank project for White Shed’s water system. Authority Staff meet with members of the White Shed WSC Board of Directors to discuss possible funding opportunities and White Shed has requested assistance from GTUA in providing funding for the water project.

After discussing the project with White Shed WSC, Authority Staff has determined that funding through Texas Water Development Board’s Texas Water Development Fund (DFund) meet the needs of White Shed WSC. On April 6, 2023, TWDB committed to the Authority for financial assistance in a total amount of \$3,500,000.

CONSIDERATIONS

To proceed with the Bond issuance, the Authority, and the White Shed WSC need to adopt a resolution authorizing the issuance. White Shed WSC will adopt the resolution on August 21, 2023. The interest rate we received was 5.32% for the \$3,500,000 on a 30-year term and the bonds are scheduled to close on September 18, 2023. This issuance is a taxable issuance due to White Shed Water Supply Corporation is a non-profit corporation.

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

STAFF RECOMMENDATIONS

The Authority Staff recommends that the Board of Directors approve the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (White Shed Water Supply Corporation Project).

ATTACHMENTS

Debt Schedule
Bond Resolution

Greater Texoma Utility Authority

\$3,520,000 Contract Revenue Bonds, Taxable Series 2023 (DFund)

(White Shed WSC Project)

TWDB - DFund and September 18, 2023 Closing

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/18/2023	-	-	-	-	-
04/01/2024	-	-	99,520.18	99,520.18	-
09/30/2024	-	-	-	-	99,520.18
10/01/2024	50,000.00	5.620%	92,816.75	142,816.75	-
04/01/2025	-	-	91,411.75	91,411.75	-
09/30/2025	-	-	-	-	234,228.50
10/01/2025	55,000.00	5.240%	91,411.75	146,411.75	-
04/01/2026	-	-	89,970.75	89,970.75	-
09/30/2026	-	-	-	-	236,382.50
10/01/2026	55,000.00	4.950%	89,970.75	144,970.75	-
04/01/2027	-	-	88,609.50	88,609.50	-
09/30/2027	-	-	-	-	233,580.25
10/01/2027	60,000.00	4.810%	88,609.50	148,609.50	-
04/01/2028	-	-	87,166.50	87,166.50	-
09/30/2028	-	-	-	-	235,776.00
10/01/2028	60,000.00	4.850%	87,166.50	147,166.50	-
04/01/2029	-	-	85,711.50	85,711.50	-
09/30/2029	-	-	-	-	232,878.00
10/01/2029	65,000.00	4.820%	85,711.50	150,711.50	-
04/01/2030	-	-	84,145.00	84,145.00	-
09/30/2030	-	-	-	-	234,856.50
10/01/2030	70,000.00	4.860%	84,145.00	154,145.00	-
04/01/2031	-	-	82,444.00	82,444.00	-
09/30/2031	-	-	-	-	236,589.00
10/01/2031	70,000.00	4.790%	82,444.00	152,444.00	-
04/01/2032	-	-	80,767.50	80,767.50	-
09/30/2032	-	-	-	-	233,211.50
10/01/2032	75,000.00	4.830%	80,767.50	155,767.50	-
04/01/2033	-	-	78,956.25	78,956.25	-
09/30/2033	-	-	-	-	234,723.75
10/01/2033	80,000.00	4.880%	78,956.25	158,956.25	-
04/01/2034	-	-	77,004.25	77,004.25	-
09/30/2034	-	-	-	-	235,960.50
10/01/2034	85,000.00	4.970%	77,004.25	162,004.25	-
04/01/2035	-	-	74,892.00	74,892.00	-
09/30/2035	-	-	-	-	236,896.25
10/01/2035	90,000.00	5.070%	74,892.00	164,892.00	-
04/01/2036	-	-	72,610.50	72,610.50	-
09/30/2036	-	-	-	-	237,502.50
10/01/2036	90,000.00	5.140%	72,610.50	162,610.50	-

23 White Shed WSC \$3.52MM | SINGLE PURPOSE | 8/17/2023 | 11:00 AM

Greater Texoma Utility Authority

\$3,520,000 Contract Revenue Bonds, Taxable Series 2023 (DFund)

(White Shed WSC Project)

TWDB - DFund and September 18, 2023 Closing

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2037	-	-	70,297.50	70,297.50	-
09/30/2037	-	-	-	-	232,908.00
10/01/2037	95,000.00	5.200%	70,297.50	165,297.50	-
04/01/2038	-	-	67,827.50	67,827.50	-
09/30/2038	-	-	-	-	233,125.00
10/01/2038	100,000.00	5.250%	67,827.50	167,827.50	-
04/01/2039	-	-	65,202.50	65,202.50	-
09/30/2039	-	-	-	-	233,030.00
10/01/2039	110,000.00	5.300%	65,202.50	175,202.50	-
04/01/2040	-	-	62,287.50	62,287.50	-
09/30/2040	-	-	-	-	237,490.00
10/01/2040	115,000.00	5.300%	62,287.50	177,287.50	-
04/01/2041	-	-	59,240.00	59,240.00	-
09/30/2041	-	-	-	-	236,527.50
10/01/2041	120,000.00	5.300%	59,240.00	179,240.00	-
04/01/2042	-	-	56,060.00	56,060.00	-
09/30/2042	-	-	-	-	235,300.00
10/01/2042	125,000.00	5.300%	56,060.00	181,060.00	-
04/01/2043	-	-	52,747.50	52,747.50	-
09/30/2043	-	-	-	-	233,807.50
10/01/2043	135,000.00	5.410%	52,747.50	187,747.50	-
04/01/2044	-	-	49,095.75	49,095.75	-
09/30/2044	-	-	-	-	236,843.25
10/01/2044	140,000.00	5.410%	49,095.75	189,095.75	-
04/01/2045	-	-	45,308.75	45,308.75	-
09/30/2045	-	-	-	-	234,404.50
10/01/2045	150,000.00	5.410%	45,308.75	195,308.75	-
04/01/2046	-	-	41,251.25	41,251.25	-
09/30/2046	-	-	-	-	236,560.00
10/01/2046	155,000.00	5.410%	41,251.25	196,251.25	-
04/01/2047	-	-	37,058.50	37,058.50	-
09/30/2047	-	-	-	-	233,309.75
10/01/2047	165,000.00	5.410%	37,058.50	202,058.50	-
04/01/2048	-	-	32,595.25	32,595.25	-
09/30/2048	-	-	-	-	234,653.75
10/01/2048	175,000.00	5.410%	32,595.25	207,595.25	-
04/01/2049	-	-	27,861.50	27,861.50	-
09/30/2049	-	-	-	-	235,456.75
10/01/2049	185,000.00	5.410%	27,861.50	212,861.50	-
04/01/2050	-	-	22,857.25	22,857.25	-

23 White Shed WSC \$3.52MM | SINGLE PURPOSE | 8/17/2023 | 11:00 AM

Greater Texoma Utility Authority

\$3,520,000 Contract Revenue Bonds, Taxable Series 2023 (DFund)

(White Shed WSC Project)

TWDB - DFund and September 18, 2023 Closing

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2050	-	-	-	-	235,718.75
10/01/2050	195,000.00	5.410%	22,857.25	217,857.25	-
04/01/2051	-	-	17,582.50	17,582.50	-
09/30/2051	-	-	-	-	235,439.75
10/01/2051	205,000.00	5.410%	17,582.50	222,582.50	-
04/01/2052	-	-	12,037.25	12,037.25	-
09/30/2052	-	-	-	-	234,619.75
10/01/2052	215,000.00	5.410%	12,037.25	227,037.25	-
04/01/2053	-	-	6,221.50	6,221.50	-
09/30/2053	-	-	-	-	233,258.75
10/01/2053	230,000.00	5.410%	6,221.50	236,221.50	-
09/30/2054	-	-	-	-	236,221.50
Total	\$3,520,000.00	-	\$3,630,779.93	\$7,150,779.93	-

Yield Statistics

Bond Year Dollars	\$67,962.11
Average Life	19.307 Years
Average Coupon	5.3423590%
DV01	4,049.80
Net Interest Cost (NIC)	5.3423590%
True Interest Cost (TIC)	5.3231014%
Bond Yield for Arbitrage Purposes	5.3231014%
All Inclusive Cost (AIC)	5.3231014%

IRS Form 8038

Net Interest Cost	5.3423590%
Weighted Average Maturity	19.307 Years

BOND RESOLUTION

\$3,520,000
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
TAXABLE SERIES 2023
(WHITE SHED WATER SUPPLY CORPORATION PROJECT)

Adopted: August 21, 2023

TABLE OF CONTENTS

	Page
SECTION 1: AUTHORIZATION - DESIGNATION - PRINCIPAL AMOUNT - PURPOSE	1
SECTION 2: FULLY REGISTERED OBLIGATIONS - BOND DATE - AUTHORIZED DENOMINATIONS - STATED MATURITIES - INTEREST RATES	1
SECTION 3: TERMS OF PAYMENT - PAYING AGENT/REGISTRAR.....	2
SECTION 4: REDEMPTION.....	3
SECTION 5: REGISTRATION - TRANSFER - EXCHANGE OF BONDS - PREDECESSOR BONDS	4
SECTION 6: BOOK-ENTRY-ONLY TRANSFERS AND TRANSACTIONS	5
SECTION 7: EXECUTION - REGISTRATION	6
SECTION 8: INITIAL BOND(S)	6
SECTION 9: FORMS.....	7
SECTION 10: CERTAIN DEFINITIONS	14
SECTION 11: PLEDGE	15
SECTION 12: FUND DESIGNATIONS	16
SECTION 13: REVENUE FUND	16
SECTION 14: BOND FUND	17
SECTION 15: RESERVE FUND	17
SECTION 16: DEFICIENCIES IN FUNDS	18
SECTION 17: REMAINDER OF REVENUES	19
SECTION 18: SECURITY OF FUNDS AND THEIR TRANSFER	19
SECTION 19: ISSUANCE OF ADDITIONAL PARITY BONDS	19
SECTION 20: INSURANCE	20
SECTION 21: RECORDS - ACCOUNTS - ACCOUNTING REPORTS.....	20
SECTION 22: REMEDIES IN EVENT OF DEFAULT	21
SECTION 23: SPECIAL COVENANTS	21
SECTION 24: BONDS ARE SPECIAL OBLIGATIONS.....	22
SECTION 25: BONDS ARE NEGOTIABLE INSTRUMENTS	22
SECTION 26: CONSTRUCTION FUND.....	22
SECTION 27: NOTICES TO HOLDERS-WAIVER	23
SECTION 28: CANCELLATION	23
SECTION 29: MUTILATED - DESTROYED - LOST AND STOLEN BONDS	23
SECTION 30: COVENANTS TO MAINTAIN TAX-EXEMPT STATUS.....	24

TABLE OF CONTENTS

(continued)

	Page
SECTION 31: SALE OF THE BONDS	27
SECTION 32: CONTROL AND CUSTODY OF BONDS	27
SECTION 33: RULES AND REGULATIONS OF TEXAS WATER DEVELOPMENT BOARD	28
SECTION 34: SATISFACTION OF OBLIGATION OF AUTHORITY	28
SECTION 35: LEGAL OPINION	29
SECTION 36: CUSIP NUMBERS	29
SECTION 37: EFFECT OF HEADINGS	29
SECTION 38: RESOLUTION A CONTRACT - AMENDMENTS	29
SECTION 39: CONTINUING DISCLOSURE UNDERTAKING	31
SECTION 40: AMENDMENT OF CONTRACT	33
SECTION 41: BENEFITS OF RESOLUTION	34
SECTION 42: INCONSISTENT PROVISIONS	34
SECTION 43: GOVERNING LAW	34
SECTION 44: SEVERABILITY	34
SECTION 45: EFFECTIVE DATE	34

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of “Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2023 (White Shed Water Supply Corporation Project)” for the construction, acquisition and improvement of water system facilities and necessary appurtenances for use by the White Shed Water Supply Corporation and the payment of all costs incident and related to the construction and financing thereof; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of said bonds; including the pledge of certain revenues to pay the principal of and interest on such bonds; and resolving provisions incident and related to the subject and purpose of this resolution.

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the “Authority”) has determined that \$3,520,000 in principal amount of bonds should be issued at this time to provide funding for the Series 2023 Project more fully described in **Exhibit A** attached hereto and incorporated herein by this reference as though set out in full; now, therefore:

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the Authority shall be and are hereby authorized to be issued as a series in the aggregate principal amount of \$3,520,000 to be designated and bear the title “Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2023 (White Shed Water Supply Corporation Project),” (hereinafter referred to as the “Bonds”), for the construction, acquisition and improvement of water system facilities and necessary appurtenances for use by the White Shed Water Supply Corporation as described in Exhibit A attached hereto and the payment of all costs incident and related to the construction and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the Laws of the State of Texas, 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..

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated September 15, 2023 (the “Bond Date”), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on October 1 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at per annum rates in accordance with the following schedule:

<u>STATED MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2024	50,000	5.620
2025	55,000	5.240
2026	55,000	4.950
2027	60,000	4.810
2028	60,000	4.850

2029	65,000	4.820
2030	70,000	4.860
2031	70,000	4.790
2032	75,000	4.830
2033	80,000	4.880
2034	85,000	4.970
2035	90,000	5.070
2036	90,000	5.140
2037	95,000	5.200
2038	100,000	5.250
2039	110,000	5.300
2040	115,000	5.300
2041	120,000	5.300
2042	125,000	5.300
2023	135,000	5.300
2044	140,000	5.410
2045	150,000	5.410
2046	155,000	5.410
2047	165,000	5.410
2048	175,000	5.410
2049	185,000	5.410
2050	195,000	5.410
2051	205,000	5.410
2052	215,000	5.410
2053	230,000	5.410

The Bonds shall bear interest on the unpaid principal amount thereof from their date of delivery to the initial Holders (which date shall be the registration date noted on the Bonds in the “Registration Certificate of Paying Agent/Registrar” to appear thereon) at the per annum rates described above (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 2024.

SECTION 3: 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. A copy of the Security Register shall be maintained within the State of Texas at all times.

The selection and appointment of BOKF, NA, Houston, Texas, as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Authority agrees and covenants to cause to be kept and maintained at the principal office of the Paying Agent/Registrar books and records (the “Security Register”) for the registration, payment and transfer of the Bonds, 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 B, and such reasonable rules and regulations as the Paying Agent/Registrar and Authority may prescribe; and the President, Secretary, and/or Assistant Secretary of the Board are authorized to execute and deliver such 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 principal office in St. Paul, Minnesota (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 twenty-fifth(25th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by federal funds wire transfer to a bank account to be designated by the Holder, such wire transfer to be at the expense of the Authority or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Board is the registered owner of the Bonds, payments on the Bonds shall be made by wire transfer without expense to 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 be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; 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 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 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after October 1, 2044, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if less than all, 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 October 1, 2033 or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of

redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bonds by \$5,000 and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less 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 Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

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, 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 Bonds 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 like series and authorized denominations and having the same Stated Maturity and 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 Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of like series and authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of 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 29 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 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 3, 4 and 5 hereof.

The Authority agrees it will not discontinue its use of the DTC Book-Entry-Only System with respect to the Bonds without prior notice to and consent from the Texas Water Development Board while the Board is the Holder of any of the Bonds.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the 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 Bond Date 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 V.T.C.A., Government Code, Chapter 1201, 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.

Notwithstanding the above and foregoing paragraph, the Initial Bonds authorized for delivery to the initial purchasers in Section 8 hereof shall have printed thereon both Certificates of Registration appearing in Section 9(c) and 9(d) hereof, and both such certifications shall be required to be manually executed in connection with the initial delivery of the Initial Bonds and both such certifications appearing on the Initial Bonds, duly signed, shall be conclusive evidence that such Initial Bonds of each series have 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 total principal amount of \$3,520,000 with principal installments to become due and payable as provided in Section 2 hereof 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 numbered consecutively from T-1 and upward

(hereinafter called the "Initial Bond") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or 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, 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, 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 if available, and otherwise the reference to CUSIP NO. in the form of Bond may be omitted from the Bonds) 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, 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 Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
Counties of Cooke, Fannin, Grayson and Collin
Greater Texoma Utility Authority
Contract Revenue Bonds, Taxable Series 2023
(White Shed Water Supply Corporation Project)

Bond Date:

Interest Rate:
_____ %

Stated Maturity:

CUSIP No.:

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 the Stated Maturity date specified above, the Principal Amount hereinabove stated (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 such date of delivery to the initial Holder) 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 April 1 and October 1 of each year, commencing April 1, 2024. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of BOKF, NA, St. Paul, Minnesota, 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 twenty-fifth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar (i) by federal funds wire transfer to a bank account to be designated by the Holder, such wire transfer to be at the expense of the Authority or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Board is the registered owner of the Bonds, payments on the Bonds shall be made by wire transfer without expense to 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.

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.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$3,520,000 (herein referred to as the "Bonds") pursuant to a Resolution adopted by the governing body of the Authority (herein referred to as the "Resolution"), for the construction, acquisition and improvement of water system facilities and necessary appurtenances for use by the White Shed Water Supply Corporation and the payment of all costs incident and related to the construction and financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas.

The Bonds maturing on and after October 1, 2034, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in inverse order of maturity if less than all, 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 October 1, 2033, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon thirty (30) days prior written notice being sent by United States mail, first class postage prepaid, to the Holders of the Bonds 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.

The Bonds constitute special obligations of the Authority, and, together with the any Additional Bonds (identified and defined in the Resolution), 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 Service between the Authority and the White Shed Water Supply Corporation dated as of November 9, 2022, 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 or

redemption, 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, 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 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.

(d) Form of Certificate of Paying Agent/Registrar.

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 St. Paul, Minnesota is the "Designated Payment/Transfer Office" for this Bond.

BOKF, NA, Houston, Texas
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 Bonds 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
\$3,520,000

United States of America
State of Texas
Counties of Cooke, Fannin, Grayson, and Collin
Greater Texoma Utility Authority
Contract Revenue Bonds, Taxable Series 2023
(White Shed Water Supply Corporation Project)

Bond Date: September 15, 2023

Registered Owner: Texas Water Development Board

Principal Amount: THREE MILLION FIVE HUNDRED TWENTY THOUSAND 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 _____ in each of the years and in principal amounts in accordance with the following schedule:

<u>STATED MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
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(Information to be inserted from schedule in Section 2 hereof.)

(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 (which delivery date is anticipated to be September 18, 2023) at the per annum rate of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on April 1, 2024 and on each April 1 and October 1 thereafter until maturity or prior redemption. Principal of and premium, if any, on this Bond shall be payable at the Stated Maturities or the date(s) of redemption thereof by BOKF, NA, Houston, Texas (the "Paying Agent/Registrar"), only upon presentation and surrender of this Bond to its designated offices in St. Paul, Minnesota (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) 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 twenty-fifth(25th) day of the month next preceding each Interest Payment Date, and interest and principal due shall be paid by the Paying Agent/Registrar (i) by federal funds wire transfer to a bank account to be designated by the Holder, such wire transfer to be at the expense of the Authority or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Board is the registered owner of the Bonds, payments on the Bonds shall be made by wire transfer without expense to 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 Revenues 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” (V.T.C.A., Government Code, Chapter 2256), as amended.

(c) The term “Bonds Similarly Secured” shall mean the Bonds and Additional Bonds.

(d) The term “Contract” or “Contract For Water Supply and Service” shall mean that certain contract, dated as of the 9th day of November, 2022, by and between the Authority and the White Shed Water Supply Corporation 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 C for the purposes of identification.

(e) The term “Cost of the Project” shall have the meaning assigned such term in Section 1.01 of the Contract.

(f) 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.

(g) The term “Government Obligations” as used herein 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. The term “Maintenance and Operation Expense of the Project” shall have the meaning assigned such term in Section 1.01 of the Contract.

(h) 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 theretofore issued and delivered, except:

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

(2) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 33 hereof, or substantially similar provisions with respect to Bonds Similarly Secured, by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Obligations, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such Bonds or Bonds Similarly Secured are to be redeemed, notice of redemption thereof shall have been duly given in accordance with the provisions therefor or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) 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 29 hereof or similar provisions with respect to Bonds Similarly Secured.

(i) 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 referenced by Section 12(b) of this Resolution, and the Reserve Fund referenced by Section 12(c) of this Resolution; plus (iii) any amounts on deposit in the Construction Fund, created and established by Section 25 of this Resolution, pending the application of such money for the payment of the Cost of the Project.

(j) The term "Project" shall mean, collectively, the Projects described as such in the exhibits attached to the Contract.

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.

V.T.C.A., Chapter 1208, Government Code, as amended, applies to the issuance of the Bonds and the pledge of the revenues 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 revenues granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Holders of the Bonds the perfection of the security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of V.T.C.A., Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge 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) are established 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 "Revenue Fund". This Fund shall be kept in the Authority's depository bank.
- (b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called "Bond Fund". This Fund shall be deposited with the depository bank 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 "Reserve Fund". This Fund shall be deposited with the depository bank 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 13.

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

- (a) Payments into the Bond Fund, as provided by Section 14;
- (b) Payments into the Reserve Fund, as provided by Section 15;
- (c) The curing of any deficiencies, as provided by Section 16;
- (d) 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
- (e) Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit into 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 in the Bond Fund, by reason of the issuance of the Bonds, the following amounts:

From the Pledged Revenue on deposit in the Revenue Fund there shall be deposited in the Bond 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.

No bond proceeds will be deposited to 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 obligations (principal and interest) for which said Fund was created and established or (ii) the obligations 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, similar direct obligations of the United States of America or in certificates of deposit of any bank which 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 becomes due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section 14.

SECTION 15: Reserve Fund. 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). 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). 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. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

By reason of the issuance of the Bonds, the Required Reserve Fund Amount is hereby determined to be \$63,470.32, and, beginning on or before the twenty-fifth day of the first month following the delivery the issuance of the Bonds, and on or before the 25th day of each month thereafter, there shall be deposited in the Reserve Fund an amount equal to not less than one-sixtieth (1/60) of the Required Reserve Fund Amount, 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 amount in such fund be reduced, after the Required Reserve Fund Amount has been accumulated, monthly deposits shall be resumed and continued to be made in an amount not less than one-twelfth (1/12) of the amount of the deficiency, on or before the 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 Government Obligations or of direct 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, 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 or 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 fund or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

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 un-allocated 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 12, 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 money on deposit in the funds for which this Resolution makes provision (except any portion thereof as may be at any time

properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds (including as required by and in accordance with the Texas Public Funds Collateral Act, codified at Chapter 2257, as amended, Texas Government Code and the Public Funds Investment Act, Government Code, Chapter 2256), and money on deposit in such 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 Bonds and Additional Bonds 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 White Shed Water Supply Corporation 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 White Shed Water Supply Corporation 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 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 on 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 provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty months from the date of the passage of the resolution authorizing the issuance of 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 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 ninety (90) 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 Administrator of the Municipal Advisory Council of Texas at his office in Austin, Texas, the Texas Water Development Board, Attention: Development Fund Manager, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, evidenced by a resolution, the White Shed Water Supply Corporation agrees, in order to secure the Corporation's obligations under the Contract, the Corporation will maintain rates and changes for its waterworks system sufficient to pay all its obligations secured by and made payable from the revenues derived from the operation of its waterworks 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) That 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 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) That other than for the Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) That, 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 Corporation 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 Chapter 8 of the Texas Business and Commercial Code.

SECTION 26: Construction Fund. The Authority hereby creates a construction fund account in the Authority's depository bank, which is known as the "Construction Fund", into which shall be deposited all remaining proceeds derived from the sale of the Bonds in accordance with Section 32 of this Resolution and this Section. To the extent of conflict between this Section and Section 32, Section 32 controls. In this Section when the term "Cost(s) of the Project" is used, the reference is to the Series 2007 Project.

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 them and submitted to the Authority and the City'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 placed in the Bond Fund.

Moneys in the Construction Fund may be invested, to the extent such investments are Authorized Investments, in one or more of the following (a) Government Obligations, (b) certificates of deposit of any bank or trust company 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, which obligations shall mature on dates which coincide as closely as practicable to the dates when money will be needed to pay construction costs as such dates are estimated in schedules prepared by the engineer and furnished the Authority. All earnings realized from these investments shall be retained in the Construction Fund until completion of the Series 2000 Project and shall be

treated in the same manner as other moneys in the Construction Fund are treated as pursuant to this Resolution.

SECTION 27: 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 where 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 28: 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 29: 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 30: Sale of the Bonds. The sale of the Bonds to the Texas Water Development Board (herein referred to as the “Purchaser” and the “initial Holder”) pursuant to a loan commitment received from said Board, at the price of par, is hereby confirmed and declared to be in the best interests of the Authority. Delivery of the Bonds to said Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 31: 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.

Furthermore, the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby authorized and directed to furnish and execute such documents relating to the Authority and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Authority’s financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for printing of the definitive Bonds and the delivery of the Initial Bonds to the initial Purchaser(s) and the exchange thereof for definitive Bonds.

SECTION 32: Rules and Regulations of Texas Water Development Board. That in compliance with the published rules and regulations of the Texas Water Development Board (the “Board”), the Authority agrees and covenants that upon completion of the project to be financed with the proceeds of the Bonds, the proper officials of the Authority shall cause to be prepared and submitted to the Board (i) a final accounting of the total costs of the project and the expenditure of funds therefor and (ii) a copy of the construction plans for the project as built and completed. In addition to other information required by the Board, said final accounting shall identify (i) all funds utilized or represented to be available in the Authority’s application, from whatever source derived and (ii) all project costs contained and approved in the Authority’s application to the Board, or approved in subsequent change orders. If the total cost of the project is less than the amount of the project funds available, then the Authority shall return to the Board from the appropriate series the amount of such excess to the nearest multiple of the authorized denomination for the Bonds of such series and the Board shall return to the Authority a like principal amount of Bonds, in inverse order of their Stated Maturities of such series. Any surplus proceeds from the sale of the Bonds, remaining after completion of the project and the cancellation of the Bonds by the Board shall be deposited into the Bond Fund. Execution and delivery of a Construction Escrow Agreement, substantially in the form attached hereto as Exhibit D, by the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority is hereby approved. The Construction Fund shall be held subject to the Construction Escrow Agreement. The Authority further covenants and agrees (i) that certain proceeds of sale of the Bonds shall be deposited in the Construction Fund created by Section 26 of this Resolution and established with the Authority’s depository bank and (ii) all funds deposited in such Fund shall be disbursed only for the project the Bonds are being issued to finance and, as is appropriate, in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code.

The Authority further agrees and covenants to comply with all applicable laws of the State of Texas and all applicable rules and policies of the Board with respect to the acquisition and construction of the project and the loan of funds to the Authority by the Board evidenced by the Bonds.

SECTION 33: 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 34: 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 35: 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 36: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 37: 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 38. 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.

(a) In addition, the Authority may, with the written consent of Holders of Bonds Similarly Secured aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds Similarly Secured from time to time approve any amendment to this Resolution which may be deemed necessary or desirable by the Authority, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Resolution or in the Bonds or Bonds Similarly Secured so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- (3) Reduce the amount of the principal payable on the Outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds;
- (5) Affect the rights of the Holders of less than all of the Bonds then Outstanding; or
- (6) Change the minimum percentage of the principal amount of Bonds Similarly Secured necessary for consent to such amendment.

(b) If at any time the Authority shall desire to amend this Resolution under this Section, the Authority shall cause notice of the proposed amendment (i) to be published in a financial newspaper or journal published in the State of Texas, and in a newspaper of general

circulation in the Authority once during each calendar week for at least two successive calendar weeks and (ii) sent by United States mail, first class postage prepaid, to the Holders of Bonds at the address appearing in the Security Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Holders of Bonds Similarly Secured.

(c) Whenever at any time the Authority shall receive an instrument or instruments executed by the Holders of at least 51% in aggregate principal amount of all Bonds Similarly Secured then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the governing body of the Authority may pass an amendatory resolution in substantially the same form.

(d) Upon the passage of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations under this Resolution of the Authority and the Holders of then Outstanding Bonds Similarly Secured shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the Holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section or the date of such consent, whichever is later, and shall be conclusive and binding upon all future Holders of the same Bond during such period. After the applicable period of time a consent is irrevocable has expired, the Holder who gave consent, or a successor in title, may revoke such consent by filing notice thereof with the Paying Agent/Registrar and the Authority, but such revocation shall not be effective if the Holders of 51% in aggregate principal amount of the then Outstanding Bonds Similarly Secured have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the holding of Bonds by any Holder and the amount and numbers of such bonds and the date of their holding same, may be proved by the Security Register maintained by the Paying Agent/Registrar or by affidavit of the person claiming to be such Holder, or by a certificate executed by any trust company, bank, banker or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository, the Bonds described in such certificate. The Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Authority.

SECTION 38: 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:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) 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;

- (g) Modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;
- (m) 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;
- (n) 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 39: The Contract is reapproved and shall be and remain in full force as the agreement of the parties.

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: 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 44: 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 45: 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 August 21, 2023.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Description of the Series 2023 Project

To acquire the land for a new water well, drill the new water well and add a new pump station and waterlines to connect to the existing system for added pressure to existing homes with low pressure issues.

EXHIBIT B

Paying Agent Registrar Agreement

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of August 21, 2023 (this "Agreement"), by and between BOKF, NA, Houston, Texas, a banking association duly organized and existing under the laws of the United States of America, or its successors (the "Bank") and the Greater Texoma Utility Authority (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its \$3,520,000 "Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2023 (White Shed Water Supply Corporation Project)" (the "Securities"), dated September 15, 2023, such Securities scheduled to be delivered to the initial purchasers thereof on or about September 18, 2023; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code or Section 2274.002(a)(2) of the Texas Government Code. The Issuer covenants to provide notice to the Bank upon any change in the Issuer's Fiscal Year within ten (10) business days of the governing body of the Issuer's decision to change the Fiscal Year of the Issuer.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated

officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms "Bank", "Issuer", and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

BOKF, NA Corporate Trust Services
111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable

regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Canceled Certificates. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

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

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance upon Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and

to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls

Section 5.09 Tax Reporting. It shall be the duty of the Bank, on behalf of the Issuer, to report to the Holders and the Internal Revenue Service, to the extent required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, (i) the amount of "reportable payments," if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treated as interest on the Securities and required to be included in gross income of the Holder.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or

the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorists Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BOKF, NA, Houston, Texas

By: _____

Title: _____

Address: 1401 McKinney, Suite 1000
Houston, Texas 77010

GREATER TEXOMA UTILITY AUTHORITY

By: _____

President, Board of Directors

Address: 5100 Airport Drive
Denison, Texas 75020

ATTEST:

Secretary, Board of Directors

ANNEX A

EXHIBIT C

Contract For Water Supply and Service

CONTRACT FOR WATER SUPPLY AND SEWER SERVICE

THE STATE OF TEXAS

THE COUNTY OF FANNIN

§
§
§

THIS CONTRACT ("Contract") is made and entered into as of November 9, 2022 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 (the "Act"), and the WHITE SHED WATER SUPPLY CORPORATION, TEXAS, a municipal corporation in the County of FANNIN, Texas (hereinafter referred to as the "Entity"), duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

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

WHEREAS, certain revenues to be received by the Authority from the Entity 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 Entity, acting through their duly constituted governing bodies pursuant to authority granted by 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 Entity 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) "Entity" shall mean the WHITE SHED WATER SUPPLY CORPORATION, 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 Entity Engineer or the Authority's Engineer). The Entity 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 Entity.

(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 Entity (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 Entity, by the parties with respect to each Project and, in the absence of such designation, shall mean the Entity.

(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 Entity 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 Entity, 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 Entity 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 Entity, 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 Entity's Representations and Agreements. In connection with its undertakings hereunder, the Entity represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly incorporated water supply corporation 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 V.T.C.A., Section 791.026, Government Code, as amended, and to the extent required by the terms of that Section, the Entity agrees not to obtain water supply from any source other than a party to this Contract, except that this Contract expressly allows the Entity 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 V.T.C.A., Section 791.026(b), Government 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 Entity obligations secured by and made payable from the revenues derived from the operation of the Entity'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 Entity and agrees with the Entity as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XIV, 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 Entity 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 provide the Project. To this end, the Authority and the Entity 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 Entity.

(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 Entity.

(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 Entity 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 Entity and any grant received, for the purpose of providing all or part of the Project. It is agreed that the Entity 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 Entity 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 Entity'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 Entity to the Authority under this Contract, and the Entity 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 Entity) 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 Entity 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 Entity agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) **Monthly Amortization Payments** — the Entity 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 Entity 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 Entity shall commence making these payments on the 10th day of a 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 Entity 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 Entity shall make any extraordinary expense payment immediately upon receipt of the statement therefor.

(e) **Maintenance and Operating Expenses:** (i) if the Entity is designated as the Operator, such expenses shall be paid by the Entity as the same become due; or (ii) if the Authority is designated as the Operator, the Entity 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 Entity 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 Entity is the Operator under this Section, the Entity 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 Entity 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 Entity recognizes the fact that the Authority will use the payment received from the Entity 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 Entity.

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

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

(b) The Entity 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 Entity.** The payments required to be made by the Entity 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 Entity shall be and are separate and independent covenants and the Entity 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 Entity 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 Entity 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 Entity 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 Entity 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 Entity 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 Entity, 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 Entity choose to discontinue the operation of all or part of the Project, the Entity 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 Entity, and any money realized from such salvage will serve as a reduction of such expense. The Entity 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 Entity to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the Entity 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 Entity. 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 Entity 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 Entity 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 Entity and the Authority.

SECTION 4.05: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this Contract shall be in the Entity.

SECTION 4.08: Notices. Any notice, request, demand, statement or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

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

To the Entity:

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

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the Entity hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of Entity Default. The Authority and the Entity 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 Entity in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the Entity 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 Entity has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the Entity represents to the Authority that:

- (a) There is no provision in any resolution of the Entity which prohibits the Entity 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 Entity and any other person. The Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the Entity.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this Contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the

benefit of the Entity; that the Operator without hindrance from the Authority or the Entity, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

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

SECTION 4.13: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of Entity 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 Entity 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 Entity 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 Entity 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 Entity with the service afforded by the Project in accordance with this Contract. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. The Entity agrees that the Authority may have such easements over any easements, right of way or property held by the Entity so that the facilities

herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the Entity.

(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 Entity 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 Entity 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 Entity 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 Entity 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.

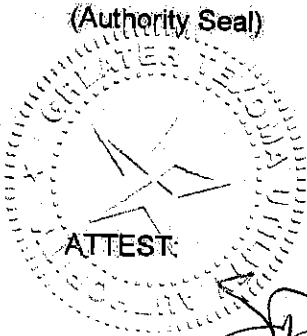
(d) The Entity and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining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

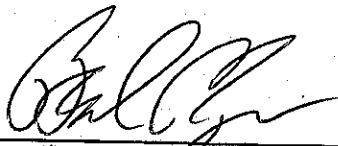
SECTION 4.16: Severability. The parties hereto agree that if any of the provisions of this Contract contravene or be held invalid under the laws of the State, same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and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

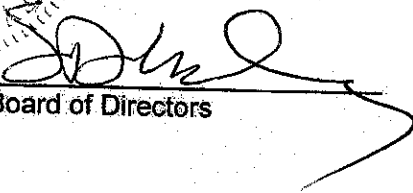
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

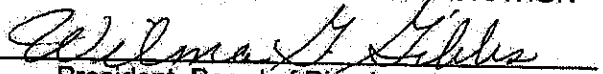
(Authority Seal)



By: 
President, Board of Directors

ATTEST:

Secretary, Board of Directors

WHITE SHED WATER SUPPLY CORPORATION

By: 
President, Board of Directors

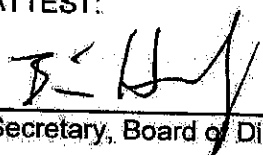
ATTEST:

Secretary, Board of Directors

EXHIBIT D

Escrow Agreement

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of August 21, 2023, made by and between the Greater Texoma Utility Authority, a political subdivision of the State of Texas in Collin, Cooke, Fannin and Grayson Counties (the "*Authority*"), acting by and through the President and Secretary of the Board of Directors and BOKF, NA, Houston, Texas, a banking association duly organized and existing under the laws of the United States of America, or its successors (the "*Bank*"), as Escrow Agent (the "*Escrow Agent*") together with any successor in such capacity:

W I T N E S S E T H:

WHEREAS, pursuant to a resolution (the "*Resolution*") finally adopted on August 21, 2023, the Authority authorized the issuance of \$3,520,000 "Greater Texoma Utility Authority Contract Revenue Bonds, Taxable Series 2023 (White Shed Water Supply Corporation Project)" (the "*Bonds*") for the planning, design, construction, acquisition, rehabilitation and improvement of water system facilities and necessary appurtenances for use by the White Shed Water Supply Corporation District, as further described in the Resolution (the "*Project*"); and

WHEREAS, such Resolution also confirmed the sale of the Bonds to the Texas Water Development Board (the "*TWDB*"); and

WHEREAS, the Escrow Agent is a bank located in the State of Texas that is an insured depository institution with the Federal Deposit Insurance Corporation (the "*FDIC*") that has been designated a state depository institution by the Texas Office of the Comptroller and is otherwise qualified and empowered to enter into this Escrow Agreement, and hereby acknowledges its acceptance of the terms and provisions hereof; and

WHEREAS, a condition to the issuance of the Bonds by the TWDB is the deposit of the proceeds of sale of the Bonds (less amounts to pay costs of issuance) (the "*Proceeds*") in escrow subject to being withdrawn only with the approval of the Executive Administrator of the TWDB or another designated representative; provided, however, the Proceeds can be transferred to different investments so long as all parties hereto consent to such transfer;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and in consideration of the amount to be paid by the Authority to the Escrow Agent, as set forth on Exhibit A, the receipt of which is hereby acknowledged, and in order to secure the delivery of the Bonds, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives and successors, as follows:

SECTION 1: ESCROW ACCOUNT. Upon the delivery of the Bonds described above, the Proceeds identified under TWDB Commitment No. L1001619 shall be deposited to the credit of a special escrow account(s) or escrow subaccount(s) (the "*Escrow Account*") maintained at the Bank on behalf of the Authority and the TWDB and shall not be commingled with any other accounts or with any other proceeds or funds. The Proceeds received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Authority, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

The Escrow Account shall be entitled "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, TAXABLE SERIES 2023 (WHITE SHED WATER SUPPLY CORPORATION PROJECT) TEXAS WATER DEVELOPMENT BOARD L1001619 ESCROW

ACCOUNT" and shall not be subject to warrants, drafts or checks drawn by the Authority but shall be disbursed or withdrawn to pay the costs of the project for which the Bonds were issued or other purposes in accordance with the Resolution and solely upon written authorization from the Executive Administrator, or his/her designated representative. The Bank shall distribute to the Authority and to the Executive Administrator's staff of the TWDB the Escrow Account's bank statements on a monthly basis.

SECTION 2: COLLATERAL. All cash deposited to the credit of such Escrow Account and any accrued interest in excess of the amounts insured by the FDIC and remaining uninvested under the terms of this Agreement shall be continuously secured by a valid pledge of direct obligations of the United States of America or other collateral meeting the requirements of the Public Funds Collateral Act, Chapter 2257, TEX. GOV'T CODE ANN., as amended.

SECTION 3: INVESTMENTS. While the Proceeds are held in escrow, the Bank shall only invest Proceeds in investments that are authorized by the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE ANN., as amended. It is the Authority's responsibility to direct the Escrow Agent to invest all public funds in a manner that is consistent not only with the Public Funds Investment Act but also with its own written investment policy.

SECTION 4: DISBURSEMENTS. The Bank shall not honor any disbursement from the Escrow Account, or any portion thereof, unless and until it has been supplied with written approval and consent by the Executive Administrator of the TWDB or another designated TWDB representative. However, no written approval and consent by the Executive Administrator shall be required if the disbursement involves transferring Proceeds from one investment to another provided that all such investments are consistent with the requirements of the Public Funds Investment Act.

SECTION 5: UNEXPENDED FUNDS. Any Proceeds remaining unexpended in the Escrow Account after completion of the Project and after the final accounting has been submitted to and approved by the TWDB shall be disposed of pursuant to the provisions of the Resolution. The Authority shall deliver a copy of such approval of the final accounting by the TWDB to the Escrow Agent together with instructions concerning the disbursement of unexpended Proceeds hereunder. The Escrow Agent shall have no obligation to ensure that such unexpended Proceeds are used as required by the provisions of the Resolution, that being the sole obligation of the Authority.

SECTION 6: CERTIFICATIONS. The Bank shall be authorized to accept and rely upon the certifications and documents furnished to the Bank by the Authority and shall not be liable for the payment of any funds made in reliance in good faith upon such certifications or other documents or approvals, as herein recited.

SECTION 7: LIABILITY OF ESCROW AGENT. To the extent permitted by law, the Escrow Agent shall not be liable for any act done or step taken or omitted by it or any mistake of fact or law, except for its negligence or default or failure in the performance of any obligation imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner for any proceedings in connection with the Bonds or any recitation contained in the Bonds.

SECTION 8: RECORDS. The Escrow Agent will keep complete and correct books of record and account relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Account, and investments of the Escrow Account and all

proceeds thereof. The records shall be available for inspection at reasonable hours and under reasonable conditions by the Authority and the TWDB.

SECTION 9: MERGER/CONSOLIDATION. In the event that the Escrow Agent merges or consolidates with another bank or sells or transfers substantially all of its assets or corporate trust business, then the successor bank shall be the successor Escrow Agent without the necessity of further action as long as the successor bank is a state or national bank as well as an FDIC-insured depository institution. The Escrow Agent must provide the TWDB with written notification within 30 days of acceptance of the merger, consolidation, or transfer. If the merger, consolidation or other transfer has occurred between state banks, the newly-created entity shall forward the certificate of merger or exchange issued by the Texas Department of Banking as well as the statement filed with the pertinent chartering authority, if applicable, to the TWDB within a reasonable time of such merger, consolidation or exchange.

SECTION 10: AMENDMENTS. This Agreement may be amended from time to time as necessary with the written consent of the Authority and the TWDB, but no such amendments shall increase the liabilities or responsibilities or diminish the rights of the Bank without its consent.

SECTION 11: TERMINATION. In the event that this Agreement is terminated by either the Authority or by the Bank, the Escrow Agent must report said termination in writing to the TWDB within 5 business days of such termination. The Authority is responsible for ensuring that the following criteria are satisfied in selecting the successor escrow agent and notifying the TWDB of the change in escrow agents: (a) the successor escrow agent must be an FDIC-insured state or national bank designated by the Texas Comptroller as a state depository; (b) the successor escrow agent must be retained prior to or at the time of the termination; (c) an escrow agreement must be executed by and between the Authority and the successor escrow agent and must contain the same or substantially similar terms and conditions as are present in this Agreement; and (d) the Authority must forward a copy of the executed escrow agreement with the successor escrow agent within 5 business days of said termination. No funds shall be released by the TWDB until it has received, reviewed and approved the escrow agreement with the successor escrow agent. If the Authority has not appointed a successor escrow agent within thirty (30) days of the notice of termination, the Escrow Agent may petition any court of competent jurisdiction in Texas for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Authority. Whether appointed by the Authority or a court, the successor escrow agent and escrow agreement must be approved by the TWDB for the appointment to be effective. The Escrow Agent is responsible for performance under this Escrow Agreement until a successor has been approved by the TWDB and has signed an acceptable escrow agreement.

SECTION 12: EXPIRATION. This Agreement shall expire upon final transfer of the funds in the Escrow Account to the Authority.

SECTION 13: POINT OF CONTACT. The points of contact for the Escrow Agent and the TWDB are as follows:

BOKF, NA
1401 McKinney, Suite 1000
Houston, Texas 77010
Attention: Rachel Roy

Jeff Walker
Executive Administrator
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

SECTION 14: **CHOICE OF LAW.** This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: **ASSIGNABILITY.** This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: **ENTIRE AGREEMENT.** This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the Authority and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account. No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the Authority and consented to by the Escrow Agent and the TWDB.

SECTION 17: **VALIDITY OF PROVISIONS.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: **COMPENSATION FOR ESCROW SERVICES.** The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the Authority but may not be paid directly from the Escrow Account; provided however, notwithstanding anything herein or in Exhibit A to the contrary, the aggregate value of this Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2) and Section 2274.002(a)(2) of the Texas Government Code, as amended.

SECTION 19: **IRAN, SUDAN AND FOREIGN TERRORISTS ORGANIZATIONS.** The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Escrow Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Escrow Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

By: _____
President, Board of Directors

Address: 5100 Airport Drive
Denison, Texas 75020

(Authority Seal)

Secretary, Board of Directors

BOKF, NA, Houston, Texas, as Escrow Agent

By _____
Title: _____

Address: 1401 McKinney, Suite 1000
Houston, Texas 77010

EXHIBIT A
BANK FEES

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Authority to be provided annually in accordance with such Section are the financial statements of the Authority.

Accounting Principles

The accounting principles referred to in such Section are generally those described in the Application for Financial Assistance, as such principles may be changed from time to time to comply with state law or regulation.

AGENDA ITEM XII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XII

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON CHANGE ORDER NO. 1 TO THE CONTRACT WITH ARCHER WESTERN CONSTRUCTION, LLC FOR CITY OF SHERMAN WTP EXPANSIONS PACKAGE 1.

ISSUE

Consider and act upon Change Order No. 1 to the contract with Archer Western Construction, LLC. for City of Sherman's 5 MGD Water Treatment Plant Expansion project as part of the Major Infrastructure Improvement Program.

BACKGROUND

The City of Sherman is executing a major infrastructure improvements program to meet the fast-growing needs of the city including industrial, commercial and residential users. The city needs to complete certain key infrastructure projects to meet the planned industrial expansion needs of significant industrial users before 2025. At this time, this includes water treatment plant, pump station, transmission pipeline, elevated storage tank and wastewater treatment plant expansion.

The City of Sherman received bids for City of Sherman's 5 MGD Water Treatment Plant Expansion project at Sherman City Hall at 2:00 PM on December 8, 2022. The City only received one bid from Archer Western Construction, LLC in the amount of \$11,221,699.13. The project engineers, Garver, checked the bids for accuracy and for compliance with the contract documents. Garver recommends awarding the contract to Archer Western Construction, LLC.

CONSIDERATIONS

The City initially planned to move away from the EDR treatment process at the Water Treatment Plant, but the City has decided to invest in rehabbing the EDR system to meet the demands of the planned industrial expansions. The building for the EDR treatment process needs repair due to the chemicals used during the treatment process and the City has asked Archer Western Construction to repair the structure of the building. The requested Change Order #1 will increase the contracted price by \$21,203.74 and increase the number of days to substantially complete the project by ten days.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving Change Order #1 for an increase of \$21,203.74, resulting in a new contract price of \$11,242,902.87. City of Sherman has approve of the Change Order.

ATTACHMENTS

Change Order #1

Change Order

Date of Issuance: August 3, 2023

No. 1

Project: Greater Texoma Utility Authority City of Sherman WTP Expansion Package 1.

Project No.: 1505-U; 2023-02

Owner: City of Sherman

Date of Contract: 12/19/2022

Contractor: Archer Western

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

Description:

Labor, tools, safety OHP : \$ 7,088.60

Material, OHP : \$ 2,875.00

Equipment, Subcontract, OHP : \$ 10,824.38

Insurance & Bonds @ 2%: \$ 415.76

TOTAL CO:\$ 21,203.74

Justification:

Existing EDR metal building structural deficiency needs repaired due to years of chemical attack.

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price:

Original Contract

\$11,221,699.13

Substantial completion days: 361

Substantial completion date: Dec 15, 2023

[Increase] [Decrease] from previously approved Change Orders No. 0 to No. 0:

[Increase] [Decrease] from previously Change Orders No. 0 to No. 0:

\$0.00

Substantial completion days: 361

Substantial completion date: Dec 15, 2023

Contract Price prior to this Change Order:

Contract Times prior to this Change Order:

\$11,221,699.13

Substantial completion days: 361

Substantial completion date: Dec 15, 2023

[Increase] [~~Decrease~~] of this Change Order:

[Increase] [~~Decrease~~] of this Change Order:

\$21,203.74

Substantial completion days: 10

Substantial completion date: Dec 25, 2023

Contract Price incorporating this Change

Contract Times with all approved Change Orders:

\$11,242,902.87

Substantial completion days: 371

Substantial completion date: Dec 25, 2023

RECOMMENDED:

ACCEPTED:

ACCEPTED:

By: Clara Ruffalo
City of Sherman (Authorized Signature)

By: _____
GTUA (Authorized Signature)

By: [Signature]
Contractor (Authorized Signature)

Date: 8-8-23

Date: _____

Date: 08/08/2023

AGENDA ITEM XIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XII

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

**CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR CITY OF SHERMAN WATER
TREATMENT PLANT EDR REHABILITATION, BID PACKAGE ONE.**

ISSUE

Consider and act upon the award of contract for City of Sherman Water Treatment Plant EDR Rehabilitation, Bid Package One.

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 at the Board meeting.

The recent open market bond issuance for the City of Sherman include funds for rehabbing the Water Treatment Plant. The Electrodialysis Reversal (EDR) process is used to filter out dissolved minerals and salts that are not able to be removed in the conventional sand/carbon filters. The raw water source for the Water Treatment Plant comes from Lake Texoma which has a high salt content. As the raw water is treated a portion of the flow is passed through the EDRs and the filtered water is returned to the flow. The result is an overall reduction of minerals/salts and an improved potable water for drinking and industrial use. Approval will allow the replacement of the existing 96 EDR filter stacks with modern stacks and modern technology. This project is part of the overall conventional treatment rehabilitation program and supports regaining 10 MGD conventional treatment capacity.

CONSIDERATIONS

The City of Sherman received bids for an assortment of valves, pipe connections, and 7.5 HP compressors for the City's EDR Rehabilitation Project on August 14, 2023, at 2:00 Pm. The City only received one bid from Machining & Valve Automation Services, LLC (MVA Services) in the amount of \$293,538.00. MVA Services has been an exceptional supplier of parts and services to Sherman's Water Treatment Plant for Over 20 years. The City has request GTUA to proceed with the bid from MVA Services.

STAFF RECOMMENDATIONS

The Authority Staff recommends the award of the contract to MVA Services in the amount of \$293,538.00 for the City of Sherman Water Treatment Plant Conventional Treatment Rehabilitation Program.

ATTACHMENTS

Letter of Recommendation

August 15, 2023

Mr. Paul Sigle
General Manager
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

Re: GTUA / City of Sherman Water Treatment Plant EDR Rehabilitation

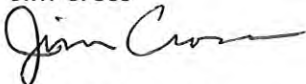
Dear Mr. Sigle,

This project was advertised as required by state and owner requirements to receive bids on August 14, 2023, at 2:00 PM. Only one bid was received. Attached is the bid form submitted by Machining & Valve Automation Services, LLC (MVA Services) in the amount of \$293,538.00.

MVA Services has been an exceptional supplier of parts and services to Sherman's Water Treatment Plant for over 20 years. It is recommended that GTUA consider awarding this contract to MVA as bid.

Sincerely,

Jim Cross



City of Sherman
Water System Manager
243 La Cima Rd.
Sherman, Texas 75092

COPY: Clint Philpot, Asst City Manager, City of Sherman
Mary Lawrence, Chief Financial Officer, City of Sherman
Tom Pruitt, Engineer, City of Sherman
Monte Dwayne, P.E., Plus Six Engineering, LLC

EXHIBIT A

00 41 13 .01 BID FORM

City of Sherman - Major Infrastructure Improvements Program
 WTP EDR Rehabilitation
 BP-1 Valves Procurement
 Basis of Offer

Item No.	Description	Size	Unit	Quantity	Unit Price	Extended Amount	Required Delivery date	Guaranteed Delivery Date for Equipment
1	ASAHI Type 57P, WAFFER BUTTERFLY VALVE, U-PVC BODY, PP DISC, EPDM SEATS, ANSI CLASS #150 COMPLETE WITH K-TORK, KT-20, DOUBLE ACTING ACTUATOR, ¼ SPEED CONTROLS, MOUNTING BRACKET AND STONEL AXIOM LIMIT SWITCH WIL BUILT IN SOLENOID VALVE.	8-inch	ea.	48	\$2,352.00	\$112,896.00 -	10/9/2023	22-24 Weeks ARO
2	ASAHI Type 57P, WAFFER BUTTERFLY VALVE, U-PVC BODY, PP DISC, EPDM SEAT, ANSI CLASS #150 WITH MANUAL GEAR OPERATOR HANDWHEEL	8-inch	ea.	28	\$1,017.00	\$28,476.00 -	10/9/2023	22-24 Weeks ARO
3	ASAHI Type 21 SOCKET WELD TRUE UNION BALL VALVE, PVC BODY, PP BALL, PTFE SEAT COMPLETE WITH K-TORK MODEL, #KT-10, ACTUATOR, MOUNTING BRACKET AND STONEL AXIOM LIMIT SWITCH WIL BUILT IN SOLENOID VALVE.	1-inch	ea.	8	\$1,779.00	\$14,232.00	10/9/2023	22-24 Weeks ARO
4	ASAHI Type 14 DIAPHRAGM VALVE, FLANGED END CONNECTION, PVC BODY AND BONNET, NEOPRENE DIAPHRAGM, HANDWHEEL OPERATOR.	6-inch	ea.	8	\$4,792.00	\$38,336.00	10/9/2023	22-24 Weeks ARO
5	ASAHI Type 14 DIAPHRAGM VALVE, FLANGED END CONNECTION, PVC BODY AND BONNET, NEOPRENE DIAPHRAGM, HANDWHEEL OPERATOR	2-inch	ea.	4	\$775.00	\$3,100.00	10/9/2023	22-24 Weeks ARO
6	ASAHI Type 14 DIAPHRAGM VALVE, FLANGED END CONNECTION, PVC BODY AND BONNET, NEOPRENE DIAPHRAGM, HANDWHEEL OPERATOR	4-inch	ea.	4	\$1,870.00	\$7,480.00	10/9/2023	22-24 Weeks ARO
7	CLA-VAL MODEL # 790-OBPY (ROLL SEAL PRV) ANSI CLASS 150, FLANGED END CONNECTION, 316 STAINLESS STEEL BODY, NATURAL RUBBER LINER, 65 DUROMETER BRONZE PILOTS, SST TUBING & FITTINGS, 15-75 PSI RANGE.	6-inch	ea.	4	\$5,554.50	\$22,218.00	10/9/2023	22-24 Weeks ARO

EXHIBIT A

00 41 13 .01 BID FORM

City of Sherman - Major Infrastructure Improvements Program
 WTP EDR Rehabilitation
 BP-1 Valves Procurement
 Basis of Offer

Item No.	Description	Size	Unit	Quantity	Unit Price	Extended Amount	Required Delivery date	Guaranteed Delivery Date for Equipment
8	ASAHI Type 57P, WAFFER BUTTERFLY VALVE,U-PVC BODY, PP DISC, EPDM SEATS, ANSI CLASS #150 COMPLETE WITH K-TORK, KT-30 SR (F.C.)SPRING RETURN ACTUATOR, ¼ SPEED CONTROLS, MOUNTING BRACKET AND STONEL AXIOM LIMIT SWITCH WIL BUILT IN SOLENOID VALVE.	8-inch	ea.	8	\$4,088.00	\$32,704.00	10/9/2023	22-24 Weeks ARO
9	ASAHI Type 57P, WAFFER BUTTERFLY VALVE,U-PVC BODY, PP DISC, EPDM SEATS, ANSI CLASS #150 COMPLETE WITH K-TORK, KT-30 SR (F.O.)SPRING RETURN ACTUATOR, ¼ SPEED CONTROLS, MOUNTING BRACKET AND STONEL AXIOM LIMIT SWITCH WIL BUILT IN SOLENOID VALVE	8-inch	ea.	4	\$4,088.00	\$16,352.00	10/9/2023	22-24 Weeks ARO
10	(2) INGERSOLL RAND FULLY PACKAGED 7.5HP TWO STAGE T30 RECIPROCATING COMPRESSORS, 2475 BARE, 80V TANK, 230 VOLT SINGLE MOTORS, AUTO START & STOP, START-UP KIT, 3/4 INCH STANDARD INSTALLATION KIT FOR COMPRESSORS, (2) DS4IN NON-CYCLING REFRIGERATED DRYERS, (2) FA751G GENERAL PURPOSE FILTERS & (2) FA751H HIGH EFFICIENCY FILTERS.		ea.	1	\$17,742.00	\$17,742.00	10/9/2023	22-24 Weeks ARO
Total Amount - Sum of Extended Amounts for Each Line Items 1 through 10						\$ 293,538.00 -		

Notes:

1. Provide initial submittal with technical proposal, formal submittal due no later than 08/31/2023
2. Manufacturer shall maintain manufacturing and delivery milestones outlined.
3. Each bidder shall submit one(1) hard copy of SOV and one (1) digital copy of SOV in excel format as specified in instructions to bidders

\$250 Per day penalty for Not achieving Milestones	
Valves submittals	Milestone 1 8/31/2023
Valves Ready for Delivery	Milestone 2 10/9/2023

AGENDA ITEM XIV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XIV

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR CITY OF VAN ALSTYNE ELEVATED STORAGE TANK PROJECT

ISSUE

Consider and act upon the award of contract for City of Van Alstyne Elevated Storage Tank Project

BACKGROUND

The Van Alstyne City Manager approached the Authority General Manager, requesting funding for the construction of a new elevated storage tank for the City's water system. The City needs to construct a new 750,000 gallon elevated storage tank as they are approaching the TCEQ limits on elevated storage per connection. The City requested that the Authority staff work with the Van Alstyne's City Engineer to request the funding through the Texas Water Development Board ("TWDB"). The TWDB Drinking Water State Revolving Fund ("DWSRF") is the most economical funding source available for this project. Following approval from the Board of Directors in May of 2020, an application to the TWDB was submitted on behalf of the City of Van Alstyne in an amount not to exceed \$4,000,000.

The TWDB has now provided a funding commitment for this project and the next step is to get Board and Council action to authorize issuance of the debt. The Authority issued bonds on April 27, 2021 at an interest rate of 1.82%.

CONSIDERATIONS

GTUA and Van Alstyne opened bids for the Elevated Storage Tank Project at City Hall on August 8, 2023 at 2:00 PM. The engineers for the project are reviewing the four bids submitted and a letter of recommendation will be provided at the Board meeting.

STAFF RECOMMENDATIONS

A staff recommendation will be provided at the Board Meeting.

AGENDA ITEM XV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XV

PREPARED AND SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON AN AGREEMENT FOR WASTEWATER TREATMENT SERVICES FOR THE CITY OF WESTON

ISSUE

Consideration of an agreement for wastewater treatment services with the City of Weston

BACKGROUND

The City of Weston is constructing a new wastewater treatment plant to meet the wastewater needs of the community and new developments in the area. As part of the Texas Commission on Environmental Quality's (TCEQ) Wastewater Discharge Permit, North Texas Municipal Water District has requested GTUA provide the operation services for the plant since the City doesn't have the staff to operate the plant. Authority Staff provided the City with a proposal for operation services for the East Fork Wastewater Treatment Plant and Lift Station.

CONSIDERATIONS

The City of Weston has accepted GTUA's proposal and approved the operation services contract at their council meeting on August 15, 2023. The proposal includes providing staff to operate the wastewater treatment plant and lift station, including any testing and reporting requirements required by TCEQ. The City is responsible for any billing requirements.

STAFF RECOMMENDATIONS

The staff recommends authorizing the execution of an agreement with the City of Weston for Wastewater Treatment Plant Services.

ATTACHMENTS

Proposal

Water Production Services Agreement



GREATER TEXOMA UTILITY AUTHORITY

5100 Airport Drive
Denison TX 75020
Ph. (903) 786-4433
Fax (903) 786-8211
gtua@gtua.org

Thursday, August 10, 2023

City of Weston
Attn: Mayor and City Council
301 Main Street
Weston, Texas 75097

Re: Proposal for Operation Services for East Fork Wastewater Treatment Plant and Lift Station

Dear Mayor Jerry Randall and City Council,

The proposal outlined below is intended to provide you with what we believe to be a typical schedule of activities that would need to be performed to assist you in the operation and billing activities of your wastewater facilities. This proposal provides for services associated with the operation of the wastewater facilities.

PROPOSAL FOR SERVICES

GENERAL

The Authority will provide experienced and licensed personnel to perform operational assistance for the City of Weston as required in order to meet regulatory requirements for the East Fork Wastewater Treatment Plant and Lift Station.

WASTEWATER SERVICES

The activities would include, but not necessarily be limited to:

- The Authority will provide a licensed wastewater operator and operation technician to operate the wastewater treatment plant and lift station.
- Weekly routine duties include testing for chlorine, carbonaceous biochemical oxygen demand, ammonia nitrogen, dissolved oxygen, and e. coli, reading wastewater facilities meters, and any TCEQ reporting requirements.
- Monthly routine duties include monthly operating reports and testing the pH of the discharge.
- Annual routine duties include TCEQ inspections.
- Additional personnel would be required if the plant is expanded to 1.25 MGD.

The Authority's basis for offering services is that it be reimbursed for the cost incurred for the provision of these services. These costs include hourly wages and benefits of Greater Texoma Utility Authority employees, travel costs to and from the City of Weston, and all other direct costs associated with the operations of the wastewater facilities. It is the intent of the Authority to recover its costs from the services provided.

Table 1: Estimated Annual Operation Cost

<i>Personal</i>	<i>Hours/Week</i>	<i>Hourly Rate</i>	<i>Annual Amount</i>
<i>Operation Supervisor</i>	4	\$ 52.63	\$ 10,947.04
<i>Wastewater Operator</i>	30	\$ 43.11	\$ 67,251.60
<i>Wastewater Technician</i>	30	\$ 25.52	\$ 39,811.20
<i>Total</i>	64		\$ 118,009.84

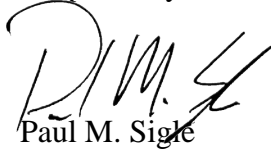
CITY OF WESTON RESPONSIBILITIES

The City will be responsible for the following to operate the wastewater facilities:

1. Any safety equipment deemed necessary to operate the wastewater facilities in a safe manner.
2. Costs including supplies, maintenance, utility services, and other costs related to operating the wastewater facilities, are the sole responsibility of the City and are billed directly to the City.
3. Maintaining all sewer mains.
4. Reading meters, billing, and collecting for customers' monthly wastewater services.

If you have any questions or concerns, please contact me at paul@gtua.org or (903) 786-4433.

Respectfully submitted,



Paul M. Sigle
General Manager

ATTACHMENTS:

Draft Wastewater Operation Service Agreement

3. Ownership and Financing. The wastewater facilities are now and shall continue to be owned by the City and it shall be the responsibility of the City to provide such facilities, operating funds, and capital expenditures, as may be necessary to accomplish the requirements of the Commission, the EPA, and any subsequent orders or requirements of any government agency relating to this plant.

4. Charges and Payment. Monthly payments shall be made by the City to GTUA for actual costs incurred including hourly wages and benefits of the GTUA employees, travel costs to and from the City, and other direct costs, including fees for professional services, associated with the operation of the wastewater system. GTUA shall invoice the City for any such services performed hereunder during the preceding thirty (30) day period, said invoice to be presented by the 25th day of each month. Said invoice shall be provided in such a manner that the City may determine the reasonableness of the charges submitted. The City shall pay the said amount by the tenth day of the month following receipt of any such invoice unless notice of protest or disagreement is given to GTUA within seven (7) days after receipt of said invoice. Failure of GTUA and City to agree upon payment of a such invoice within thirty (30) days of protest shall be grounds for termination under Paragraph 6.

Other operating costs including supplies, maintenance, and service, shall be paid directly by the City and shall be the financial responsibility of the City. All costs of defending or responding to enforcement actions brought by regulatory agencies or litigation brought by third parties concerning the wastewater facilities covered by this contract or services rendered under this contract, shall be the financial responsibility of the City.

Emergency expenditures not budgeted for may be incurred with the concurrence of the General Manager of the Greater Texoma Utility Authority and the Mayor of the City, subject to the limitations placed on each by the respective governing bodies.

5. Operating Employees. Present City employees, if any, assigned to the wastewater facilities operations will remain in the employ of the City, but shall be assigned for all operating purposes to GTUA personnel who have the responsibility of the wastewater facilities operations. Such assignments shall be made in writing by the City, and shall clearly state from whom the City employees are to take their operating instructions and work assignments. GTUA shall be responsible for making such work assignments and shift assignments as may be necessary to the efficient operation of the wastewater facilities. In the event that existing personnel are not responsive to work assignments within the wastewater facilities activities, the City agrees to transfer or re-assign such personnel to other work assignments within the City operations or terminate such employees if they fail to follow work assignments.

GTUA employees shall be responsible for reporting to the Mayor of the City.

6. Termination. Either the City or GTUA may terminate this agreement for any reason upon ninety (90) days written notice of termination to the other party. In such event, upon the request of

the City, GTUA shall continue its operations for a period of up to ninety (90) additional days, upon the same terms and conditions contained herein. However, if at any time during the term of this agreement or any extension thereof, the City refuses to provide the financial resources necessary to operate the wastewater facilities in accordance with the rules and regulations of the Commission and the EPA, or pay invoices submitted pursuant to Paragraph 4, GTUA may terminate the contract upon seven (7) days notice.

7. Indemnity. Neither the City nor GTUA shall be liable to the other for loss, either direct or consequential, arising out of death or injury to persons, or out of damage to or destruction of the wastewater facilities, the associated buildings, equipment, or contents, whether such losses are caused by negligence of either party or by an act of God, or by any of the perils which are or could be included within, or insured against by, a form of property insurance, workers' compensation insurance or liability insurance. All such claims for any and all loss, however caused, are hereby waived. Said absence of liability shall exist whether or not the damage, destruction, injury, or loss of life is caused by the negligence of either party or of any of their respective agents, servants, or employees. It is the intention and agreement of both parties that the operating budget, charges and payments described in Paragraph 4, will be fixed in contemplation that each party shall look to its respective insurance carriers for reimbursement of any such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this agreement. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless it is specifically covered therein as an additional insured.

8. Insurance. GTUA shall obtain the following insurance coverage with insurance companies licensed in the State of Texas and shall provide a certificate of insurance as evidence of such coverage to the Mayor of the City:

A. Comprehensive general liability, with a minimum single limit of liability for bodily injury and property damage of \$300,000 per occurrence and annual aggregate. The coverage shall include: premises and operations, product and completed operations, independent contractors, contractual liability, and personal injury liability.

B. Automobile liability, with a minimum combined single limit of liability for bodily injury and property damage of \$100,000 each occurrence. The coverage shall include owned, hired, and non-owned autos.

C. Workers' compensation and employer's liability insurance in compliance with the laws of the State of Texas.

All certificates shall provide that the policy shall not be changed or canceled until at least ten (10) days prior written notice shall have been given to the City.

9. Inspection. GTUA shall, during the term of this agreement, make available for inspection by any governmental agency with lawful jurisdiction, the operations and site of the wastewater

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

16. Interpretation. Although drawn by GTUA, this contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto, having been duly approved by the respective governing bodies.

GREATER TEXOMA UTILITY AUTHORITY

BY: _____
President

DATE: _____

ATTEST:

Secretary

CITY OF WESTON

BY: _____
Mayor

DATE: _____

ATTEST:

City Secretary

AGENDA ITEM XVI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: August 17, 2023

SUBJECT: AGENDA ITEM NO. XVI

PREPARED BY: Mike Wynne, GTUA's Attorney
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON BOARD POLICY FOR APPOINTING BOARD MEMBERS FROM HOME-RULE CITIES (PLACE 7 AND 8).

ISSUE

Consider and act upon Board Policy for appointing Board Members from Home-Rule Cities (Place 7 and 8).

BACKGROUND

The Authority's enabling legislation outlines the makeup of the Board of Directors, with three directors appointed by the City of Denison, three directors appointed by the City of Sherman, two directors appointed by the home-rule member cities, and one director appointed by members cities other than home-rule municipalities. Until 2022, the City of Gainesville and Anna were the only two member cities that were home-rule municipalities. The City of Van Alstyne is now the third home-rule member city for the Authority. The portion of the enabling legislation that outlines the appointment of directors by home-rule municipalities is included below.

Sec. 8283.102. APPOINTMENT OF DIRECTORS BY HOME-RULE MUNICIPALITIES.

(a) If a home-rule municipality is annexed, the governing body of the municipality shall appoint a director whose term begins January 1 following the annexation.

(b) If more than two home-rule municipalities are annexed, those municipalities are collectively entitled to appoint two directors and shall designate their directors by any method agreed to by those municipalities.

The complete enabling legislation for the Authority can be read here:

<https://statutes.capitol.texas.gov/Docs/SD/htm/SD.8283.htm>

CONSIDERATION

Based on the Board discussion from the June Board Meeting, Paul Sigle, General Manager, and Mike Wynne, GTUA's Attorney, has incorporated the discussion into a proposed policy for the Authority's Policy Manual.

ATTACHMENT

Proposed Policy

2.00 --THE BOARD OF DIRECTORS OF GREATER TEXOMA UTILITY AUTHORITY

2.10 Board Membership Provided by Statute

Policy making functions of the Greater Texoma Utility Authority (GTUA) are the responsibility of and are vested in a Board of Directors consisting of a maximum of nine members who occupy Places numbered One through Nine inclusive, and serve a two-year term. The governing body of the City of Denison appoints directors to Place One, Two and Three. The governing body of the City of Sherman appoints directors to Place Four, Five and Six. Other home-rule cities annexed by the Authority **currently include Gainesville, Anna and Van Alstyne. Those cities** may individually or collectively appoint two directors (Place Seven and Eight), whose terms shall commence on January 1 next following. The process of appointing directors representing Place Seven and Eight will be as follows:

A. A representative from a single member city may not concurrently serve as a director for both Place Seven and Place Eight.

B. A member city that appointed a director who is currently representing Place Seven or Place Eight may reappoint said director at the end of the director's term.

C. In the event that a director representing Place Seven or Place Eight resigns, chooses not to be reappointed or is otherwise relieved of his or her responsibilities, a director may be appointed by the next home-rule city in line based on the length of time since the member city was eligible to appoint a director, ranking from the longest to the shortest length of time.

D. In the event that a home-rule member city does not appoint a director to an open director position for Place Seven or Place Eight within sixty (60) days from the end of the director's term, resignation or removal date, the next home-rule member city in line to appoint a director for Place Seven or Place Eight may appoint a director. The appointment must be made within sixty (60) days from the date of the vacancy.

~~The City of Gainesville, in Cooke County, as a home-rule city has appointed a director to Place Seven. The City of Anna, in Collin County, as a home-rule city, has appointed a director to Place Eight. Incorporated cities operating under the general law are collectively entitled to the appointment of one director to Place Nine.~~

ADJOURN