



**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
NOVEMBER 13, 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, November 13, 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 13th day of November, 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 October 16, 2023, Meeting.
- V. * Consider and act upon approval of accrued liabilities for October 2023.
- VI. Citizens to be Heard.
- VII. Receive Quarterly Investment Report.
- VIII. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project)”, including the adoption of a resolution authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the Authority.
- IX. Consider and act upon Kiewit Water Facilities South Company’s Guaranteed Maximum Price D and Amended Guaranteed Maximum Price C for City of Sherman’s South Wastewater Treatment Plant – MBR Project.
- X. Consider and act upon an award of contract for the City of Sherman Water Treatment Plant EDR Rehabilitation Project – EDR Control System.

- XI. Consider and act upon Change Order No. 1 to the Contract with Veolia Water for City of Sherman, EDR Rehab Project.
- XII. Consider and act upon Change Order No. 004 to the contract with Landmark Structures for the City of Princeton Elevated Storage Tank Project.
- XIII. Consider and act upon Change Order No. 4 to the contract with Underwood, Inc for City of Whitewright Water Distribution System Improvements.
- XIV. Consider and act upon Administrative Service Contract with the Red River Groundwater Conservation District for 2024.
- XV. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.
- XVI. 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' SPECIAL MEETING
GREATER TEXOMA UTILITY AUTHORITY**

MONDAY, OCTOBER 16, 2023

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

Members Present: Brad Morgan, Scott Blackerby, Robert Hallberg, Henry Koehler, and Stanley Thomas

Members Absent: Ken Brawley, Kristofor Spiegel, Donald Johnson, and Matt Brown

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

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel:

Visitors: Tom Pruitt, City of Sherman
Toby Flinn, P.E. Program Manager
Representatives from Pape-Dawson and Kiewit

I. Call to Order

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

II. Pledge of Allegiance

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

III. 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.

IV. * Consider and act upon approval of Minutes of September 18, 2023, Meeting.

Make correction to the minutes showing that Board Member Donald Johnston left during Executive Session.

V. * Consider and act upon approval of accrued liabilities for September 2023.

Board Member Scott Blackerby made the motion to approve the Consent Agenda with the correction to the minutes. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

VI. Citizens to be Heard.

No citizens wished to be heard.

VII. Receive Update on City of Sherman's Major Infrastructure Program.

Toby Flinn, P.E., Program Manager, Pape-Dawson, provided City of Sherman Major Infrastructure Program presentation. Discussion was held.

VIII. Consider and act upon Kiewit Water Facilities South Company's Guaranteed Maximum Price A, B, and C for City of Sherman's South Wastewater Treatment Plant – MBR Project.

General Manager Paul Sigle provided background information for the Board. Due to rapid industrial and municipal growth currently being experienced by the City of Sherman, the Wastewater Treatment Plant must be expanded to meet expected flow and effluent characteristics. Given these characteristics, our engineers recommended a Membrane Biological Reactor (MBR) as the treatment method that will be required to meet the TCEQ requirements. The engineers have undertaken pre-selection of various long lead time equipment to save as much time as possible. Further, the contractor, now procured, is also undertaking pre-procurement to expedite the time of delivery. Kiewit's contract will increase from \$54,248,451.85 to \$57,113,451.85. Discussion was held. Board Member Stanley Thomas made the motion to award the Guaranteed Maximum Price A, B, C, for Kiewit Water Facilities South Co for the South Wastewater Treatment Plant – MBR Project, increasing the contract amount to \$57,113,451.85 and contingent upon the City of Sherman's approval. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

IX.. Consider and act upon selection of Membrane Biological Reactor Equipment Supplier for City of Sherman's South Wastewater Treatment Plant – MBR.

General Manager Paul Sigle provided background information for the Board. Discussion was held. The City and their Engineers reviewed the proposals from qualifying membrane equipment system suppliers and selected Veolia Water Technologies & Solutions. Board Member Scott Blackerby made the motion to approve the selection of Veolia Water Technologies & Solutions contingent upon the City of Sherman's approval. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

X. Consider and act upon award of contract for City of Sherman's South Wastewater Treatment Plant – MBR Project – Electrical Equipment Procurement.

General Manager Paul Sigle provided background information for the Board. Elliott Electric Supply provided bids for the variable frequency drive, low voltage transformers, switchboards, panelboards, motor control center, enclosed controllers, and transfer switches in the amount of \$1,513,000. Board Member Robert Hallberg made the motion to award the contract Elliott Electric Supply contingent upon the City of Sherman's approval. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XI. Consider and act upon the award of contract for City of Sherman's Lake Texoma Pump Station Expansion - Pump Procurement.

General Manager Paul Sigle provided background information for the Board. The Engineers found Smith Pump Inc.'s bid acceptable in the amount of \$2,446,700 for Pump Procurement. Discussion was held. Board Member Stanley Thomas made the motion to award the contract to Smith Pump Inc. for Pump Procurement in the amount of \$2,446,700, contingent upon the City of

Sherman's approval. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XII. Consider and act upon the award of contract for City of Sherman's Lake Texoma Pump Station Expansion – MCC and Switchgear Procurement.

General Manager Paul Sigle provided background information for the Board. The City received two bids. The Engineers reviewed the bids and determined that Elliot Electric Supply's bid of \$701,900 was acceptable. Board Member Scott Blackerby made the motion to award the contract to Elliot Electric Supply contingent upon the City of Sherman's approval. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

XIII. Consider and act upon the supplemental agreement between the Secretary of the Army and North Texas Municipal Water District and Greater Texoma Utility Authority for additional easement right of way for the Lake Texoma Pump Station.

General Manager Paul Sigle provided background information for the Board. To create resilience in North Texas Municipal Water District (NTMWD) and City of Sherman's water system, an electrical improvements project is underway to provide backup power for the Lake Texoma Pump Station. As part of the electrical improvements project, additional easement for the U.S. Army Corps of Engineers (USACE) is needed for new electrical buildings and backup generators. Board Member Robert Hallberg made the motion to approve the easement agreement between the Secretary of the Army, North Texas Municipal Water District, and Greater Texoma Utility Authority for additional easement right of way for the Lake Texoma Pump Station. Board Member Stanley seconded the motion. Motion passed unanimously.

XIV. Consider and act upon the award of contract for City of Sherman's EDR Rehab. BP-2 Meters, Gauges and Flowmeters.

General Manager Paul Sigle provided background information for the Board. The City of Sherman received one bid from Vector Controls, LLC in the amount of \$161,957.16. Discussion was held. Board Member Scott Blackerby made the motion to award the contract to Vector Controls in the amount of \$161,957.16 contingent upon the City's approval. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

XV. Consider and act upon Change Order No. 1 to the contract with Red River Construction Co. for the City of Sherman Post Oak WWTP Aeration and Other Secondary Improvements.

General Manager Paul Sigle provided background information for the Board. Change Order #1 added additional apprentices, and credit to the City of Sherman for items not needed during the rehab. Change Order #1 decreased the contract price by \$11,730.93, resulting in a final contract price of \$5,633,069.07. Board Member Stanley Thomas made the motion to approve Change Order No.1 to the contract with Red River Construction Co. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XVI. Consider and act upon the award of contract for City of Bell's WWTP Rehabilitation.

General Manager Paul Sigle provided background information for the Board. The City of Bells received two bids. The City's Engineers reviewed the bids and found Urban Infraconstruction's bid acceptable. Board Member Robert Hallberg made the motion to award the contract to Urban Infraconstruction in the amount of \$1,420,500 contingent upon the City of Bells' approval. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XVII. Review and act upon approval of the Investment Policy.

General Manager Paul Sigle provided background information for the Board. The legislative session did not produce any changes to the Public Funds Investment Act that would impact the Authority’s current investment policy. The Authority’s Financial Advisor, Valley View Consulting, has reviewed the policy and recommended the red-lined changes. *The Authority’s Board of Directors designates the General Manager, Finance Officer and Senior Accountant having authority to make investment decisions (the “investment officers”).* Board Member Scott Blackerby made the motion to approve the Investment Policy. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XVIII. Discussion and possible action on a request for an easement for Grayson Collins Electrical Coop.

General Manager Paul Sigle provided background information for the Board. Discussion was held. The suggestion was made that Mike Wynne work on easement language and bring it back to Board for approval. No action was taken.

XIX. Discussion and possible action on the regularly scheduled November Board Meeting.

The Board decided to change the November Board Meeting from Monday November 20, 2023 (Week of Thanksgiving) to Monday, November 13, 2023.

No change for December. The meeting will be held on regularly scheduled date on Monday, December 18, 2023.

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

General Manager Paul Sigle informed the Board that Anna went door to door regarding the easement issue. The Board requested that Anna provide signed documentation as to what Anna has done pertaining to the easement issue.

- The Authority is applying for a US Bureau of Reclamation grant for desalination project for the City of Sherman.
- The Authority is working with six public water system for funding through the TWDB DFund.

XXI Adjourn

Board Member Stanley Thomas made the motion to adjourn. Board Member Scott Blackerby seconded the motion. Board President Brad Morgan declared the meeting adjourned at 1:20 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 OCTOBER

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Bank of Texas Visa (Texas Smart Buy Program renewal 23-24)	100.00		
Denison Area Chamber of Commerce (Membership renewal fee 23-24)	75.00		
<u>Fuel and Reimbursements for Mileage</u>			
Nichole Sims-Murphy (Reimbursement for mileage)	81.22		
Stacy Pactrick (Reimbursement for mileage)	9.82		
Velma Starks (Reimbursement for mileage)	33.54		
<u>Insurance</u>			
Paul Sigle (Personal Auto)	125.59		
TWCA Risk Management (Workers' compensation insurance)	448.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,494.64		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting)	1,137.50		
<u>Maintenance Agreements</u>			
Novatech (Konika-Minolta copier)	924.10		
<u>Meetings and Conferences</u>			
Debi Atkins (reimbursement for BOD drinks and snacks)	51.30		
Cackle & Oink (BOD Lunch)	189.44		
<u>Miscellaneous</u>			
Equipment Member City - Weston (Reimbursement for Debi with Lisa C. for Weston meeting)	58.17		
<u>Postage</u>			
UPS Store (BOD packets for 10/22-9/23)	356.85		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Bank of Texas Visa - (Dewalt batteries & accessories from Amazon)	712.00		
Diamond Computers (Splashtop remote In Support fees, and NAS Server Backup services, etc.)	2,874.00		
Diamond Computers (2 custom built computers for DA and new Senior Accountant position. Server & PC consolidation etc.)	3,027.10		
Orkin Sherman 971 (Pest Control)	140.73		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Whistlestop (2022 Ford Ranger & 2019 Ford F150 oil changes)	202.66		
<u>Supplies</u>			
Debi Atkins (Headset)	51.30		
Bank of Texas Visa (General Office Supplies, Adobe Pro)	21.24		
Sign Machine (Logos for Trucks)	76.00		
<u>Training</u>			
Bank of Texas Visa (Texas Water Trainers - Training for Eric & Rick)	1,495.00		
<u>Utilities</u>			
ATMOS Energy (Gas)	103.96		
AT&T Mobility (Cell Phones)	81.70		
City of Denison (Water)	223.38		
Shell Energy (Electric)	508.00		
Zulty Inc.(phone lines - local & long distance)	171.51		
Dave Tomlinson (Reimbursement for cell phone expenses)	25.00		
Nichole Murphy (Reimbursement for cell phone expenses)	25.00		
Paul Sigle (Reimbursment for cell phone expense & internet change)	8.34		
TOTAL:	\$ 16,417.09	\$ 33,540.50	\$ 20,238.34

SOLID WASTE:

	CURRENT	PRIOR MONTH	PRIOR YEAR
<u>Utilities</u>			
Starr Water Supply (For the period of 9/18/23-10/18/23 water line break)	265.27		
TOTAL:	\$ 265.27	\$ 524.89	\$ -

WASTEWATER:			
Star Local Media (Sherman 23 OM - WTP EDR Rehab for valves & butterfly valves ad in McKinney Courier Gazette ran 8/6/23-8/13/23)	297.46		
<u>Construction Contracts</u>			
Archer Western (Pottsboro 19 - WWTP Expansion & Rehab for .65 MGD flow rate. Pay App #6)	241,112.98		
BELT Construction (Sherman 2023 - South Side Industrial Sanitary sewer PH1 Pay App #2)	1,164,663.39		
Red River Construction (Sherman 2020 - Post Oak WTP Equalization Basin Improvements Pay App #6)	186,140.72		
Red River Construction (Sherman 2020 - Post Oak WWTP Primary Clarifier #1 Equip Replace. & Sludge Transfer Rehab Pay App #7)	162,431.07		
<u>Engineering Fees</u>			
Antero Group (Bells 2022 - WWTP Engineering Services 58.79% complete)	1,005.00		
Cobb Fendley (LK Kiowa 2021 - Construction Phase 4 engineering services through 8/13/23)	5,384.00		
Cobb Fendley (LK Kiowa 2021 - Construction Phase 4 engineering services through 7/9/23)	4,942.00		
Cohn & Gregory (Sherman 2023 - WTP Rehab misc. PVC S/80 TBE 1/2 x3)	258.70		
Freese & Nicholes (Sherman 2021 - Wastewater Master Plan for services through 8/31/23. Basic services 100% complete)	5,670.00		
Freese & Nicholes (Sherman 2022 - Engineering services for Terminal Storage Reservoir as of 9/30/23)	62,778.03		
Freeman-Millican (Sherman 2020 - WTP 14" concentrate wtr line 94% Prelim Design 95% final design complete)	5,670.00		
Geotex Engineering (Sherman 2021 - Testing for the Southside Industrial sewer Line Ph1 through 9/30/23)	2,300.38		
Mead & Hunt (Sherman 2017 - Post Oak WWTP Aeration & Secondary Treatment services for Sept 2023)	3,315.62		
Mead & Hunt (Sherman 2020 - Post Oak Equalization Basin Improvements for Sept 2023)	1,006.62		
Pape-Dawson (Sherman 2022 - WWTP Electrical Switchgear Design for electrical generator services through 9/29/23)	15,462.42		
Plummer (Pottsboro 2019 - WWTP PH2 construction phase 2 services through 9/29/23)	17,227.50		
Plummer (Sherman 2023 - Waste Water Treatment & Water reuse Master Plan services through 9/29/23)	693,400.36		
<u>Legal</u>			
Wynne & Smith (Sherman 2022 - WWTP Const. Mgmt. at Risk (CMAR) review of contract general conditions through Sept. 2023)	600.00		
<u>Miscellaneous</u>			
Chapin Title (Sherman 2023 - Land Purchase Parcel #444362 (Hickory Hill))	136,514.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Valley View 2022 - GTUAVVIEW22 10/1/23)	300.00		
TOTAL:	\$ 2,710,480.25	\$ 3,994,258.27	\$ 329,882.25

WATER:			
<u>Advertising</u>			
Column (Sherman 2023 - WTP EDR Rehab for valves / butterfly valves ad in McKinney Courier Gazette ran 8/6/23-8/13/23)	332.21		
<u>Construction Costs</u>			
A&B Construction (LK Kiowa 21 - PH4 Water Main Replacements Pay App #2)	1,115,339.56		
Archer Western (Sherman 2022 - WTP Expansion Pkg #1, Pay app #7)	241,622.24		
Archer Western (Sherman 2022 - WTP Expansion Pkg #1, Pay app #8)	455,198.60		
Garney Construction (Sherman 2022 - 36" NW/SW water main CMAR Preconstruction / Procurement svc fee from 5/1/23-6/30/23)	111,833.62		
Hayes Construction (Gober 2021 - FM 68, CR 3710 & CR 3310 Waterline Improvements Pay App #2)	231,078.95		
Red River Construction (CGMA - Bloomdale Pump Station Project A Improvements Pay App #1)	116,945.00		
THI Water Well (Whitewright 2019 - Well No. 5 Pay App #4)	216,771.93		
Sherwin-Williams (Sherman 2023 - WTP Rehab paint for floor)	1,179.95		
<u>Engineering Fees</u>			
CobbFendley (Sherman 2023 - WTP Rehab misc. freight charge)	177.27		
CobbFendly (Sherman 2023 - WTP Rehab misc. PVC 80 coupling socket, washers, Hex Nuts etc.)	1,133.00		
Freese & Nicholes (Sherman 2022 - Northwest & Southwest Transmission Pipeline engineering services through 9/30/23)	132,361.39		
Freese & Nicholes (Sherman 2022 - Shepherd 2.0 MG elevated Storage Tank for services through 9/30/23)	53,892.32		
Freese & Nicholes (Sherman 22 OM - Lake Texoma Pump Station Expansion Admendment 1 through 9/30/23)	61,575.65		
Garver (Sherman 2022 - WTP Expansion project. Professional Engineering Services through 9/29/23)	732,383.05		
Great Plains (Lake Kiowa 2021 - Water Line project professional services for July 2023)	16,710.00		
Great Plains (Lake Kiowa 2021 - Water Line project professional services for June 2023)	16,710.00		
Hayter Engineering (Gober 2021 - TWDB Water System Improvements construction review 40% complete)	6,000.00		
Hayter Engineering (Gober 2021 - TWDB Water System Improvements construction review 60% complete)	4,800.00		
Hayter Engineering (Gober 2023 - Development Analyses, engineering and consulting labor as of 9/30/23)	1,287.50		
Pape-Dawson (Sherman 2022 - Sherman Program Management services through 9/29/23. TI infrastructure improvements program)	395,561.36		
<u>Groundwater</u>			
AT&T Mobility (NTGCD - W. Parkman - cell phone)	74.70		
Allen Burks (NTGCD - cell phone reimbursement)	12.50		
Allen Burks (RRGCD - cell phone reimbursement)	12.50		
Bank of Texas Visa (RRGCD - Grayson Co. Clerk posting, BOD McAlisters)	224.09		
Debi Atkins (RRGCD - cell phone reimbursement, BOD drinks and snacks)	32.10		
Kenneth Elliott (NTGCD - cell phone reimbursement, Sept.)	70.48		
Kenneth Elliott (RRGCD - cell phone reimbursement, Sept.)	12.50		

	CURRENT	PRIOR MONTH	PRIOR YEAR
Paul Sigle (NTGCD - cell phone reimbursement)	8.33		
Paul Sigle (RRGCD - cell phone reimbursement)	8.33		
Velma Starks (NTGCD - mileage reimbursement)	15.99		
Velma Starks (RRGCD - mileage reimbursement)	28.78		
Wayne Parkman (NTGCD - reimbursement for flow testing materials)	22.19		
Wayne Parkman (RRGCD - reimbursement for flow testing materials)	22.18		
Whistlestop Car Spa (NTGCD - Oil changes, etc.)	125.01		
Zulty, Inc. (NTGCD - 800 line, local & long distance)	171.52		
Zulty, Inc. (RRGCD - 800 line, local & long distance)	171.52		
<u>Insurance</u>			
TWCA Risk Management (CGMA - Auto & Physical Damage Policy amendment 23-24 for 2023 F250 Truck)	1,503.00		
<u>Miscellaneous</u>			
BLX Group (Paradise 2018 - Arbitrage Report for period ending 8/2/23 with 4 extra period fees)	2,500.00		
Gonzalez Landscape (Sherman 2012 - Pump Station mowing)			
Chapin Title (Sherman 2023 - Lamberth 2022 Parcel #120827)	68,507.00		
Chapin Title (Sherman 2023 - Land Puchase Lamberth 2022 #120760)	84,258.00		
Chapin Title (Sherman 2023 - Land Purchase Parcel #444362)	136,514.00		
Chapin Title (Sherman 2023 - Schachar Family Trust - Notary Fee purchase of easement)	50.00		
Chapin Title (Sherman 2023 - Additional payment for parcel #125135)	13,674.30		
Chapin Title (Sherman 2023 - Lamberth 2022 Parcel #120827)	68,507.00		
Chapin Title (Sherman 2023 - Land Puchase - Lamberth 2022 #120760)	84,258.00		
Chapin Title (Sherman 2023 - 36" water line parcel #118789)	66,095.00		
Chapin Title (Sherman 2023 - 36" water line Parcel #118820)	188,408.00		
Chapin Title (Sherman 2023 - 36" water line Parcel #125135)	92,035.00		
Chapin Title (Sherman 2023 - 36" water line Parcel #394185)	34,476.62		
Chapin Title (Sherman 2023 - Alakai & Cattle Parcel #120784 purchased by city)	398,866.00		
FAO, USACE (Lake Texoma 2011 - Lake Texoma OK & TX Debt Service Principal and interest DACW56-11-WS0001)	28,428.66		
FAO, USACE (Lake Texoma 2011 - Water Storage fee O&M and RR&R 10/28/23-10/27/24 DACW56-11-WS0001)	907.42		
FAO, USACE (Sherman 2021 - DACW56-97-WS0003 - O&M Lake Texoma for 10/29/23-10/28/24 and RR&R)	3,305.58		
Grayson County Clerk Registry (Sherman 2023 - Case#2023-1001ED land for 36" pipeline)	88,000.00		
Merit Advisors (Sherman 2023 - Purchased parcel 21 for 36" NW/SW transmission pipe line)	625.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Paradise 2018 - GTUAPARADI18 10/1/23)	300.00		
<u>Postage</u>			
Federal Express (Sherman 22 OM - Easement documents for LK Texoma pump station sent to Sarah Noel of the US Army Corps of engineers.)	26.47		
<u>CGMA Equipment</u>			
Holiday Ford (CGMA - 2023 F250 Truck)	52,905.61		
Stewart & Stevenson (CGMA - Bloomdale emergency generator lease)	6,489.00		
<u>CGMA Repair & Maintenance</u>			
Brenntag Southwest (CGMA - Chemicals to disinfect waterlines)	1,934.88		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.00		
LCRA Lab (CGMA - Total Nitrate and DBP2 water tests)	115.70		
RLC Controls (CGMA - Service call 8/19/23 to Milissa South metering site. Replaced Eastech head unit.)	810.00		
Texas Excavation Safety System, Inc. (CGMA - Message Fees)	86.45		
<u>Supplies</u>			
Home Depot (CGMA - Key Schlage for Howe Keys)	17.19		
USA Bluebook (CGMA - Peabody containment basin, post driver, etc.)	2,033.62		
<u>CGMA Utilities</u>			
A1 Little John (CGMA - Bloomdale P.S. - Bloomdale Pump Station - Portable toilet)	130.44		
AT & T Mobility (CGMA - Emergency back up lines)	112.46		
AT & T U-Verse (CGMA - Bloomdale Pump Station, Internet)	63.80		
North Texas Municipal Water District (CGMA - Water Usage)	509,130.16		
North Texas Municipal Water District (CGMA - Excess Water 2022-2023 Water Year)	1,405,780.08		
TOTAL:	\$ 7,255,140.76	\$ 3,046,031.33	\$ 4,195,245.09
GRAND TOTAL:	\$ 9,982,303.37	\$ 7,074,354.99	\$ 4,545,365.68

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

September 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.

Greater Texoma Utility Authority Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2022			September 30, 2023		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.20%	\$ 757,202	\$ 757,202	0.55%	\$ 536,991	\$ 536,991
NOW/MMA/MMF	0.24%	41,719,130	41,719,130	5.38%	69,183,627	69,183,627
Local Government Pools	0.01%	30,362,210	30,362,210	5.31%	52,140,889	52,140,889
CDs/Securities	0.30%	89,542,630	88,994,237	5.26%	369,514,009	369,514,009
Totals		\$ 162,381,172	\$ 161,832,779		\$ 491,375,517	\$ 491,375,517
Fourth Quarter-End Yield	2.39%			5.27%		

Average Quarter-End Yields (1):

	2022 Fiscal Year	2023 Fiscal Year
GTUA - Total Portfolio	0.96%	4.51%
Rolling Three Month Treasury	1.06%	4.95%
Rolling Six Month Treasury Yield	1.01%	4.77%
TexPool	0.90%	4.74%
Fiscal YTD Interest Earnings	\$ 659,424 Approximate	\$ 6,943,163 Approximate

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	June 30, 2023		September 30, 2023	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.55%	\$ 1,160,319	\$ 1,160,319	\$ 536,991	\$ 536,991
NOW/MMA/MMF/ICS	5.38%	76,899,301	76,899,301	\$ 69,183,627	\$ 69,183,627
Local Government Pools	5.31%	25,152,396	25,152,396	\$ 52,140,889	\$ 52,140,889
CDs/Securities	5.26%	196,771,945	196,771,945	\$ 369,514,009	\$ 369,514,009
Totals		\$ 299,983,961	\$ 299,983,961	\$ 491,375,517	\$ 491,375,517

Quarter End Average Yield (1)

Total Portfolio 5.27%

Rolling Three Month Treasury 5.54%
Rolling Six Month Treasury 5.38%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 4.51%

Rolling Three Month Treasury 4.95%
Rolling Six Month Treasury 4.77%
TexPool 4.74%

Interest Revenue

Quarterly Interest Income \$ 3,387,004 Approximate
Year-to-date Interest Income \$ 6,943,163 Approximate

Bank Fee Offset

Quarterly Bank Fees Offset \$ 4,297
Year-to-date Bank Fees Offset \$ 9,094

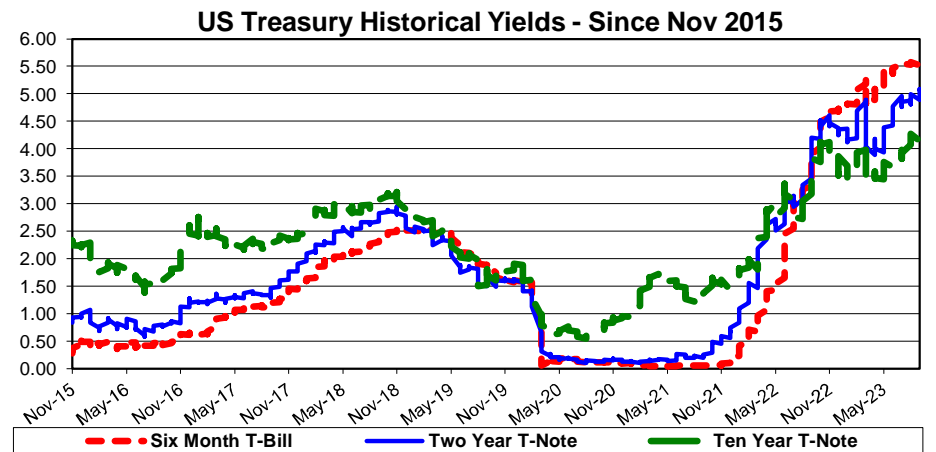
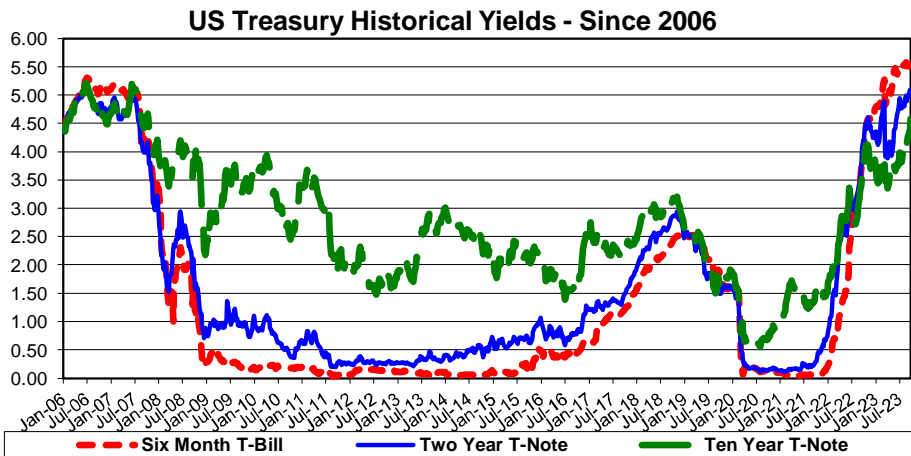
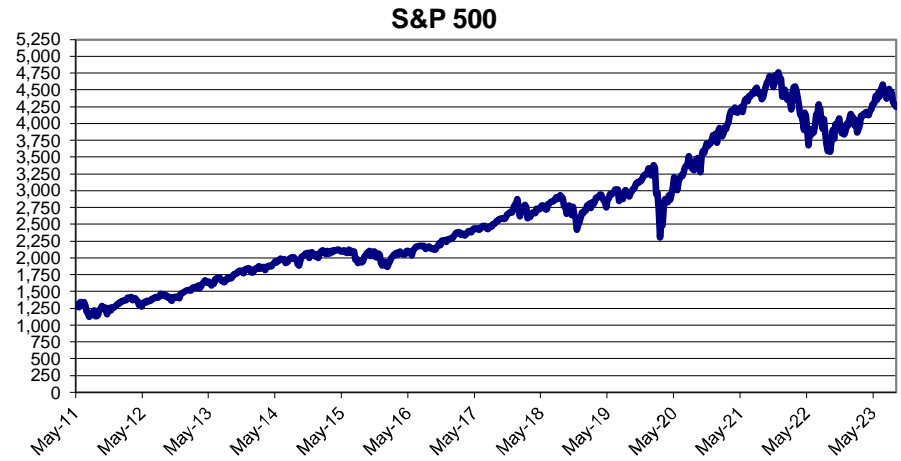
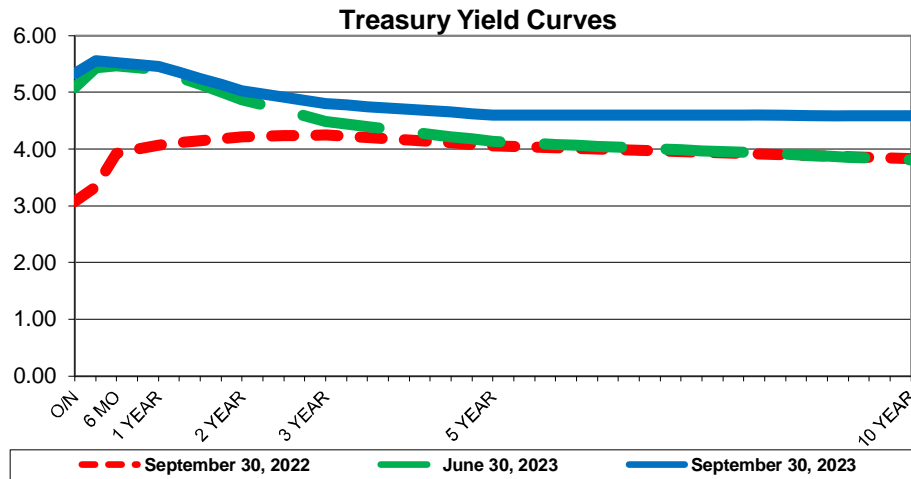
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

9/30/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 0.25% to 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). A pause is projected at least until the September 19-20 meeting, with any future actions data-dependent. Second Quarter 2023 GDP posted 2.1%. September Non-Farm Payroll surged up 336k new jobs, above the 170k projection. The S&P Stock Index continued to slide below 4,300. The yield curve drifted higher on the long end. Crude Oil traded +/- \$85 per barrel. Inflation drifted lower but still over the FOMC 2% target (Core PCE +/-3.9% and CPI +/-3.7%). The slowing China and German economies, Ukrainian/Russian and Israeli/Hamas conflicts continue to weight on future outlooks.



Investment Holdings
September 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%	10/01/23	09/30/23	\$ 536,991	\$ 536,991	1.00	\$ 536,991	1	0.55%
BOT Escrow MMF		5.240%	10/01/23	09/30/23	21,026,701	\$ 21,026,701	1.00	21,026,701	1	5.24%
Invesco Govt & Agy Inst MMMF		5.240%	10/01/23	09/30/23	2,331	\$ 2,331	1.00	2,331	1	5.24%
Veritex Bank MMA Escrow		5.460%	10/01/23	09/30/23	411,412	\$ 411,412	1.00	411,412	1	5.46%
NexBank ICS		5.550%	10/01/23	09/30/23	30,427,439	\$ 30,427,439	1.00	30,427,439	1	5.55%
NexBank ICS Escrow		5.550%	10/01/23	09/30/23	2,740,862	\$ 2,740,862	1.00	2,740,862	1	5.55%
InterBank		5.650%	10/01/23	09/30/23	4,339,000	\$ 4,339,000	1.00	4,339,000	1	5.65%
East West Bank MMA		5.010%	10/01/23	09/30/23	10,235,882	\$ 10,235,882	1.00	10,235,882	1	5.01%
TexPool	AAAm	5.322%	10/01/23	09/30/23	29,199	\$ 29,199	1.00	29,199	1	5.32%
TexSTAR	AAAm	5.311%	10/01/23	09/30/23	52,111,690	\$ 52,111,690	1.00	52,111,690	1	5.31%
East West Bank		5.780%	10/08/23	08/09/23	6,124,000	6,124,000	100.00	6,124,000	8	5.78%
Texas Capital		3.370%	10/09/23	09/13/22	100,000	100,000	100.00	100,000	9	3.37%
East West Bank		4.920%	10/10/23	02/10/23	500,000	500,000	100.00	500,000	10	4.92%
East West Bank		4.920%	10/10/23	04/07/23	6,000,000	6,000,000	100.00	6,000,000	10	4.92%
East West Bank		5.080%	10/10/23	04/07/23	300,000	300,000	100.00	300,000	10	5.08%
East West Bank		5.080%	10/10/23	04/07/23	1,000,000	1,000,000	100.00	1,000,000	10	5.08%
East West Bank		5.080%	10/10/23	02/10/23	1,000,000	1,000,000	100.00	1,000,000	10	5.08%
Texas Capital		3.370%	10/13/23	09/13/22	700,000	700,000	100.00	700,000	13	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	400,000	400,000	100.00	400,000	13	3.37%
Texas Capital		3.370%	10/13/23	09/13/22	75,000	75,000	100.00	75,000	13	3.37%
East West Bank		4.630%	10/26/23	10/26/22	3,258,500	3,258,500	100.00	3,258,500	26	4.63%
Texas Capital		3.380%	11/09/23	09/13/22	100,000	100,000	100.00	100,000	40	3.38%
East West Bank		4.920%	11/10/23	02/10/23	6,000,000	6,000,000	100.00	6,000,000	41	4.92%
East West Bank		5.260%	11/15/23	05/09/23	22,800,000	22,800,000	100.00	22,800,000	46	5.26%
East West Bank		5.260%	11/15/23	05/09/23	150,000	150,000	100.00	150,000	46	5.26%
East West Bank		4.690%	12/07/23	12/07/22	2,121,000	2,121,000	100.00	2,121,000	68	4.69%
East West Bank		4.920%	12/11/23	02/10/23	8,000,000	8,000,000	100.00	8,000,000	72	4.92%
Texas Capital		3.380%	12/13/23	09/13/22	700,000	700,000	100.00	700,000	74	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	50,000	50,000	100.00	50,000	74	3.38%
Texas Capital		3.380%	12/13/23	09/13/22	200,000	200,000	100.00	200,000	74	3.38%
East West Bank		5.260%	12/13/23	05/09/23	200,000	200,000	100.00	200,000	74	5.26%
East West Bank		5.260%	12/13/23	05/09/23	150,000	150,000	100.00	150,000	74	5.26%
East West Bank		5.610%	12/28/23	06/28/23	314,000	314,000	100.00	314,000	89	5.61%
East West Bank		5.610%	12/28/23	06/28/23	401,000	401,000	100.00	401,000	89	5.61%
East West Bank		5.720%	01/08/24	08/09/23	6,129,000	6,129,000	100.00	6,129,000	100	5.72%
East West Bank		5.720%	01/08/24	08/09/23	1,000,000	1,000,000	100.00	1,000,000	100	5.72%
East West Bank		5.720%	01/08/24	08/09/23	700,000	700,000	100.00	700,000	100	5.72%
East West Bank		4.910%	01/10/24	02/10/23	3,000,000	3,000,000	100.00	3,000,000	102	4.91%
East West Bank		4.910%	01/10/24	02/10/23	2,892,000	2,892,000	100.00	2,892,000	102	4.91%
Texas Bank & Trust		5.100%	01/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	102	5.10%
Texas Bank & Trust		5.100%	01/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	102	5.10%
Texas Capital		3.380%	01/13/24	09/13/22	600,000	600,000	100.00	600,000	105	3.38%
East West Bank		5.260%	01/17/24	05/09/23	600,000	600,000	100.00	600,000	109	5.26%
Texas Capital		3.390%	02/09/24	09/13/22	100,000	100,000	100.00	100,000	132	3.39%
Texas Capital		3.390%	02/13/24	09/13/22	600,000	600,000	100.00	600,000	136	3.39%
East West Bank		5.080%	02/14/24	05/03/23	23,200,000	23,200,000	100.00	23,200,000	137	5.08%
East West Bank		5.620%	03/08/24	08/09/23	20,500,000	20,500,000	100.00	20,500,000	160	5.62%

Investment Holdings
September 30, 2023

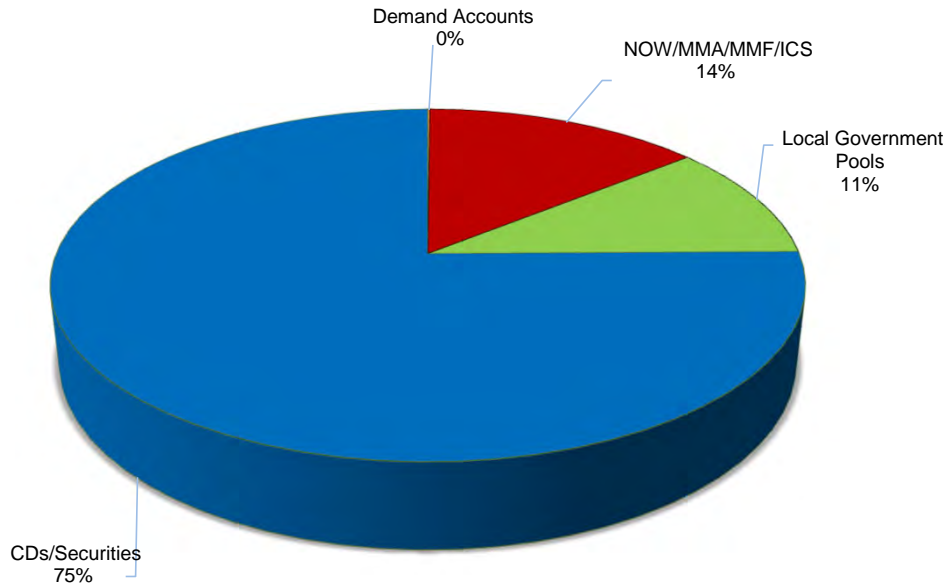
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield	
East West Bank		5.620%	03/08/24	08/09/23	4,950,603	4,950,603	100.00	4,950,603	160	5.62%	
Texas Capital		3.400%	03/09/24	09/13/22	1,422,000	1,422,000	100.00	1,422,000	161	3.40%	
Texas Capital		3.400%	03/13/24	09/13/22	600,000	600,000	100.00	600,000	165	3.40%	
East West Bank		5.080%	03/13/24	05/03/23	3,165,100	3,165,100	100.00	3,165,100	165	5.08%	
Texas Bank & Trust		4.910%	04/07/24	04/07/23	995,000	995,000	100.00	995,000	190	4.91%	
East West Bank		5.620%	04/08/24	08/09/23	16,503,000	16,503,000	100.00	16,503,000	191	5.62%	
Texas Bank & Trust		5.000%	04/10/24	04/10/23	1,000,000	1,000,000	100.00	1,000,000	193	5.00%	
Texas Capital		3.400%	04/13/24	09/13/22	600,000	600,000	100.00	600,000	196	3.40%	
Cap Tex		4.650%	04/26/24	10/26/22	3,275,000	3,275,000	100.00	3,275,000	209	4.65%	
BOKF		4.927%	05/09/24	05/09/23	7,136,424	7,136,424	100.00	7,136,424	222	4.93%	
Texas Capital		3.410%	05/13/24	09/13/22	500,000	500,000	100.00	500,000	226	3.41%	
East West Bank		4.890%	05/15/24	05/03/23	8,354,000	8,354,000	100.00	8,354,000	228	4.89%	
East West Bank		4.890%	05/15/24	05/03/23	21,100,000	21,100,000	100.00	21,100,000	228	4.89%	
East West Bank		4.890%	05/15/24	05/15/23	1,000,000	1,000,000	100.00	1,000,000	228	4.89%	
Bank OZK		4.920%	05/16/24	05/16/23	8,000,000	8,000,000	100.00	8,000,000	229	4.92%	
East West Bank		5.680%	05/30/24	08/09/23	500,000	500,000	100.00	500,000	243	5.68%	
East West Bank		5.680%	05/30/24	08/09/23	200,000	200,000	100.00	200,000	243	5.68%	
Texas Capital		3.410%	06/13/24	09/13/22	500,000	500,000	100.00	500,000	257	3.41%	
East West Bank		5.400%	06/28/24	06/28/23	250,700	250,700	100.00	250,700	272	5.40%	
East West Bank		5.400%	06/28/24	06/28/23	2,332,559	2,332,559	100.00	2,332,559	272	5.40%	
East West Bank		5.400%	06/28/24	06/28/23	3,528,256	3,528,256	100.00	3,528,256	272	5.40%	
East West Bank		5.510%	07/08/24	08/09/23	34,905,000	34,905,000	100.00	34,905,000	282	5.51%	
East West Bank		5.510%	07/08/24	08/09/23	700,000	700,000	100.00	700,000	282	5.51%	
East West Bank		5.510%	07/08/24	08/09/23	1,000,000	1,000,000	100.00	1,000,000	282	5.51%	
Veritex		5.510%	07/08/24	08/09/23	35,000,000	35,000,000	100.00	35,000,000	282	5.51%	
Texas Capital		3.410%	07/13/24	09/13/22	500,000	500,000	100.00	500,000	287	3.41%	
Texas Capital		3.425%	08/13/24	09/13/22	400,000	400,000	100.00	400,000	318	3.43%	
American National Bank & Trust		5.000%	08/15/24	08/17/23	9,962,425	9,962,425	100.00	9,962,425	320	5.00%	
East West Bank		5.590%	08/30/24	08/09/23	1,000,000	1,000,000	100.00	1,000,000	335	5.59%	
Veritex		5.600%	09/03/24	08/09/23	1,000,000	1,000,000	100.00	1,000,000	339	5.60%	
Texas Capital		3.430%	09/09/24	09/13/22	1,372,000	1,372,000	100.00	1,372,000	345	3.43%	
Veritex		5.620%	09/09/24	08/09/23	4,950,603	4,950,603	100.00	4,950,603	345	5.62%	
Veritex		5.620%	09/09/24	08/09/23	25,000,000	25,000,000	100.00	25,000,000	345	5.62%	
Texas Capital		3.425%	09/13/24	09/13/22	300,000	300,000	100.00	300,000	349	3.43%	
Veritex		5.330%	03/10/25	08/09/23	14,096,236	14,096,236	100.00	14,096,236	527	5.33%	
Veritex		5.330%	03/10/25	08/09/23	26,500,000	26,500,000	100.00	26,500,000	527	5.33%	
Veritex		5.330%	03/10/25	08/09/23	4,950,603	4,950,603	100.00	4,950,603	527	5.33%	
\$ 491,375,517						\$ 491,375,517		\$ 491,375,517		180	5.27%
										(1)	(2)

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

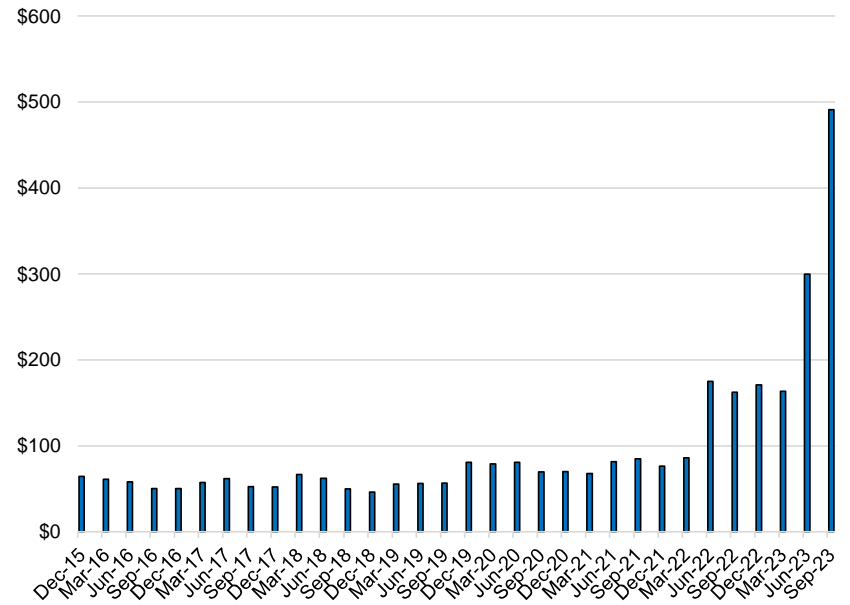
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

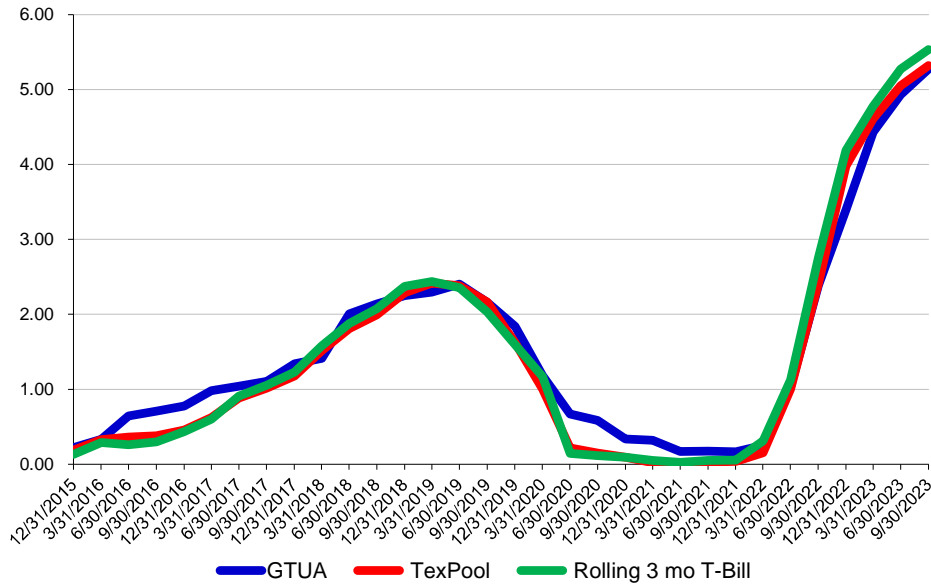
Portfolio Composition



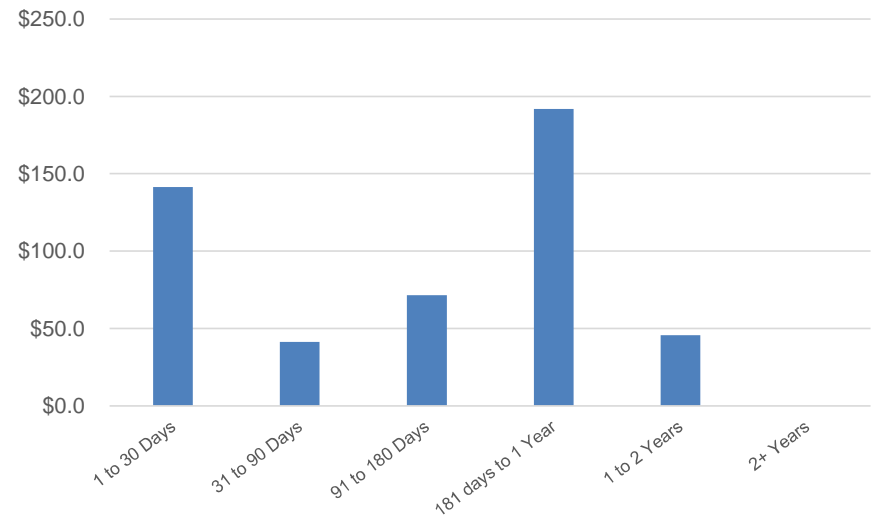
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
BOT DDA (3)	0.55%	10/01/23	\$ 1,160,319	\$ -	\$ (623,328)	\$ 536,991	\$ 1,160,319	\$ (623,328)	\$ 536,991
BOT Escrow MMF	5.24%	10/01/23	21,368,005	-	(341,304)	21,026,701	21,368,005	(341,304)	21,026,701
Invesco Govt & Agy Inst MMMF	5.24%	10/01/23	713	1,618	-	2,331	713	1,618	2,331
Veritex Bank MMA	5.17%	10/01/23	208,115	-	(208,115)	-	208,115	(208,115)	-
Veritex Bank MMA Escrow	5.46%	10/01/23	1,183,661	-	(772,249)	411,412	1,183,661	(772,249)	411,412
NexBank ICS	5.55%	10/01/23	36,238,165	-	(5,810,726)	30,427,439	36,238,165	(5,810,726)	30,427,439
NexBank ICS Escrow	5.55%	10/01/23	7,790,147	-	(5,049,286)	2,740,862	7,790,147	(5,049,286)	2,740,862
InterBank	5.65%	10/01/23	-	4,339,000	-	4,339,000	-	4,339,000	4,339,000
East West Bank MMA	5.01%	10/01/23	10,110,496	125,386	-	10,235,882	10,110,496	125,386	10,235,882
TexPool	5.32%	10/01/23	28,942	257	-	29,199	28,942	257	29,199
TexSTAR	5.31%	10/01/23	25,123,454	26,988,236	-	52,111,690	25,123,454	26,988,236	52,111,690
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)	-
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)	-
East West Bank	5.78%	10/08/23	-	6,124,000	-	6,124,000	-	6,124,000	6,124,000
Texas Capital	3.37%	10/09/23	100,000	-	-	100,000	100,000	-	100,000
East West Bank	4.92%	10/10/23	500,000	-	-	500,000	500,000	-	500,000
East West Bank	4.92%	10/10/23	1,000,000	5,000,000	-	6,000,000	1,000,000	5,000,000	6,000,000
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	5.08%	10/10/23	6,000,000	-	(5,000,000)	1,000,000	6,000,000	(5,000,000)	1,000,000
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

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
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
Texas Capital	3.38%	12/13/23	700,000	-	-	700,000	700,000	-	700,000
Texas Capital	3.38%	12/13/23	50,000	-	-	50,000	50,000	-	50,000
Texas Capital	3.38%	12/13/23	200,000	-	-	200,000	200,000	-	200,000
East West Bank	5.26%	12/13/23	150,000	50,000	-	200,000	150,000	50,000	200,000
East West Bank	5.26%	12/13/23	200,000	-	(50,000)	150,000	200,000	(50,000)	150,000
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	5.72%	01/08/24	-	6,129,000	-	6,129,000	-	6,129,000	6,129,000
East West Bank	5.72%	01/08/24	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
East West Bank	5.72%	01/08/24	-	700,000	-	700,000	-	700,000	700,000
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
East West Bank	5.62%	03/08/24	-	20,500,000	-	20,500,000	-	20,500,000	20,500,000
East West Bank	5.62%	03/08/24	-	4,950,603	-	4,950,603	-	4,950,603	4,950,603
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
East West Bank	5.62%	04/08/24	-	16,503,000	-	16,503,000	-	16,503,000	16,503,000
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	136,424	-	7,136,424	7,000,000	136,424	7,136,424
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	4.92%	05/16/24	8,000,000	-	-	8,000,000	8,000,000	-	8,000,000
East West Bank	5.68%	05/30/24	-	500,000	-	500,000	-	500,000	500,000
East West Bank	5.68%	05/30/24	-	200,000	-	200,000	-	200,000	200,000
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
East West Bank	5.40%	06/28/24	3,528,256	-	-	3,528,256	3,528,256	-	3,528,256

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
East West Bank	5.51%	07/08/24	–	34,905,000	–	34,905,000	–	34,905,000	34,905,000
East West Bank	5.51%	07/08/24	–	700,000	–	700,000	–	700,000	700,000
East West Bank	5.51%	07/08/24	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
Veritex	5.51%	07/08/24	–	35,000,000	–	35,000,000	–	35,000,000	35,000,000
Texas Capital	3.41%	07/13/24	500,000	–	–	500,000	500,000	–	500,000
Texas Capital	3.43%	08/13/24	400,000	–	–	400,000	400,000	–	400,000
American National Bank & Trust	5.00%	08/15/24	–	9,962,425	–	9,962,425	–	9,962,425	9,962,425
East West Bank	5.59%	08/30/24	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
Veritex	5.60%	09/03/24	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
Texas Capital	3.43%	09/09/24	1,372,000	–	–	1,372,000	1,372,000	–	1,372,000
Veritex	5.62%	09/09/24	–	4,950,603	–	4,950,603	–	4,950,603	4,950,603
Veritex	5.62%	09/09/24	–	25,000,000	–	25,000,000	–	25,000,000	25,000,000
Texas Capital	3.43%	09/13/24	300,000	–	–	300,000	300,000	–	300,000
Veritex	5.33%	03/10/25	–	14,096,236	–	14,096,236	–	14,096,236	14,096,236
Veritex	5.33%	03/10/25	–	26,500,000	–	26,500,000	–	26,500,000	26,500,000
Veritex	5.33%	03/10/25	–	4,950,603	–	4,950,603	–	4,950,603	4,950,603
TOTAL / AVERAGE	5.27%		\$ 299,983,961	\$ 252,312,392	\$ (60,920,836)	\$ 491,375,517	\$ 299,983,961	\$ 191,391,556	\$ 491,375,517

**Allocation by Fund
Book & Market Value**

September 30, 2023

		Investment						
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve	
BOT DDA (3)	09/30/23	\$ 536,991	\$ 536,991	\$ -	\$ -	\$ -	\$ -	
BOT Escrow MMF	09/30/23	21,026,701	-	21,026,701	-	-	-	
Invesco Govt & Agy Inst MMMF	09/30/23	2,331	2,331	-	-	-	-	
Veritex Bank MMA	09/30/23	-	-	-	-	-	-	
Veritex Bank MMA Escrow	09/30/23	411,412	-	411,412	-	-	-	
NexBank ICS	09/30/23	30,427,439	-	19,721,618	10,369,931	335,890	-	
NexBank ICS Escrow	09/30/23	2,740,862	-	2,740,862	-	-	-	
InterBank	09/30/23	4,339,000	-	4,339,000	-	-	-	
East West Bank MMA	09/30/23	10,235,882	-	10,235,882	-	-	-	
TexPool	09/30/23	29,199	29,199	-	-	-	-	
TexSTAR	09/30/23	52,111,690	404,365	45,076,368	2,221,785	2,585,555	1,823,618	
East West Bank	10/08/23	6,124,000	-	6,124,000	-	-	-	
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	-	-	-	
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	1,000,000	-	1,000,000	-	-	-	
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	200,000	-	200,000	-	-	-	
East West Bank	12/13/23	150,000	-	150,000	-	-	-	
East West Bank	12/28/23	314,000	-	314,000	-	-	-	
East West Bank	12/28/23	401,000	-	401,000	-	-	-	

**Allocation by Fund
Book & Market Value**

September 30, 2023

		Investment					
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	01/08/24	6,129,000	–	6,129,000	–	–	–
East West Bank	01/08/24	1,000,000	–	1,000,000	–	–	–
East West Bank	01/08/24	700,000	–	700,000	–	–	–
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 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	–	–	–
East West Bank	03/08/24	20,500,000	–	20,500,000	–	–	–
East West Bank	03/08/24	4,950,603	–	–	4,950,603	–	–
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
East West Bank	04/08/24	16,503,000	–	16,503,000	–	–	–
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
BOKF	05/09/24	7,136,424	–	7,136,424	–	–	–
Texas Capital	05/13/24	500,000	–	500,000	–	–	–
East West Bank	05/15/24	8,354,000	–	–	–	–	8,354,000
East West Bank	05/15/24	21,100,000	–	21,100,000	–	–	–
East West Bank	05/15/24	1,000,000	–	1,000,000	–	–	–
Bank OZK	05/16/24	8,000,000	–	8,000,000	–	–	–
East West Bank	05/30/24	500,000	–	500,000	–	–	–
East West Bank	05/30/24	200,000	–	200,000	–	–	–
Texas Capital	06/13/24	500,000	–	500,000	–	–	–
East West Bank	06/28/24	250,700	–	–	–	–	250,700
East West Bank	06/28/24	2,332,559	–	2,332,559	–	–	–
East West Bank	06/28/24	3,528,256	–	3,528,256	–	–	–
East West Bank	07/08/24	34,905,000	–	34,905,000	–	–	–
East West Bank	07/08/24	700,000	–	700,000	–	–	–

**Allocation by Fund
Book & Market Value**

September 30, 2023

		Investment					
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve
East West Bank	07/08/24	1,000,000	—	1,000,000	—	—	—
Veritex	07/08/24	35,000,000	—	35,000,000	—	—	—
Texas Capital	07/13/24	500,000	—	500,000	—	—	—
Texas Capital	08/13/24	400,000	—	400,000	—	—	—
American National Bank & Trust	08/15/24	9,962,425	—	—	9,962,425	—	—
East West Bank	08/30/24	1,000,000	—	1,000,000	—	—	—
Veritex	09/03/24	1,000,000	—	—	—	—	1,000,000
Texas Capital	09/09/24	1,372,000	—	—	1,372,000	—	—
Veritex	09/09/24	4,950,603	—	—	4,950,603	—	—
Veritex	09/09/24	25,000,000	—	25,000,000	—	—	—
Texas Capital	09/13/24	300,000	—	300,000	—	—	—
Veritex	03/10/25	14,096,236	—	—	—	—	14,096,236
Veritex	03/10/25	26,500,000	—	26,500,000	—	—	—
Veritex	03/10/25	4,950,603	—	—	4,950,603	—	—
Totals		\$ 491,375,517	\$ 972,886	\$ 406,050,081	\$ 43,365,050	\$ 2,921,445	\$ 38,066,054

**Allocation by Fund
Book & Market Value**

June 30, 2023

	Maturity	Investment		General	Construction	Bond I&S	Revenue	Reserve
		Total						
BOT DDA (3)	06/30/23	\$ 1,160,319	\$ 1,160,319	\$ -	\$ -	\$ -	\$ -	\$ -
BOT Escrow MMF	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

		Investment					
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve
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
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

		Investment					
	Maturity	Total	General	Construction	Bond I&S	Revenue	Reserve
BOKF	05/09/24	7,000,000	–	7,000,000	–	–	–
Texas Capital	05/13/24	500,000	–	500,000	–	–	–
East West Bank	05/15/24	8,354,000	–	–	–	–	8,354,000
East West Bank	05/15/24	21,100,000	–	21,100,000	–	–	–
East West Bank	05/15/24	1,000,000	–	1,000,000	–	–	–
Bank OZK	05/16/24	8,000,000	–	8,000,000	–	–	–
Texas Capital	06/13/24	500,000	–	500,000	–	–	–
East West Bank	06/28/24	250,700	–	–	–	–	250,700
East West Bank	06/28/24	2,332,559	–	2,332,559	–	–	–
East West Bank	06/28/24	3,528,256	–	3,528,256	–	–	–
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		\$ 299,983,961	\$ 1,205,957	\$ 242,550,106	\$ 29,407,742	\$ 2,134,162	\$ 24,685,994

AGENDA ITEM VIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 9, 2023

SUBJECT: AGENDA ITEM NO. VIII

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

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF “GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2024 (CITY OF SHERMAN PROJECT)”, INCLUDING THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF SUCH BONDS, ESTABLISHING PARAMETERS FOR THE SALE AND ISSUANCE OF SUCH BONDS AND DELEGATING CERTAIN MATTERS TO AUTHORIZED OFFICIALS OF THE AUTHORITY.

ISSUE

Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project)”.

BACKGROUND

The City of Sherman has requested assistance in obtaining funding for improvements to the City’s water and wastewater system. These improvements include engineering, design, and construction of projects including but not limited to water treatment plant expansion, water and sewer lines improvements, Lake Texoma Pump Station improvements, and wastewater treatment plant expansion. The Board will be provided with further information on the projects as the Board meeting.

CONSIDERATIONS

At this meeting, General Manager requests delegated sale authority so we can accept bids shortly after the bonds are priced via negotiated sale. The City of Sherman Council will consent to the issuance of the bonds on December 18, 2023, following the negotiated sale. The Bond Issuance is scheduled to close on January 24, 2024.

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

STAFF RECOMMENDATIONS

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

ATTACHMENTS

Timetable for Issuance
Preliminary Debt Service Schedule
Bond Resolution



Greater Texoma Utility Authority (Sherman) Timetable for Issuance of Contract Revenue Bonds, Series 2024

- | | | |
|------------------------------|---|---|
| Wednesday, October 25, 2023 | • | Project budget finalized and provided to SPFI. |
| Wednesday, November 1, 2023 | • | Bond proforma finalized by SPFI and provided to Wil-Dan. |
| Wednesday, November 8, 2023 | • | Preliminary Official Statement (POS) distributed by SPFI for comments by working group. |
| | • | Rating and bond insurance applications submitted. |
| Monday, November 20, 2023* | • | Authority Board approves delegated sale authority. |
| Tuesday, November 21, 2023 | • | Revised rate study results available to share with S&P and bond insurers. |
| Wednesday, November 29, 2023 | • | Rating call (with S&P; time TBA). |
| Tuesday, December 5, 2023 | • | POS is electronically posted on I-Deal. |
| Thursday, December 7, 2023 | • | Rating and insurance responses due. |
| Thursday, December 14, 2023 | • | Series 2024 Bonds are priced via negotiated sale and final rates are locked. |
| Monday, December 18, 2023 | • | City Council meeting to affirm delegated sale of Bonds. |
| Wednesday, January 24, 2024 | • | Closing. Bond proceeds distributed according to Closing Instruction Letter. |

* Regular Authority Board Meeting.

City of Sherman
 GTUA Project List
 10/31/2023

Sum of Budget		Funding
Proj #	Project Name	2024 OM
18-034	Sherman WTP Concentrate Discharge System Construction	9,011,253
18-034 Total		9,011,253
22-023	Southside Industrial Sewer Phase II	1,401,000
22-023 Total		1,401,000
22-025	Sewer between Rosedale & First	1,023,000
22-025 Total		1,023,000
22-030	LTPS Expansion 2023 Construction	10,544,400
	LTPS Expansion 2023 Contingency	1,896,600
22-030 Total		12,441,000
22-032	2 MG Elevated Storage Tank Construction	11,784,700
	2 MG Elevated Storage Tank Contingency	-
22-032 Total		11,784,700
22-033	Inverted siphon sewer line-Construction	-
22-033 Total		-
22-040	Post Oak Creek Sewer Phase I	2,400,000
	Post Oak Creek Sewer Phase I 25% Contingency	647,000
	Post Oak Creek Sewer Phase II	1,300,000
	Post Oak Creek Sewer Phase II 25% Contingency	340,000
22-040 Total		4,687,000
22-045	100 MG terminal storage reservoir Land purchase	-
22-045 Total		-
22-046	36" West Sherman Water Main Construction	21,900,623
22-046 Total		21,900,623
22-048	Program Management	3,832,636
22-048 Total		3,832,636
23-008	Post Oak WWTP Electrical Improvements Construction	6,326,530
	Post Oak WWTP Electrical Improvements Contingency	1,897,959
23-008 Total		8,224,489
23-018	Rehab Main Digester Complex	500,000
23-018 Total		500,000

Preliminary

Greater Texoma Utility Authority

\$203,985,000 Contract Revenue Bonds, Series 2024

(City of Sherman Project)

As of 11/2/23 for Purposes of Illustration Only

Sources & Uses

Dated 01/24/2024 | Delivered 01/24/2024

Sources Of Funds

Par Amount of Bonds	\$203,985,000.00
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Total Sources	\$203,985,000.00
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Uses Of Funds

Total Underwriter's Discount (0.600%)	1,223,910.00
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Costs of Issuance	570,173.75
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Gross Bond Insurance Premium (25.0 bp)	1,062,229.87
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Deposit to Debt Service Reserve Fund (DSRF)	11,998,142.18
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Deposit to Capitalized Interest (CIF) Fund	23,411,528.44
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Deposit to Project Construction Fund	165,718,240.00
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Rounding Amount	775.76
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Total Uses	\$203,985,000.00
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Preliminary

Greater Texoma Utility Authority

\$203,985,000 Contract Revenue Bonds, Series 2024

(City of Sherman Project)

As of 11/2/23 for Purposes of Illustration Only

Net Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Existing D/S	Net New D/S	Fiscal Total
01/24/2024	-	-	-	-	-	-	-	-	-
09/30/2024	-	-	-	-	-	-	22,619,694.00	22,619,694.00	22,619,694.00
10/01/2024	-	-	7,347,709.69	7,347,709.69	-	(7,347,709.69)	-	-	-
04/01/2025	-	-	5,354,606.25	5,354,606.25	-	(5,354,606.25)	-	-	-
09/30/2025	-	-	-	-	-	-	25,834,964.00	25,834,964.00	25,834,964.00
10/01/2025	-	-	5,354,606.25	5,354,606.25	-	(5,354,606.25)	-	-	-
04/01/2026	-	-	5,354,606.25	5,354,606.25	-	(5,354,606.25)	-	-	-
09/30/2026	-	-	-	-	-	-	25,823,886.00	25,823,886.00	25,823,886.00
10/01/2026	-	-	5,354,606.25	5,354,606.25	-	-	-	5,354,606.25	-
04/01/2027	-	-	5,354,606.25	5,354,606.25	-	-	-	5,354,606.25	-
09/30/2027	-	-	-	-	-	-	25,803,524.00	25,803,524.00	36,512,736.50
10/01/2027	1,700,000.00	5.250%	5,354,606.25	7,054,606.25	-	-	-	7,054,606.25	-
04/01/2028	-	-	5,309,981.25	5,309,981.25	-	-	-	5,309,981.25	-
09/30/2028	-	-	-	-	-	-	28,246,934.00	28,246,934.00	40,611,521.50
10/01/2028	3,485,000.00	5.250%	5,309,981.25	8,794,981.25	-	-	-	8,794,981.25	-
04/01/2029	-	-	5,218,500.00	5,218,500.00	-	-	-	5,218,500.00	-
09/30/2029	-	-	-	-	-	-	30,691,916.00	30,691,916.00	44,705,397.25
10/01/2029	3,675,000.00	5.250%	5,218,500.00	8,893,500.00	-	-	-	8,893,500.00	-
04/01/2030	-	-	5,122,031.25	5,122,031.25	-	-	-	5,122,031.25	-
09/30/2030	-	-	-	-	-	-	30,695,554.00	30,695,554.00	44,711,085.25
10/01/2030	3,875,000.00	5.250%	5,122,031.25	8,997,031.25	-	-	-	8,997,031.25	-
04/01/2031	-	-	5,020,312.50	5,020,312.50	-	-	-	5,020,312.50	-
09/30/2031	-	-	-	-	-	-	30,690,595.00	30,690,595.00	44,707,938.75
10/01/2031	4,080,000.00	5.250%	5,020,312.50	9,100,312.50	-	-	-	9,100,312.50	-
04/01/2032	-	-	4,913,212.50	4,913,212.50	-	-	-	4,913,212.50	-

2024 \$165mm PCF Contract | SINGLE PURPOSE | 11/ 2/2023 | 4:06 PM

Preliminary

Greater Texoma Utility Authority

\$203,985,000 Contract Revenue Bonds, Series 2024

(City of Sherman Project)

As of 11/2/23 for Purposes of Illustration Only

Net Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Existing D/S	Net New D/S	Fiscal Total
09/30/2032	-	-	-	-	-	-	30,692,121.00	30,692,121.00	44,705,646.00
10/01/2032	4,300,000.00	5.250%	4,913,212.50	9,213,212.50	-	-	-	9,213,212.50	-
04/01/2033	-	-	4,800,337.50	4,800,337.50	-	-	-	4,800,337.50	-
09/30/2033	-	-	-	-	-	-	30,694,312.00	30,694,312.00	44,707,862.00
10/01/2033	4,535,000.00	5.250%	4,800,337.50	9,335,337.50	-	-	-	9,335,337.50	-
04/01/2034	-	-	4,681,293.75	4,681,293.75	-	-	-	4,681,293.75	-
09/30/2034	-	-	-	-	-	-	30,690,469.00	30,690,469.00	44,707,100.25
10/01/2034	4,780,000.00	5.250%	4,681,293.75	9,461,293.75	-	-	-	9,461,293.75	-
04/01/2035	-	-	4,555,818.75	4,555,818.75	-	-	-	4,555,818.75	-
09/30/2035	-	-	-	-	-	-	30,692,348.00	30,692,348.00	44,709,460.50
10/01/2035	5,035,000.00	5.250%	4,555,818.75	9,590,818.75	-	-	-	9,590,818.75	-
04/01/2036	-	-	4,423,650.00	4,423,650.00	-	-	-	4,423,650.00	-
09/30/2036	-	-	-	-	-	-	30,692,087.00	30,692,087.00	44,706,555.75
10/01/2036	5,305,000.00	5.250%	4,423,650.00	9,728,650.00	-	-	-	9,728,650.00	-
04/01/2037	-	-	4,284,393.75	4,284,393.75	-	-	-	4,284,393.75	-
09/30/2037	-	-	-	-	-	-	30,691,868.00	30,691,868.00	44,704,911.75
10/01/2037	5,595,000.00	5.250%	4,284,393.75	9,879,393.75	-	-	-	9,879,393.75	-
04/01/2038	-	-	4,137,525.00	4,137,525.00	-	-	-	4,137,525.00	-
09/30/2038	-	-	-	-	-	-	30,695,136.00	30,695,136.00	44,712,054.75
10/01/2038	5,895,000.00	5.250%	4,137,525.00	10,032,525.00	-	-	-	10,032,525.00	-
04/01/2039	-	-	3,982,781.25	3,982,781.25	-	-	-	3,982,781.25	-
09/30/2039	-	-	-	-	-	-	29,950,022.00	29,950,022.00	43,965,328.25
10/01/2039	6,210,000.00	5.250%	3,982,781.25	10,192,781.25	-	-	-	10,192,781.25	-
04/01/2040	-	-	3,819,768.75	3,819,768.75	-	-	-	3,819,768.75	-
09/30/2040	-	-	-	-	-	-	29,957,150.00	29,957,150.00	43,969,700.00

2024 \$165mm PCF Contract | SINGLE PURPOSE | 11/ 2/2023 | 4:06 PM

Preliminary

Greater Texoma Utility Authority

\$203,985,000 Contract Revenue Bonds, Series 2024

(City of Sherman Project)

As of 11/2/23 for Purposes of Illustration Only

Net Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Existing D/S	Net New D/S	Fiscal Total
10/01/2040	6,545,000.00	5.250%	3,819,768.75	10,364,768.75	-	-	-	10,364,768.75	-
04/01/2041	-	-	3,647,962.50	3,647,962.50	-	-	-	3,647,962.50	-
09/30/2041	-	-	-	-	-	-	29,397,733.00	29,397,733.00	43,410,464.25
10/01/2041	6,900,000.00	5.250%	3,647,962.50	10,547,962.50	-	-	-	10,547,962.50	-
04/01/2042	-	-	3,466,837.50	3,466,837.50	-	-	-	3,466,837.50	-
09/30/2042	-	-	-	-	-	-	28,696,631.00	28,696,631.00	42,711,431.00
10/01/2042	7,270,000.00	5.250%	3,466,837.50	10,736,837.50	-	-	-	10,736,837.50	-
04/01/2043	-	-	3,276,000.00	3,276,000.00	-	-	-	3,276,000.00	-
09/30/2043	-	-	-	-	-	-	28,697,606.00	28,697,606.00	42,710,443.50
10/01/2043	7,665,000.00	5.250%	3,276,000.00	10,941,000.00	-	-	-	10,941,000.00	-
04/01/2044	-	-	3,074,793.75	3,074,793.75	-	-	-	3,074,793.75	-
09/30/2044	-	-	-	-	-	-	28,694,112.00	28,694,112.00	42,709,905.75
10/01/2044	8,075,000.00	5.250%	3,074,793.75	11,149,793.75	-	-	-	11,149,793.75	-
04/01/2045	-	-	2,862,825.00	2,862,825.00	-	-	-	2,862,825.00	-
09/30/2045	-	-	-	-	-	-	28,699,675.00	28,699,675.00	42,712,293.75
10/01/2045	8,515,000.00	5.250%	2,862,825.00	11,377,825.00	-	-	-	11,377,825.00	-
04/01/2046	-	-	2,639,306.25	2,639,306.25	-	-	-	2,639,306.25	-
09/30/2046	-	-	-	-	-	-	28,700,162.00	28,700,162.00	42,717,293.25
10/01/2046	8,970,000.00	5.250%	2,639,306.25	11,609,306.25	-	-	-	11,609,306.25	-
04/01/2047	-	-	2,403,843.75	2,403,843.75	-	-	-	2,403,843.75	-
09/30/2047	-	-	-	-	-	-	28,693,169.00	28,693,169.00	42,706,319.00
10/01/2047	9,455,000.00	5.250%	2,403,843.75	11,858,843.75	-	-	-	11,858,843.75	-
04/01/2048	-	-	2,155,650.00	2,155,650.00	-	-	-	2,155,650.00	-
09/30/2048	-	-	-	-	-	-	28,191,594.00	28,191,594.00	42,206,087.75
10/01/2048	9,965,000.00	5.250%	2,155,650.00	12,120,650.00	-	-	-	12,120,650.00	-

2024 \$165mm PCF Contract | SINGLE PURPOSE | 11/ 2/2023 | 4:06 PM

Preliminary

Greater Texoma Utility Authority

\$203,985,000 Contract Revenue Bonds, Series 2024

(City of Sherman Project)

As of 11/2/23 for Purposes of Illustration Only

Net Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Interest	Total P+I	DSR	CIF	Existing D/S	Net New D/S	Fiscal Total
04/01/2049	-	-	1,894,068.75	1,894,068.75	-	-	-	1,894,068.75	-
09/30/2049	-	-	-	-	-	-	28,187,925.00	28,187,925.00	42,202,643.75
10/01/2049	10,505,000.00	5.250%	1,894,068.75	12,399,068.75	-	-	-	12,399,068.75	-
04/01/2050	-	-	1,618,312.50	1,618,312.50	-	-	-	1,618,312.50	-
09/30/2050	-	-	-	-	-	-	28,190,372.00	28,190,372.00	42,207,753.25
10/01/2050	11,070,000.00	5.250%	1,618,312.50	12,688,312.50	-	-	-	12,688,312.50	-
04/01/2051	-	-	1,327,725.00	1,327,725.00	-	-	-	1,327,725.00	-
09/30/2051	-	-	-	-	-	-	28,193,822.00	28,193,822.00	42,209,859.50
10/01/2051	11,665,000.00	5.250%	1,327,725.00	12,992,725.00	-	-	-	12,992,725.00	-
04/01/2052	-	-	1,021,518.75	1,021,518.75	-	-	-	1,021,518.75	-
09/30/2052	-	-	-	-	-	-	28,192,650.00	28,192,650.00	42,206,893.75
10/01/2052	12,295,000.00	5.250%	1,021,518.75	13,316,518.75	-	-	-	13,316,518.75	-
04/01/2053	-	-	698,775.00	698,775.00	-	-	-	698,775.00	-
09/30/2053	-	-	-	-	-	-	28,190,034.00	28,190,034.00	42,205,327.75
10/01/2053	12,960,000.00	5.250%	698,775.00	13,658,775.00	-	-	-	13,658,775.00	-
04/01/2054	-	-	358,575.00	358,575.00	-	-	-	358,575.00	-
09/30/2054	-	-	-	-	-	-	23,313,438.00	23,313,438.00	37,330,788.00
10/01/2054	13,660,000.00	5.250%	358,575.00	14,018,575.00	(11,998,142.18)	-	-	2,020,432.82	-
09/30/2055	-	-	-	-	-	-	-	-	2,020,432.82
Total	\$203,985,000.00	-	\$220,906,947.19	\$424,891,947.19	(11,998,142.18)	(23,411,528.44)	\$889,201,503.00	\$1,278,683,779.57	-

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project)"; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; delegating matters relating to the issuance, sale, and delivery of said Bonds to authorized Authority officials; and resolving other matters incident and related thereto

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that Bonds should be authorized at this time to provide funding for the Series 2024 Project more fully described in Section 1 hereof; and

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

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

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

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

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

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

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

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

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

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

SECTION 1: Authorization - Designation - Principal Amount – Purpose – Bond Date. Revenue bonds of the Authority shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2024 (CITY OF SHERMAN PROJECT)" (herein referred to as the "Bonds"), for the construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and for the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds and the payment of all costs incident and related to the acquisition and financing thereof, and the purpose of funding the portion of the Required Reserve Fund Amount attributable to the Bonds, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283 and Chapter 1371, Texas Government Code, as amended. The Bonds shall be dated (the "Bond Date") as provided in the Pricing Certificate.

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

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

SECTION 3: Delegation of Authority to Pricing Officer.

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

Rule 15c2-12 continuing disclosure undertaking contained in Section 39 hereof, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$209,000,000;
- (ii) the true interest cost rate for the Bonds shall not exceed the highest rate permitted by law; and
- (iii) the maximum maturity date of the Bonds shall be October 1, 2054.

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

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

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

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

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office specified in the Pricing Certificate or such other office as shall be designated from time to time by the Paying Agent/Registrar, or its successors (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the

address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

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

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

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

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

and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

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

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

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

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

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

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of

Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Public Security Procedures Act, Texas Chapter 1201, Government Code, as amended.

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

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

SECTION 9: Forms.

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

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

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF GRAYSON, COLLIN, FANNIN AND COOKE
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2024
(CITY OF SHERMAN PROJECT)

Bond Date:

Interest Rate:
_____ %

Stated Maturity:
_____ 1, 20__

CUSIP NO.

Registered Owner:

Principal Amount:

DOLLARS

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

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

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

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

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

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

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

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

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

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

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

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

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

CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

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

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

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

DATED: _____

Signature guaranteed:

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

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

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTIES OF COOKE, FANNIN, GRAYSON AND COLLIN
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2024
(CITY OF SHERMAN PROJECT)

Bond Date: _____

Registered Owner:

Principal Amount:

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

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

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

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

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

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project)" authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Bonds, the Previously Issued Bonds, and Additional Bonds.

(e) The term "Contract" or "Contract for Water Supply and Sewer Service" shall mean that certain contract, dated as of the 1st day of March, 1985, by and between the Authority and the City of Sherman, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as Exhibit B for the purposes of identification only.

(f) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

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

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

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

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

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

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

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

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

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

(City of Sherman Project)," (5) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015A (City of Sherman Project)," (6) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015B (City of Sherman Project)," (7) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017 (City of Sherman Project)," (8) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2017A (City of Sherman Project)," (9) "Greater Texoma Utility Authority Contract Revenue and Refunding Bonds, Series 2019 (City of Sherman Project)," (10) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019A (City of Sherman Project)," (11) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Sherman Project)," (12) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Sherman Project)," (13) "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (City of Sherman Project)," (14) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Sherman Project)," (15) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (City of Sherman Project)," and (16) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Sherman Project) heretofore issued which are in every respect on a parity with the Bonds.

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

(n) The term "Series 2024 Project" shall mean, with respect to the Bonds, the project described in Section 1 hereof.

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

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

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

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

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called the "Bond Fund." This Fund shall be deposited with a depository of the Authority as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

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

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

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

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

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

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

and thereafter on or before the twenty-fifth (25th) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

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

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

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

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

SECTION 15: Reserve Fund. Upon the delivery of the Bonds, amounts on deposit in the Reserve Fund, allocated as a part of the Reserve Fund for the security of "Bonds Similarly Secured" under the resolutions authorizing the issuance of such Bonds Similarly Secured (including amounts held in the Reserve Fund by reason of the issuance of the Previously Issued Bonds) shall continue to be held as a part of the Reserve Fund for the security and payment, if required, of Bonds Similarly Secured as defined herein. The Authority hereby covenants and agrees with the holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, at such time as the Previously Issued Bonds identified in 1-7 of Section 10(I) hereof are no longer Outstanding, the average annual requirement shall also be calculated at the end of each Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

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

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the money in the Reserve Fund be utilized so the Reserve Fund balance is less than the Required Reserve Fund Amount, after the same has been accumulated, monthly deposits shall be made in an amount not less than one-twelfth (1/12th) of the amount of the deficiency and shall continue to be made on or before the twenty-fifth (25th) day of each month until the Required Reserve Fund Amount has been fully restored.

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

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

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

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and 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 13, shall be transferred to any other fund created by this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

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

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

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

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.

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

(d) The Additional Bonds are made to mature on April 1 or October 1 or both in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that (i) the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and (ii) any additional amount to be maintained in the Reserve Fund shall be accumulated within not

more than 60 months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

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

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

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

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

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.

(c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.

(d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

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

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

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

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

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

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

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

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

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the

Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

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

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

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

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

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

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

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor,

together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Authority shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

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

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

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

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

manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

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

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

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

SECTION 31: Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

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

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

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

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

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

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is

sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the general fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date;

and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

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

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

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

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

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

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

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

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

SECTION 38: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution

or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Continuing Disclosure Undertaking.

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal

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

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

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

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

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

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

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

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

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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

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

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

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

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

SECTION 45: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact

business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 46: Contract. The Contract is amended to include the Series 2024 Project and a description of the Series 2024 Project shall be attached to the contract as Exhibit D-16. In all other respects the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 47: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

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

[remainder of page left blank intentionally]

PASSED AND ADOPTED, this November 13, 2023.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Form of Paying Agent/Registrar Agreement

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, _____, Texas, a banking corporation duly organized and existing under the laws of the _____ and authorized to do business in the State of Texas, 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 "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2024 (City of Sherman Project)" (the "Securities"), dated _____, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____; 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, as amended 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:

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 Current Interest Bond when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Current Interest Bonds (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. The Bank represents and warrants that it will at all times have immediate access to the Security Register by electronic or other means and will be capable at all times of producing a hard copy of the Security Register for use by the Issuer. 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 Securities. 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 Cancelled Securities. 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 on 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.

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 and Foreign Terrorist 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.

[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.

By: _____

Title: _____

Address: _____

GREATER TEXOMA UTILITY AUTHORITY

By: _____
Pricing Officer

Address: 5100 Airport Drive
Denison, Texas 75020

ANNEX A
FEE SCHEDULE

EXHIBIT B

Contract For Water Supply and Sewer Service

CONTRACT FOR WATER SUPPLY AND SEWER SERVICE

THE STATE OF TEXAS

THE COUNTY OF GRAYSON

THIS AGREEMENT is made and entered into as of March 1, 1985, 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, (the "Act") and the CITY OF SHERMAN, TEXAS, a municipal corporation in the County of Grayson, Texas (hereinafter referred to as the "City") duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

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

WHEREAS, certain revenues to be received by the Authority from the City under this Agreement 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

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies, have mutually agreed upon the terms and conditions of this Agreement; now, therefore,

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

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 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, or any bonds issued to refund same.
- (e) "City" shall mean the City of Sherman, Texas.
- (f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.
- (g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a

different firm on different aspects of the Project; that the Engineers (and the scope of their work) are set forth in Exhibit A; and that the Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.

- (h) "Fiscal Year" shall mean the twelve month operating period (under this Agreement) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).
- (i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.
- (j) "Operator" shall mean the party to this contract who is designated (in Exhibit B) as the party responsible for the act to be performed.
- (k) "Project" shall mean, collectively, the Water Project and the Sewer Project.
- (l) "Sewer Project" shall mean the sanitary sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement, or obtained as grant funds, from any source, for the purpose of paying all or part of the cost of the Project described in Exhibit C (as now or hereafter amended).

- (m) "Water Project" shall mean the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement or obtained as grant funds, from any source; for the purpose of paying all or part of the cost of the Project described in Exhibit "D" (as now or hereafter amended).

ARTICLE II

Representations and Agreements

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

- (a) In its capacity as a duly incorporated City of Texas, it is empowered under applicable laws of Texas, particularly under the Interlocal Cooperation Act, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this contract for the 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 services adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sanitary Sewer System.
- (d) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this contract.

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

- (a) In its capacity as a conservation and reclamation Authority 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 Interlocal Cooperation Act and the Texas Water Code, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this contract.
- (b) That it will finance all costs of the Project not provided by the City and any grant secured for the construction of the Project.

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

- (a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.
- (b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.
- (c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.
- (d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the City.
- (e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

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

ARTICLE III

Fiscal Matters

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received for the purpose of providing all or part of the Project. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the City's obligations to make any and all payments specified in this Article will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this Contract, and the City agrees that it will make to the Authority the following payments:

- (a) Monthly amortization payment -- Such amounts, payable monthly on or before the 25th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.
- (b) Reserve Fund Payment -- Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution in order to establish, maintain or replenish the Reserve for the security and payment of Bonds similarly secured.

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

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

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

- (b) Reserve Fund Payment -- the City shall commence making these payments on the 25th day of a month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such Bonds.
- (c) Administrative Payment -- the City shall commence making the administrative payment on the 10th day following the effective date of this Contract, and thereafter such payment shall be made on the 25th day of each month thereafter throughout the term of this contract.
- (d) Extraordinary Expense Payment -- the City shall make any extraordinary expense payment immediately upon receipt of the statement therefor.
- (e) Maintenance and Operating Expenses: (i) if the City is designated as the Operator under Section 3.03, such expenses shall be paid by the City as the same becomes due; or (ii) if the Authority is designated as the Operator under Section 3.03, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 25th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or thereafter prior to the beginning of each fiscal year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment, as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the fiscal year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project.
Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall

pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this section, the City agrees to indemnify and to save and hold harmless the Authority from any and all 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 amount 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 damaged or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a maintenance and operation expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The City covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unuseful by reason for "force majeure". The City recognizes the fact that the Authority will use the payment received from the City hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely on the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the City.

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

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

- (a) The City represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the City's combined Water and Sanitary Sewer System.
- (b) The City further agrees to fix and collect such rates and charges for water and sanitary sewer services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its combined Water and Sewer System, including all payments, obligations and indemnities contracted hereunder.

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

ARTICLE IV

Miscellaneous Provisions

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the delivery of the first series of Bonds issued to fund the cost of the Project and continue for the period during which the Bonds are outstanding and unpaid.

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

SECTION 4.03: Abandonment of Use of Project. It is specifically recognized by the parties hereto that the City, during the term of this contract, may acquire other sewer facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

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

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

SECTION 4.04: Modification of Provisions. This contract may be changed and modified only with the consent of the governing bodies of all parties signatory. 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 representatives 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 monies required to be paid by the City under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

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

SECTION 4.05: 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 agreement shall be in the City.

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

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

To the City: City Hall
P. O. Box 1106
Sherman, Texas 75090
Attention: Mayor, City of Sherman

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 City hereunder as may be required to accomplish the purpose of this contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the

Project. The court may further vest the receiver with such powers and duties, as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that the City has heretofore issued, sold and delivered revenue bonds that are payable from and secured by a lien on and pledge of the net revenue of its combined Water and Sanitary Sewer System; that the bonds so issued and delivered (which remain outstanding) are fully described in Exhibit E.

The City represents to the Authority:

- (a) There is no provision in the ordinances authorizing the issuance of such revenue bonds which prohibits the City from entering into and executing this contract.
- (b) The execution of this contract and the operation thereunder will not in any way impair the obligation of contract by and between the City and the owners of its outstanding bonds payable from revenues of its Water and Sanitary Sewer System since the Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

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

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

SECTION 4.13: 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 obligations under this Agreement, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall

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

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

(c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Agreement and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Agreement. 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. City agrees that Authority may have such easements over any easements, right of way or property held by City 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 City.

- (a) Prior to the issuance and delivery of any bonds which are: (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this section.
- (b) If the bonds are to be sold at a public sale, the governing body of the City shall, by resolution, 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; if the bonds are refunding bonds, the governing body of the City shall, by resolution, approve either (i) the form of purchase contract or (ii) the resolution authorizing the issuance of the refunding bonds.
- (c) If the bonds are to be exchanged for property or services, the governing body of the City shall, by resolution, approve (i) the resolution 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.

SECTION 4.16: Effective Date of this Contract. (a) The parties hereto, and the Texas Water Development Board, by virtue of its approval evidenced by the signature of the Development Fund Manager appearing hereon, recognize this Contract is an amendment to and replacement of a "Water Supply Contract" dated June 1, 1980, and a "Sewer Service Contract" dated as of October 1, 1981, (the "prior contracts"). Upon the effective date of this Contract, the prior contracts and their effect shall cease to be of effect.

(b) This Contract shall be effective and be in full force and effect at such time as:

(1) The Board of Directors of the Authority has adopted a resolution authorizing the issuance of bonds, to refund the outstanding bonds of the Authority described as:

- (i) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1981 - City of Sherman Water Supply";
- (ii) "Greater Texoma Municipal Utility District Revenue Bonds, Series 1982-A - City of Sherman Sewer Service"; and
- (iii) "Greater Texoma Utility Authority Revenue Bonds, Series 1983 - City of Sherman Sewer Service"

and the Attorney General of Texas has approved such refundings bonds; and

(2) The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract, as evidenced by his signature appearing hereon.

SECTION 4.17: Waverability. The parties hereto agree that if any of the provisions of this Agreement contravene or be held invalid under the laws of the State, same shall not invalidate the whole Agreement but it shall be construed as through 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 Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATERTEXOMA UTILITY AUTHORITY

By: Robert A. Smith
President, Board of
Directors

ATTEST:

James M. Smith
Secretary, Board of Directors
(Authority Seal)

CITY OF SHERMAN, TEXAS

By: [Signature]
Mayor, City of Sherman

ATTEST:

[Signature]
City Clerk, City of Sherman

APPROVED AS TO LEGAL FORM:

[Signature]
City Attorney, City of Sherman

(City Seal)

The Development Fund Manager of the Texas Water Development Board has consented to the execution of this Contract as authorized by the Texas Water Development Board on July 21, 1983.

[Signature]
Development Fund Manager

EXHIBIT A - SUPPLEMENTAL PROJECT

City of Sherman Wastewater Project

Engineer:

J. Terry Milligan
Freeman-Milligan, Inc.
9500 Forest Lane, Suite 201
Dallas, TX 75243

(214) 503-0555
(214) 503-1148 (fax)

EXHIBIT A
SUPPLEMENTAL PROJECT (2009)

ENGINEER

U.S. 75 North Sewer Project

Freeman-Millican, Inc.
12225 Greenville Ave., Suite 121
Dallas, TX 75253

EXHIBIT B – SUPPLEMENTAL PROJECT (2009)

City of Sherman

EXHIBIT C – SUPPLEMENTAL PROJECT

Wastewater Project Description

Construction of the North Central relief Sanitary, Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-1 – SUPPLEMENTAL PROJECT

Project Description

The sewer system improvements project for the City of Sherman involves improvements to the biological capacity of the wastewater treatment plant, adding a third aeration basin; and construction of Relief Sewer C in the south central portion of the City of Sherman.

EXHIBIT C-2 – SUPPLEMENTAL PROJECT

Project Description

The construction, acquisition and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, to wit: construction of the North Central Relief Sanitary Sewer and purchase and installation of ultraviolet equipment for the Sherman wastewater treatment plant.

EXHIBIT C-3 – SUPPLEMENTAL PROJECT

Project Description (2008)

Wastewater Treatment Plant Digester Rehabilitation consisting of replacement of compressors, piping, burners, ancillary equipment, and other appurtenances as necessary in sludge digesters; Major Sewer Rehabilitation - Relief Sewer K-4 Phase 1, consisting of construction of relief sewer between McGee Street and Lamberth Road; and Major Sewer Rehabilitation, consisting of sewer mains along US Highway 75 corridor to FM 691, including lift stations and other appurtenances as necessary.

EXHIBIT C-4 - SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009)

Major sewer rehabilitation, consisting of sewer mains along US Highway 75 North of the City of Sherman, including lift stations and other appurtenances as necessary.

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EXHIBIT C-5 - SUPPLEMENTAL PROJECT

PROJECT DESCRIPTION (2009-A)

Wastewater Treatment Plant Improvements:

The improvements to the wastewater treatment plant include two digester roof projects, a primary clarifier rehabilitation and a fine screen installation, and other appurtenances as necessary.

Relief Sewers:

Relief Sewer C-1 will replace an existing sewer main that is deteriorated and has infiltration problems. Relief Sewer K-4 replaces a deteriorated sewer line that is also experiencing infiltration problems, and other appurtenances as necessary.

EXHIBIT C-6 – SUPPLEMENTAL PROJECT (2012)

Project Description

Wastewater

Modifications to the Sherman wastewater treatment plant headworks, including upgrading the variable frequency drive pumps, Phases I and II; East Side Lift Station engineering and design; biosolids engineering, design and construction; relief headworks preliminary engineering and design and storm water storage contingency.

EXHIBIT C-7 – SUPPLEMENTAL PROJECT (2013)

Project Description

Wastewater Treatment Plant Improvements

Improvements to the wastewater treatment plant, including biosolids engineering, design and construction.

Sewers

Construction of Blalock Industrial sewer replacement, all other appurtenances as necessary, and construction of SH289 Sewer Line A and other appurtenances as necessary.

EXHIBIT C-8 – SUPPLEMENTAL PROJECT (2013-A)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Relief Headworks Engineering and Construction

Sewers

Construction of South Sherman Relief Sewer and other appurtenances as necessary.

EXHIBIT C-9 – SUPPLEMENTAL PROJECT (2014)

WASTEWATER PROJECT DESCRIPTION

Wastewater Treatment Plant Improvements

Upgrading the UV disinfection system to replace sensors, control elements and other equipment as necessary with more reliable components, reconstructing the head works for lift station.

Wastewater Collection System

Replacement of existing 12" and 18" sewer and new 18" sewer main.

EXHIBIT C-10 – SUPPLEMENTAL PROJECT (2015-A)

Project Description (Sewer)

The construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the construction of improvements to the wastewater treatment plant head works life station and electrical upgrade improvements and other appurtenances as necessary

EXHIBIT C-11 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Sewer)

construction, acquisition, and improvement of sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of sewer lines, and other appurtenances as necessary

EXHIBIT C-12 – SUPPLEMENTAL PROJECT (2019)

Project Description (Sewer)

Sewer System Improvements to include construction and professional services associated with improvements to the wastewater treatment plant, including the aeration basin, biological clarifier, control building, and storm water lift station; construction and professional services associated with sewer line construction projects, including the construction of the Northwest Sewer, Sewer between Rosedale and First, and Moore Street Sewer and appurtenances and other costs as necessary for such sewer system improvements.

EXHIBIT C-13 – SUPPLEMENTAL PROJECT (2020)

Project Description (Sewer)

construction, acquisition, and improvement of wastewater system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including aeration basin upgrades, control building expansion, and rehabilitation to the biological clarifier, storm water lift station, equalization basin, primary clarifier No. 1, sludge pump station, and other appurtenances as necessary for wastewater treatment plant improvements, construction of a brine line from the water treatment plant to an existing lift station, and other appurtenances and costs to transport the water treatment plant reject water

EXHIBIT D -- SUPPLEMENTAL PROJECT

Water Project Description

None

EXHIBIT D-1 – SUPPLEMENTAL PROJECT

Project Description

The water system improvements project for the City of Sherman includes a major water transmission line from US 82 to Taylor Street.

EXHIBIT D-2 – SUPPLEMENTAL PROJECT

Project Description

City of Sherman various water line replacements and relocations, various water main extensions and various water main relocations and reconstructions and other water appurtenances as needed.

EXHIBIT D-3 - SUPPLEMENTAL PROJECT

WATER PROJECT DESCRIPTION (2008)

Construction of water line(s) along U. S. 75 from approximately U. S. 82 to FM 601, to including piping and all other appurtenances necessary for the construction of the water line.

EXHIBIT D-4 -- SUPPLEMENTAL PROJECT (2011)

Water Project Description

Lake Texoma Pump Station Expansion including installation of two (2) 6,000 HP pumps along with necessary electrical, SCADA, and instrumentation equipment; installation of discharge piping, pump control valves, butterfly valves, and miscellaneous appurtenances; power improvements as needed to supply power to operate the new equipment; condition assessment modifications of Section 1 of the existing 72-inch Texoma Pipeline to upgrade condition and pressure capacity of pipe

EXHIBIT D-5 -- SUPPLEMENTAL PROJECT (2012)

Project Description

Water

Construction of a second water transmission line from the water treatment plant to the distribution system (Phases I and II), including engineering, right of way and construction; modifications to the Lake Texoma Raw Water Pipeline to provide for cleaning facilities to clean zebra mussels from pipeline; and flocculation basin and piping relining.

EXHIBIT D-6 – SUPPLEMENTAL PROJECT (2015)

Project Description (Water)

The construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition and design associated with the City of Sherman expansion and upgrade and expansion of the water treatment plant, disposal pipeline to the lift station located at the southwest corner of the intersection of U.S. 75 and FM 691 and other appurtenances as necessary

EXHIBIT D-7 – SUPPLEMENTAL PROJECT (2015B)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant expansion and new elevated storage tank and other appurtenances as necessary,

EXHIBIT D-8 – SUPPLEMENTAL PROJECT (2017)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction for a water treatment plant, and other appurtenances as necessary

EXHIBIT D-9 – SUPPLEMENTAL PROJECT (2017A)

Project Description (Water)

construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Sherman, Texas (the "City"), including the planning, acquisition, design and construction of water lines and rehabilitation of the Gallagher elevated storage tank, and other appurtenances as necessary

EXHIBIT D-10 – SUPPLEMENTAL PROJECT (2019)

Project Description (Water)

Water System Improvements to include construction and professional services associated with improvements to the construction of the water crossing under US 75 at Choctaw, and cathodic protection improvements at the Lake Texoma Pump Station; and appurtenances and other costs as necessary for such water system improvements.

EXHIBIT D-11 – SUPPLEMENTAL PROJECT (2019A)

Project Description (Water)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-12 – SUPPLEMENTAL PROJECT (2021)

Project Description (Sewer)

Construction, acquisition and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-13 – SUPPLEMENTAL PROJECT (2022)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-14 – SUPPLEMENTAL PROJECT (2023)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-15 – SUPPLEMENTAL PROJECT (2023A)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT D-16 – SUPPLEMENTAL PROJECT (2024)

Project Description (Water and Sewer)

Construction, acquisition, and improvement of water and sewer system facilities and necessary appurtenances for use by the City of Sherman, Texas (the “City”), and the acquisition of land and rights-of-way necessary therefor or incidental thereto, and the payment of all costs incident and related to the acquisition and financing thereof.

EXHIBIT E – SUPPLEMENTAL PROJECT (2009)

Outstanding Debt on the System

NONE

AGENDA ITEM IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 9, 2023

SUBJECT: AGENDA ITEM NO. IX

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

**CONSIDER AND ACT UPON KIEWIT WATER FACILITIES SOUTH COMPANY'S GUARANTEED
MAXIMUM PRICE D AND AMENDED GUARANTEED MAXIMUM PRICE C FOR CITY OF
SHERMAN'S SOUTH WASTEWATER TREATMENT PLANT – MBR PROJECT.**

ISSUE

Consider and act upon Kiewit Water Facilities South Company's Guaranteed Maximum Price D and Amended Guaranteed Maximum Price C for City of Sherman's South Wastewater Treatment Plant – MBR Project.

BACKGROUND

Due to rapid industrial and municipal growth currently being experienced by the City of Sherman, the Wastewater Treatment Plant has to be expanded to meet expected flow and effluent characteristics. Given these characteristics, our engineers recommended a Membrane Biological Reactor (MBR) as the treatment method that will be required to meet the TCEQ requirements. In order to meet the abbreviated timeline, the method of construction delivery chosen was Construction Manager at Risk, or CMAR. Requests for Qualifications (RFQ's) were submitted with three construction firms submitting Statement of Qualifications (SOQ's). The contractor chosen to undertake the new Wastewater Treatment Plant – MBR was Kiewit Water Facilities South, Co.

The engineers have undertaken pre-selection of various long lead time equipment to save as much time as possible. Further, the contractor, now procured, is also undertaking pre-procurement to expedite time of delivery.

CONSIDERATIONS

The City of Sherman is requesting the Authority to approve Kiewit Water Facilities South Guaranteed Maximum Price D for early grading, excavation, and dewatering and amending Guaranteed Maximum Price C for early procurement.

The City of Sherman accepted bids for the civil work on November 3, 2023 at City Hall and received one bid from Kiewit Water Facilities South Co. The City of Sherman and their engineers evaluated the bid and found the bid acceptable. Based on that bid, Kiewit is proposing a GMP D in the amount of \$19,058,592.43.

Due to price received from early procurement equipment bids, Kiewit is asking to amend GMP C from \$10,000,000 to \$17,190,730. GMP D and C will increase the contract from \$57,113,451.85 to \$83,362,74.28.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving the GMP D and amend GMP C, for Kiewit Water Facilities South Co for the South Wastewater Treatment Plant – MBR Project, increasing the contract amount to \$83,362,74.28. This item is contingent upon the City's approval.

ATTACHMENT

Engineer's Letter of Recommendation

November 8, 2023

GTUA/City of Sherman
220 W Mulberry St.
P.O. Box 1106
Sherman, TX 75091
(903) 892-7208

Re: COSK South Wastewater Treatment Plant - MBR Project
Amendment 02 Recommendation for GMP C and GMP D

Dear GTUA/City of Sherman:

GMP C. During pricing negotiations, the original budget amount of \$10,000,000.00 for GMP C is inadequate to cover contracted final pricing with respective vendors. The total variance is \$7,190,730. 00 for a new total of \$17,190,730.00 for GMP C.

GMP D. To support construction of the South Wastewater Treatment Plant – MBR Project the Construction Manager At Risk (CMAR), Kiewit, publicly advertised for proposals the Civil Package BP04-001 on October 15, 2023. Kiewit notified the City of the CMAR's intention to bid on this package prior to the advertisement. Responses to the advertisement were received by the City of Sherman on November 3, 2023 and publicly read aloud as indicated in the advertisement. The following is a list of respondents:

1. Kiewit Water Facilities South Co. (Kiewit)

All required proposal documents were included in the submittal by Kiewit. The City, GTUA, Design Engineer, and Program Management team have reviewed the proposal based on criteria established in the advertisement and prepared selection worksheet materials. Based on review of the proposal and evaluation discussions with GTUA, City staff, and the Design Engineer; the Program Management Team evaluated the proposer with respect to the evaluation criteria and weighting described in the RFP as follows:

1. Kiewit Water Facilities South scored 78.81/100

It is the opinion of the Program Management Team that Kiewit is qualified to perform this work and has the necessary equipment and personnel to carry out the intended work of this package in a manner that will enable the completion of the project within the required time period. We recommend award of the contract to Kiewit Water Facilities South for the BP04-001 Civil Package for the Wastewater Treatment Plant South – MBR project, and that a contract amendment be approved to add the cost of work proposed for this work package,

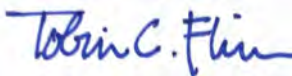
\$19,058,592.00, to the CMAR Contract for Services which includes CMAR fees and a contingency.

The lack of bids from other contractors besides Kiewit was a concern discussed during bid evaluation. The program management team called several plan holders to understand why they did not submit a proposal for this work package and have discussed these reasons with the CMAR and the City of Sherman to determine if bidding strategies can be improved to encourage interest from more qualified bidders beyond what had been completed through advertisement in the local newspaper and CIVCAST. The associated bid documentation is attached to this letter for bid package 04-01.

The total project funding request for GMP C and D is \$26,249,322.00. By authorizing this amendment, the following contract adjustments will be made:

Original Contract Value:	\$ 2,865,000.00
Previous Amendments:	\$ 57,248,451.85
<u>Proposed Amendment 02:</u>	
GMP C	\$ 7,190,730.00
GMP D	\$ 19,058,592.00
Revised Total Contract Value:	<u>\$ 83,362,773.85</u>

Respectfully,



Toby Flinn, PE
Vice President

Attachments:

1. Proposal Tabulation (Bid Checklist)
2. Proposal Evaluation Worksheet
3. CIVCAST plan holders

Sherman South WWTP-MBR Civil Package BP04-001

Bid Opening November 3, 2023

Project No. 1422-005-02

	Kiewit	Bidder #2	Bidder #3	Bidder #4	Bidder #5	Bidder #6
DESCRIPTION						
Acknowledgement of Addendum (1)	yes					
Completed & Signed Bid Form	yes					
Total Price	\$ 15,502,635.00					

ATTACHMENT 2

Project	COSK South WWTP MBR
CMAR:	Kiewit
Work Package:	BP04-001 Civil Earthworks

SUBCONTRACTOR SCORECARD TEMPLATE CRITERIA CHECKLIST

CRITERIA SCORES	WEIGHT	Kiewit AVG WEIGHTED SCORE	NOTES
Proposal ¹	1	0.43	Proposal meets requirements
1. Pricing	30	18.19	Difficult to evaluate price basis from quantities provided
2. Commercial / Technical	30	28.37	Includes needed information
3. Ability to meet Schedule	40	32.25	Ability to meet project schedule
Total Score	100	78.81	

Notes

- 1 Proposal are tabulated to determine responsiveness. However, this was not indicated in the advertisement as a scoring criteria so will not be counted as a weighted component.
- 2 Weighted Score includes individual scores of the evaluation team that includes GTUA, COS, Designer, Prog. Mgr.

ATTACHMENT 3

CITY OF SHERMAN SOUTH WASTEWATER TREATMENT PLANT – MBR CIVIL PACKAGE

Company	Company Type	Contact Name
Mickie Service Company Inc.	Not Specified	Jessica Anttila
DE Corp.	Engineer	Johan Petterson
Drill Tech Drilling & Shoring	General Contractor	Derek Paulson
Virtual Builders Exchange	Plan Room	Jeannette Olguin
Civil Tree Solutions	SubContractor	Civil Tree Solutions
PWXPress	Plan Room	Mary Miller
FERGUSON ENTERPRISES Treatment Plant Division	Supplier	Keith Hill- Sales Manager- TPG-NTX
Macaulay Controls	Supplier	Amy Macaulay
ConstructConnect	Plan Room	Michael Stubbs
ISE Metal Inc	Manufacturer	Daniel Poirier
Environmental Improvements	Supplier	Melissa Ledger
Victaulic - Infrastructure	Manufacturer	Jose Luis Duran
Global WET	Supplier	Sam Caillouet
Backwater Fence	SubContractor	Brandt Holder
Kiewit Water Facilities South Co.	General Contractor	Andrew Lattof
AAA Treasure	Supplier	Gary Wade
Newman Regency Group	Supplier	Brandon Mellgren
CORE & MAIN Treatment Plant Services	Supplier	Jeff McCord
The Valve Agency Inc	Supplier	Brandon Wray
Eagle Contracting	General Contractor	Greg Byars
HWH Industrial	General Contractor	Jared Kinabrew
KSA Engineers	Engineer	Madelyn Tadlock
Harrison, Walker & Harper	SubContractor	Melissa Gordon
Kiewit Water Facilities South Co.	General Contractor	Chandler Petersen
Mario Sinacola & Sons Excavating, Inc.	General Contractor	Nathan Nolen
RAB	SubContractor	Morgan Bell
Lynn Vessels Construction LLC	General Contractor	Lance Wood
North Texas Contracting	SubContractor	Zach Fusilier
Mead & Hunt	Engineer	Mark Perkins
Kiewit	General Contractor	Dan Jansen
Kiewit Water Facilities South Co.	General Contractor	Jaryd Frost
Freese and Nichols	Engineer	Eric Kong
Macaulay Controls Co.	Supplier	Vito Valderas
OFA	Engineer	River Vu
Harberson Surveying, Inc.	SubContractor	Lynn Harberson
Dunaway	Engineer	Zack Dawson
Carollo Engineers, Inc.	Engineer	Megan Martin
Aer Tellus Aqua Unmanned Systems, LLC	SubContractor	Christopher Kumnick
Kiewit Water Facilities South Co.	General Contractor	Chandler Petersen
Plus Six Engineering, LLC	Engineer	Ron Mick
Integrated Marketing Systems (IMS)	Architect	Shabron Gaynor
WWaterTech, Inc.	Supplier	Cathy Aldrich
Plummer Associates, Inc.	Engineer	Cylena Eason
NTPCR PLANROOM	Other	Linda McBride
RLG Consulting Engineers	Engineer	Lindsay Hart
North America Procurement Council Inc., PBC	Other	Eric Johnson
Carollo	Engineer	Brenna Wagner
GTUA	Gov Agency	Stacy Patrick

AGENDA ITEM X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 9, 2023

SUBJECT: AGENDA ITEM NO. X

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

CONSIDER AND ACT UPON AN AWARD OF CONTRACT FOR THE CITY OF SHERMAN WATER TREATMENT PLANT EDR REHABILITATION PROJECT – EDR CONTROL SYSTEM.

ISSUE

Consider and act upon an award of contract for the City of Sherman Water Treatment Plant EDR Rehabilitation Project – EDR Control System.

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 previously requested GTUA to enter into an agreement to purchase 96 EDR replacement filter stacks from Veolia WTS Solutions. M&M Industrial Control Services, Inc. designs, installs and programs the controls for the Veolia EDR systems. The City is requesting GTUA to enter into an agreement with M&M Industrial Control Services, Inc. to provide the necessary equipment, programming and controls for the WTP EDR Rehab Project for the proposed amount of \$248,500.

STAFF RECOMMENDATIONS

The Authority Staff recommends the award of the contract to M&M Industrial Control Services in the amount of \$248,500.00 for the City of Sherman Water Treatment Plant Conventional Treatment Rehabilitation Program.

ATTACHMENTS

M&M Proposal

M&M Industrial Control Services Inc.

EDR Control System Upgrade

To:	City of Sherman referred to here as Buyer	Date:	September 11, 2023
		No. of Pages:	11 including cover
Attention:	Jim Cross Oscar Canales Jamie Weger	Email:	jimcross@cityofsherman.com oscarc@cityofsherman.com jamiew@cityofsherman.com
Plant Address:	243 La Cima Drive Sherman, TX 75090 US	Telephone No.: Cell No.: Fax No.:	
From:	Michael Mack Technical Director M&M Industrial Control Services Inc.	Email: Cell No.:	mmindserv@earthlink.net 832-309-0588
CC:	Joseph Aldridge - Veolia		
Subject:	EDR Control System Upgrade: Control Panels & SCADA system	Proposal No.:	040723-5
		Original Project No.:	A368
Plant Data:	Please provide corrections if inaccurate City of Sherman EDR Water Treatment Plant, 4 units, 8 lines per unit, 3 stages per line. Units 1-3 have platinum electrode stacks installed; Unit 4 has carbon electrode stacks installed.		

M&M Industrial Control Services Inc.

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1 Introduction

M&M Industrial Control Services Inc. is pleased to present this proposal at the request of the City of Sherman to provide budgetary pricing for the EDR control system upgrades & modernization for the City of Sherman EDR WTP.

The control system upgrade will include replacement of the existing TI545 based control system to an Allen Bradley CompactLogix based PLC system for the main control panel and EDR unit control panels. New control panel back panels will be fabricated and installed for the (4) EDR Unit control panels. The main control panel back panel will be modified to accommodate the new Allen Bradley CompactLogix PLC equipment. New C-more HMI units will replace the obsolete Uticor HMI's at each of the EDR unit control panels.

The existing Wonderware SCADA system will be replaced with Rockwell's FactoryTalk View Site Edition for plant monitoring, control and data archiving.

A new PanelView Plus HMI will be programmed and installed at the MCP to provide another means (backup) of plant monitoring and control.

M&M Industrial Control Services Inc.

2 M&M Industrial Controls Scope & Price

M&M Industrial Controls scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

Item Description	Part #	Quantity	Price
EDR Control Panels Upgrade to AB CompactLogix PLC system		4	206,500
Main Control Panel Upgrade to AB CompactLogix PLC system		1	
SCADA System Upgrade to Rockwell FactoryTalk View Site Edition		1	
Off-site support, project management, programming and engineering/drafting support, section 4.1		incl.	
Material, off-site labor, delivery		Sub-total	206,500
On-site support, 1xCSR on-site for 30x8-hr days plus travel & living, section 4.2		4-5 visits	42,000
On-site support		Sub-total	42,000
All figures are in USD and exclude taxes, which will be applied at the time of invoicing. Please make purchase order to M&M Industrial Control Services Inc.		Total Price	248,500

Proposal Notes:

- M&M Controls would like to note that under the current exceptional circumstances across global supply chains and logistics networks, M&M Controls may not be in a position to guarantee and comply with the planned schedule for product / project delivery or performance.

M&M Industrial Control Services Inc.

Invoicing Schedule	Approximate % of Sub-Total	Total Invoice Value, Excluding Tax
An invoice will be issued upon acceptance by M&M Controls of customer purchase order. Approximate percent calculation based on the material, off-site labor, delivery sub-total of the purchase order.	20%	41,300
An invoice for a portion of the material, off-site labor, delivery sub-total will be issued when EDR1 back panel replacement and new solenoid manifold is delivered to the jobsite.	40%	41,300
An invoice for a portion of the material, off-site labor, delivery sub-total will be issued when MCP AB replacement components and new SCADA system is delivered to the jobsite.	60%	41,300
An invoice for a portion of the material, off-site labor, delivery sub-total will be issued when EDR4 back panel replacement and new solenoid manifold is delivered to the jobsite.	80%	41,300
An invoice for the balance of the material, off-site labor, delivery sub-total will be issued when EDR2 & 3 back panel replacement and new solenoid manifolds are delivered to the jobsite.	100%	41,300
An invoice for a portion of the on-site support sub-total will be issued upon completion of EDR1 and related SCADA system commissioning.	30%	12,600
An invoice for a portion of the on-site support sub-total will be issued upon completion of EDR4 and related SCADA system commissioning.	60%	12,600
An invoice for the balance of the on-site support sub-total will be issued upon completion of EDR2 & 3 and related SCADA system commissioning.	100%	16,800
		248,500

3 Material Description

3.1 EDR Unit Control Panels upgrade (each panel)

Qty	Item
1	1769 CompactLogix I/O Power Supply
1	1769 CompactLogix L33ER controller
4	1769 CompactLogix Digital Input Module, 24VDC, 16-point
1	1769 CompactLogix Digital Input Module, 120VAC, 16-point
2	1769 CompactLogix Digital Output Module, 120VAC, 16-point
2	1769 CompactLogix Analog Input Module, 8-point
1	1769 CompactLogix End Module, right end cap
1	C-more HMI, 3" LCD
1	Allen Bradley 24VDC Power Supply
1	Allen Bradley Stratix 2000 network switch
lot	Numatics, Festo or equal solenoid manifold & solenoid pilot valves
1	Hoffman 48 x 36 back panel
lot	CB's, CR's, FTB's, TB's & other panel components

3.2 Main Control Panel (MCP) PLC upgrade

Qty	Item
1	1769 CompactLogix I/O Power Supply
1	1769 CompactLogix L33ER controller
4	1769 CompactLogix Digital Input Module, 120VAC, 16-point
3	1769 CompactLogix Digital Output Module, 120VAC, 16-point
2	1769 CompactLogix Analog Input Module, 8-point
1	1769 CompactLogix End Module, right end cap
1	PanelView Plus 7 HMI, 10" touch, 24VDC
1	Allen Bradley 24VDC Power Supply
1	Allen Bradley Stratix 2000 network switch

M&M Industrial Control Services Inc.

3.3 SCADA upgrade

Qty	Item
1	Dell PC & Monitor
1	UPS (1500VA)
1	Desktop 5-port Ethernet Switch
1	Rockwell FactoryTalk View SE Runtime SW & License

4 M&M Industrial Control Services Support

4.1 Off-Site Support

Controls

- (4) EDR control panel replacement back panel design & fabrication
- (1) MCP control panel existing back panel redesign
- EDR & MCP PLC programming (Allen Bradley)
- EDR Skid HMI programming (C-more)
- MCP HMI programming (Panelview)
- SCADA programming

Documentation

The base level of documentation updates will include:

- Updates and modifications of relevant control system schematic drawings limited to the scope included in this proposal - issued electronically;
- Updated control panel enclosure assembly drawings for new or revised control panel back panels - issued electronically.

These updates should be filed in the O&M manual as interim documentation.

Project Management

Provide planning and off-site assistance during the EDR stack replacement project related to the PLC and instrumentation upgrade.

4.2 On-Site Technical Services

This proposal includes a provision for technical services during installation and commissioning process to support the City of Sherman's staff as outlined in section 2. M&M Controls will provide 1 CSR on-site for 30x8-hr days over the course of four to five separate visits. On-site support will include the installation of new control panel back panels for the

M&M Industrial Control Services Inc.

EDR Unit PLC panels, modifications to the MCP panel to remove the existing TI545 PLC equipment and replace with Allen Bradley CompactLogic PLC equipment, replacement of the existing obsolete HMI's at each EDR Unit panel, installation of an Allen Bradley PanelView HMI at the MCP and installation and setup of the new SCADA equipment. Onsite services will also include the routing and terminations of the instrument and valve wiring and pneumatic air tubing at the field device and PLC panel. Onsite services will also include instrument configuration, I/O loop checks, commissioning support, equipment start-up and training session(s) for operator and maintenance personal. Removal of existing back panels, installation of new back panels and initial routing of instrument and valve cabling and air tubing may require assistance of City of Sherman personnel.

This total time frame assumes no weekends or holidays are required and is based on an eight-hour workday and is an estimate of time needed to complete the mentioned tasks and does not constitute a guaranteed number of service days should the tasks take less or more time than estimated. Travel time to and from the job site for M&M field service personnel is included in this estimate. Travel/living (T&L) expenses are also included. To ensure personnel availability, M&M requires a minimum of two weeks' advance notice to schedule equipment start-ups.

M&M Controls Duties for On-Site Services

- M&M will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.

5 Delivery

- **Control System Equipment**
 - Delivery will be provided by seller (FOB) destination. Ownership of equipment shall pass to City of Sherman upon delivery at the jobsite.
 - **Taxes** - All applicable local, state, or federal taxes are the responsibility of the City of Sherman.
 - **Availability** – Delivery of replacement back panel for EDR Unit 1 is estimated at **10-12** weeks after receipt of order. It is estimated that without equipment delays, delivery and installation of EDR Units 1, 4, MCP and SCADA equipment would be completed by end of year (2023) or during the 1st quarter of 2024.

6 Scope - City of Sherman

All delivery or services not specified in the M&M Controls scope of supply are included in the Buyer scope of supply. It is the responsibility of the Buyer to remove and dispose of existing instrumentation, valves, wiring trough and associated PLC wiring for each of the EDR units.

In addition, the following scope of work is to be completed by Buyer as part of this EDR control system upgrade project.

- Provide and install a new mounting plate or instrument panel at each of the EDR skids for new EDR Unit instrumentation mounting. Mounting plate may also need to be large enough to allow for mounting of a small enclosure that contains the air manifold system if required by Buyer and Seller.
- Installation of all new EDR Unit instrumentation.
- Provide and install a replacement wiring trough or raceway for instrument and valve wiring, and pneumatic valve air tubing runs.
- Provide all instrument and valve associated wire/cable, pneumatic air tubing, fittings, flex conduit, support and other hardware as required for installation and ongoing operations.
- Stamping, signing, or sealing of general drawings as per Federal, State, or local regulations or codes.

M&M Industrial Control Services Inc.

7 Terms and Conditions of Sale

1 Legal Entity for Contracting

M&M Industrial Control Services Inc. is the name of the Seller.

short form: Where a short reference is required in this document, for convenience, we are called M&M or M&M Controls.

2 Payment

M&M prefers to receive payment by wire transfer and will also accept payment by courier check.

Wire transfer information for M&M Industrial Control Services Inc.	
Wells Fargo Bank, N.A. C/O M&M Industrial Control Services Inc. 420 Montgomery San Francisco, CA 94104	Account # 186665358 ABA # 121000248

3 Payment Terms

On approved credit, payment terms are net 30 days from customer receipt of invoice. Please see the invoicing schedule in the price section.

4 Proposal Validity

Prices quoted and proposal terms are valid up to thirty (30) days after the date of issue of this proposal unless confirmed with a purchase order.

5 Purchase Order Guidelines

Please confirm that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- Documentation – Our strong preference is to receive a hard or digital copy of your purchase order (PO) rather than a PO number alone. Your PO can be sent by email to mmindserv@earthlink.net. If you are not able to provide a PO, please contact us for alternatives.
- Quotation Number – Please reference the quotation number in your PO.
- Product – Please note which product(s) you wish to purchase along with the quoted price, particularly if quantities or scope differ from the quotation.
- Taxes – Please provide any required tax exemption certificates. Please indicate if taxes have been added in your PO.
- Payment Terms – Please acknowledge the payment terms included with the quotation.
- Bill-to Address – Please include contact information for your accounts payable.
- Ship-to Address – **Please clearly define the delivery location and the receiver’s email & telephone. Please** specify receiving hours and any special off-loading requirements.
- Delivery Date – Please include your requested delivery date.

M&M Industrial Control Services Inc.

8 Signed Agreement

Through the issue of this proposal, M&M signals their intent to enter into an agreement with City of Sherman. City of Sherman and M&M acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

**Offered by
Legal Entity:** M&M Industrial Control
Services Inc., also known as
M&M or Seller

**Accepted
by Legal
Entity:** City of Sherman
also known as Buyer

**Authorized
Signature
by:** _____

Title: _____

**Signature
Date:** _____

Signature: x

Purchase Order No: _____

Upon acceptance of this proposal, please forward the following either

• by email with .pdf attachments or • by postal mail or • by fax.

1) this signature page completed

to:

2) a hard copy of your purchase order, and

3) any required tax exemption certificates

mmindserv@earthlink.net

or

M&M Industrial Control Services
Inc.

2903 Edgewood Drive

Sugar Land, TX 77479

or

fax no.: 281 980 7501

This agreement comes into force when M&M has issued a formal acceptance of City of Sherman's Purchase order or formal acceptance of this City of Sherman signed agreement.

AGENDA ITEM XI



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 9, 2023

SUBJECT: AGENDA ITEM NO. XI

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

CONSIDER AND ACT UPON CHANGE ORDER NO. 1 TO VEOLIA CONTRACT FOR CITY OF SHERMAN, EDR UPGRADE

ISSUE

Consider and act upon Change Order No. 1 to Veolia Contract for City of Sherman, EDR Upgrade.

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.

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 \$5,586,970 for the purchase of EDR equipment. The City of Sherman's Water Production Staff will handle the installation of the equipment.

Veolia is requesting to switch from 650 cell pair to 600 cell pair EDR stacks for the project. The 600 cell pair stacks is Veolia standard product that provided the same level of performance and provide easy of shipping and maintenance activates. The change will reduce the contract price by \$175,000 for a new contract price of \$5,411,970.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving Change Order No. 1 to reduce the contract price by \$175,000 for a new contract price of \$5,411,970.

ATTACHMENTS

Change Order #1



Project: City of Sherman, EDR Upgrade
Veolia Project No.: 7609022
Change Order: 01, Revision: 0

Date:	19-Oct-2023	P.O.:	23-00434
Attn:	Jim Cross	Project:	City of Sherman
Company:	City of Sherman	From:	Jon Willner
Phone:	903-892-7215	Phone:	617-584-7101
Email:	jimcross@cityofsherman.com	Email:	jon.willner@veolia.com

Scope of Work:

To change the ninety-six (96) EDR stacks from the originally proposed 650 cell pair to 600 cell pair, which is the Veolia standard product. The standard 600 cell pair stacks will provide the same level of performance, but due to reduced height will provide the additional benefits of being able to be shipped in standard containers and will make maintenance activities easier.

Financial Impact:

Contract Value: \$5,586,970 USD
Change Order Amount: \$-175,000 USD
New Contract Value: \$5,411,970 USD

Schedule Impact:

No anticipated impact on delivery if within 15 days of issue.

Approval:

Authorized Signature

Name: (Print)

Date:

Notice:

1. Terms and Conditions of the Contract shall apply to this change order.
2. Impact of delivery dates are estimated and will be finalized upon acceptance of this change order.
3. This change order is valid for thirty (30) business dates from date of issuance.
4. No action can be taken without an authorized signature.
5. By accepting this Change Order, the Customer agrees to provide a revised purchase order for the amount listed.
6. By accepting this Change Order, the Customer authorizes Veolia WTS to proceed with said change order.

AGENDA ITEM XII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 9, 2023

SUBJECT: AGENDA ITEM NO. X

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

CONSIDER AND ACT UPON CHANGE ORDER NO. 004 TO THE CONTRACT WITH LANKMARK STRUCTURES FOR THE CITY OF PRINCETON ELEVATED STORAGE TANK PROJECT

ISSUE

Consider and act upon Change Order No. 004 to the contract with Landmark Structures the City of Princeton Elevated Storage Tank Project.

BACKGROUND

The City of Princeton requested assistance in obtaining funding for improvements to the City's water system. These improvements include a new elevated storage tank ("EST"), appurtenances, water line to connect the EST to their system, and other water system projects as funds allow.

The Texas Water Development Board ("TWDB") Drinking Water State Revolving Fund was initially selected as the funding source for these improvements. However, the TWDB informed the Authority staff in February 2021 that changes had been made to the State Revolving Funds ("SRF") programs by limiting the amount of funding they are making available. For at least the next 12 months the SRF program funding will be difficult to qualify for and will take significantly more time to be funded if a project ends up qualifying. Due to these changes in the SRF program and discussions with TWDB, the Authority switched funding programs and began pursuing funding through the Texas Water Development Fund ("DFund").

As we neared the end of 2021, we heard from the TWDB that DFund money would not be available until May of 2022. This timeline did not work for the City as they are on a tight timeline to have their EST constructed to be able to keep up with the growth that is happening within their water system service area. After discussions with the City staff, engineer, Authority's Bond Counsel and the Authority's Financial Advisor, the decision was made to pursue Open Market funds as the interest rates were relatively close to DFund rates and the project construction could be expedited. The Bond Issuance closed on March 3, 2022.

The first of the two projects includes the construction of a 2-million-gallon Elevated Storage Tank. In addition to standard Elevated Storage Tank appurtenances, this project also includes disinfection equipment, a tank mixer and an exterior bowl lighting system. This project was bid first as we anticipate this project taking more time to complete than the water line. This project was awarded by the Board at the March 2022 meeting.

Change Order No. 1 resulted in a decrease of \$11,732.00, resulting in a revised contract amount of \$7,947,268.00. This change order included additions (site entrance extension and tank mixer platform) and deductions (stairs, overflow pipe, washdown riser material and lightning protection).

Change Order No. 2 upsized the logo size to scale it based on physical tank size, an increase of \$15,796.00, resulting in a revised contract amount of \$7,963,064.00.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

Change Order No. 3 is the cost to add a dedicated hatch for the tank mixer, an increase of \$7,840.00 resulting in a revised contract amount of \$7,970,904.00.

CONSIDERATIONS

Change Order No. 004 is a credit to delete pedestal blast and leave pedestal as is, a decrease of \$7,150.00 resulting in a revised contract amount of \$7,963,754.00.

STAFF RECOMMENDATIONS

The Authority Staff recommends approving Change Order No. 004, a decrease of \$7,150.00 to the contract with Landmark Structures I, L.P. resulting in the amount of \$7,963,754.00. This action would be contingent upon the City of Princeton's approval.

ATTACHMENTS

Change Order No. 004

**PCCO #004**

Landmark Structures
1665 Harmon Rd
Fort Worth, Texas 76177
Phone: 817 439 8888

Project: 1746 - 1746 Princeton TX - 2.0 MG CET
1110 Myrick Ln.
Princeton, Texas 75407

Prime Contract Change Order #004: Delete Pedestal Blast and Contract Time Extension

TO:	Greater Texoma Utility Authority (GTUA) 5100 Airport Dr. Denison, Texas 75020	FROM:	Landmark Structures 1665 Harmon Rd Fort Worth, Texas 76177
DATE CREATED:	9/09/2023	CREATED BY:	Misa Banderas (Landmark Structures)
CONTRACT STATUS:	Pending - In Review	REVISION:	0
REQUEST RECEIVED FROM:		LOCATION:	
INVOICED DATE:		PAID DATE:	
REFERENCE:		CHANGE REASON:	Client Request
PAID IN FULL:	No	EXECUTED:	No
ACCOUNTING METHOD:	Unit/Quantity Based	SCHEDULE IMPACT:	90 days
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	CONTRACT FOR:	1:1746 Princeton TX - 2.0 MG CET Prime Contract
		TOTAL AMOUNT:	(\$7,150.00)

DESCRIPTION:

1. CE #012 - Delete Pedestal Blast - Associated credit to delete pedestal blast and leave pedestal as is.
2. CE #017 - Contract Time Extension - Good will time extension to allow for electrical components and generator manufacturer delays.
 1. Current Contract Dates
 1. Substantial Completion date: 10/3/23
 2. Final Completion date: 11/2
 2. Revised Contract Dates
 1. Substantial Completion date: 11/3/23
 2. Final Completion date: 1/31/24

ATTACHMENTS:**CHANGE ORDER LINE ITEMS:**

#	Budget Code	Description	Qty	Units	Unit Cost	Subtotal
1		Credit to delete pedestal blast	1.0	LS	\$(7,150.00)	\$(7,150.00)
2		Revised Contract Dates	1.0	LS	\$0.00	\$0.00
Grand Total:						\$(7,150.00)



PCCO #004

The original (Contract Sum)	\$7,959,000.00
Net change by previously authorized Change Orders	\$11,904.00
The contract sum prior to this Change Order was	\$7,970,904.00
The contract sum would be changed by this Change Order in the amount of	(\$7,150.00)
The new contract sum including this Change Order will be	\$7,963,754.00
The contract time will be increased by this Change Order by 90 days.	

Joseph Helmberger (Kimley-Horn and Associates, Inc.)

Greater Texoma Utility Authority (GTUA)

Landmark Structures
Chris Lamon
1665 Harmon Rd
Fort Worth, Texas 76177

5100 Airport Dr.
Denison, Texas 75020

 11/6/23
 SIGNATURE DATE

SIGNATURE DATE

DocuSigned by:
 9/19/2023
 DF180876BF0E4C6...
 SIGNATURE DATE

AGENDA ITEM XIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 7, 2023

SUBJECT: AGENDA ITEM NO. XIII

CONSIDER AND ACT UPON CHANGE ORDER NO. 4 TO THE CONTRACT WITH UNDERWOOD, INC. FOR THE CITY OF WHITEWRIGHT WATERLINE PROJECT.

ISSUE

Consider and act upon authorizing Change Order No. 4 to the contract with Underwood, Inc. for the City of Whitewright Waterline Project.

BACKGROUND

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

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

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

CONSIDERATIONS

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

STAFF RECOMMENDATIONS

The Authority Staff recommends approving Change Order No. 4, an extension of contract time due to expired railroad permit. Time extended to substantial completion date of 11/22/2023. No change in contract price. The contract price remains in the amount of \$762,921.75.

ATTACHMENTS

Change Order No 4

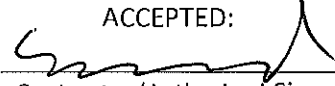
Date of Issuance: 10/20/2023	Effective Date: 10/20/2023
Owner: GTUA obo City of Whitewright	Owner's Contract No.: WTW007.002
Contractor: Underwood, Inc.	Contractor's Project No.: WTW007.002
Engineer: KSA engineers, Inc.	Engineer's Project No.: WTW007.002
Project: TWDB Water Distribution System Improvements	Contract Name: 62831 CID 02

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

Description: Extension of contract time due to expired railroad permit. Time extended to substantial completion date of 11/22/2023

Attachments: Original Railroad Permit: TNER220317146-PPL-EXECUTED
Renewed Railroad permit: TNER230723402 PPL-EXECUTED

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>752,421.75</u>	Original Contract Times: Substantial Completion: <u>270 (10/16/2022)</u> Ready for Final Payment: <u>300 (11/15/2022)</u> days or dates
[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: \$ _____	[Increase] [Decrease] from previously approved Change Orders No. <u>1</u> to No. <u>3</u> : Substantial Completion: <u>498</u> Ready for Final Payment: <u>528</u> days
Contract Price prior to this Change Order: _____ \$ <u>762,921.75</u>	Contract Times prior to this Change Order: _____ Substantial Completion: <u>June 4, 2023</u> Ready for Final Payment: <u>July 3, 2023</u> days or dates
[Increase] [Decrease] of this Change Order: _____ \$ _____	[Increase] [Decrease] of this Change Order: <u>Increase</u> Substantial Completion: <u>171</u> Ready for Final Payment: <u>171</u> days or dates
Contract Price incorporating this Change Order: _____ \$ <u>762,921.75</u>	Contract Times with all approved Change Orders: _____ Substantial Completion: <u>November 22, 2023</u> Ready for Final Payment: <u>December 22, 2023</u> days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (if required)	By: _____ Owner (Authorized Signature)	By:  Contractor (Authorized Signature)
Title: _____	Title: _____	Title: <u>President</u>
Date: _____	Date: _____	Date: <u>10/23/23</u>

Approved by Funding Agency (if _____)

AGENDA ITEM XIV



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: November 10, 2023

SUBJECT: AGENDA ITEM NO. XVII

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

**CONSIDER AND ACT UPON ADMINISTRATIVE SERVICE CONTRACT WITH THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT FOR 2024**

ISSUE

Administrative Services contract with the Red River Groundwater Conservation District (“RRGCD”) for 2024.

BACKGROUND

The RRGCD will consider the renewal of the Administrative Services contract with Greater Texoma Utility Authority at their December 20, 2023, meeting. The Authority has provided administrative services to the RRGCD since 2010. The current contract expires on December 31, 2024.

CONSIDERATIONS

The administrative services provided to the RRGCD are paid by the RRGCD and have been a great help in offsetting the administrative costs of the Authority and the District. This agreement provides a significantly more cost-effective mechanism for operating the RRGCD than procuring an office and hiring full-time staff. The costs for these services have been budgeted in the RRGCD’s 2024 budget.

STAFF RECOMMENDATIONS

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

ATTACHMENTS

2024 Administrative Services Contract

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

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

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

WITNESSETH:

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

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

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

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

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

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

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President’s direction does not conflict with any District, State or Federal Laws, or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached Scope of Services. Administrative services shall include, but not be limited to recording and communication services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the “General Manager” as set forth in the District’s Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and

Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District's Rules.

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

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

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

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

7. Surety Bond. Any officer, employee, or agent of the Authority who collects, pays, or handles any funds of the District shall furnish good and sufficient bond payable to the District in an amount determined by the

District Board to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. The bond shall be signed or endorsed by a surety company authorized to do business in Texas. The District Board hereby determines that the initial amount of each bond shall be set at \$50,000.00, and may alter the amount pursuant to a minute order or resolution adopted at a properly noticed meeting. The District Board shall provide the Authority with notice of any such alternative amount. The District shall reimburse the Authority for costs incurred in connection with providing administrative services to the District. Any such out-of-pocket costs exceeding \$2,500.00 per year shall require prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

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

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

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

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

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

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

14. Interpretation. Although drawn by the Authority, this contract shall, in the event of any dispute

over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

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

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

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

BY: _____
President

DATE: _____

DATE: _____

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary-Treasurer

Exhibit "A"

Scope of Services

- I. Recording and Communication Services
 - Act as point of contact for well owners by answering questions regarding rules
 - Provide all postings for meetings
 - Provide notice postings in timely manner
 - Mail notices and rules as needed
 - Prepare agenda after consultation with President
 - Prepare and e-mail draft minutes to Board of Directors
 - Complete minutes after review by Board of Directors
 - Maintain website as needed
 - Establish and maintain paper and electronic filing system
 - Provide written communications to well owners, TWDB and others as needed
 - Draft correspondence for signature by designated persons

- II. Database Collection for Registered and Non-Registered Wells in the District
 - Work with chosen database development firm to create the well registration system for the District
 - Operate and maintain well registration website and map, which will depict wells in each District county
 - Work with well owners to register wells and collect well registration fees
 - Employ field technician to locate and verify wells in each District county

- III. Development of Personnel and Other Policies
 - Prepare and present drafts of personnel policies for review by appropriate committee and Board of Directors
 - Prepare and present drafts of operating procedures for future staff to follow
 - Assist Board of Directors in training personnel for District at appropriate time

- IV. Assistance for Rule Development
 - Assist Board of Directors in development of permanent rules
 - Assist Board of Directors in the development and implementation of a Management Plan

- V. Accounting
 - Provide accounting services including keeping financial records, issuing invoices, paying invoices, etc.
 - Prepare and present monthly financial statements
 - Assist Board of Directors with development of budget
 - Prepare and provide documentation for audit

Approach to Provision of Services

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

Estimated Cost of Services

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

- The salary and employer personnel costs (social security, worker's compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$105,000 for administration and accounting, \$95,000 for the field technicians, and \$35,000 for field permitting specialist without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates:
 - General Manager – \$114 per hour
 - Project Coordinator - \$57 per hour
 - Administrative Assistant - \$35 per hour
 - Finance Officer - \$88 per hour
 - Accounting Assistant (2) - \$34 per hour
 - Office Clerk - \$36 per hour
 - Field Technician - \$52 per hour
 - Field Technician (2) - \$46 per hour
 - Groundwater Technical Lead - \$52 per hour
 - Operation Supervisor - \$55 per hour

ADJOURN