

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

MONDAY NOVEMBER 18, 2019

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

Members Present:	Ken Brawley, Scott Blackerby, Donald Johnston, Stanley Thomas, Anthony Richardson, Matt Brown and Mark Kuneman
Members Absent:	Brad Morgan
Staff:	Drew Satterwhite, Debi Atkins, Tasha Hamilton, Carolyn Bennett, and Velma Starks
General Counsel:	Mike Wynne, Wynne and Smith
Bond Counsel	Kristen Savant, Norton Rose Fulbright
Visitors:	Gwyn Jordan, City of Whitewright Brandon Latimer, City of Whitewright

I. Call to Order

Board Vice President Donald Johnston called the meeting to order at 12:31 p.m.

II. Pledge of Allegiance

Board Vice President Donald Johnston led the group in the Pledge of Allegiance.

III. Consent Agenda

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

IV. * Consider and act upon approval of Minutes of October 21, 2019 Meeting.

V. * Consider and act upon approval of accrued liabilities for October 2019.

Board Member Ken Brawley made a motion to approve the consent agenda items. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

VI. Citizens to be Heard.

There were no citizens requesting to address the Board.

VII. Presentation of Government Finance Officers Association Certificate of Achievement.

General Manager Drew Satterwhite provided background information for the Board. The recognition received by the Authority for the integrity of its financial reporting began at a time when Debi Atkins was hired as Finance Officer of the Authority. Each year since that time, the Authority has received recognition. This year marks the 29th consecutive certificate of achievement that has been awarded to the Authority. Vice President Donald Johnston read the news release and presented the Certificate to Debi Atkins.

VIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019A (City of Whitewright Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed, acquired or improved by the Authority.

General Manager Drew Satterwhite provided background information for the Board. In 2018, the City of Whitewright requested the Authority's assistance with financing a water system improvements 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. At the September 17, 2018 meeting the Board approved the Resolution authorizing the filing of an application for assistance from the TWDB for the City of Whitewright Water System Improvements Projects, not to exceed \$6,350,000. However, the staff worked with the City and engineer over the course of several months following the date of application to reduce the scope of the project and ultimately the amount of funds sought by the City. The City of Whitewright increased their water rates at their April 2019 Council Meeting in anticipation of this upcoming bond issuance.

The total amount of funding (\$3,758,106.) includes three (3) portions 1) Series 2019A (\$1,645,000) which offers a 1.35% interest rate subsidy for 30 years; 2) Series 2019B (\$1,025,000) which offers 0% interest rate for 30 years; and 3) Principal Forgiveness (\$1,088,106) which is not required to be paid back. TWDB estimates the City could save approximately \$2.5 million over the life of the loan by utilizing the DWSRF.

Kristen Savant, Bond Counsel, explained the bond issuance process, to be closed December 20th.

Board Member Scott Blackerby made the motion that GTUA approve the resolution issuing the 2019A bond contingent upon City of Whitewright approving the bond at their next City Council meeting Board Member Ken Brawley seconded the motion. Motion passed unanimously.

IX. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019B (City of Whitewright Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed, acquired or improved by the Authority.

General Manager Drew Satterwhite had provided background information in Item VIII. Kristen Savant, Bond Counsel, explained the bond issuance process. Board Member Ken Brawley made

the motion to adopt the resolution approving the issuance of the bond. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- X. Consider all matters incident and related to approving and authorizing the execution of a Principal Forgiveness Agreement with the Texas Water Development Board and related Escrow Agreement, including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite had provided background information in Item XIII. Kristen Savant, Bond Counsel, reviewed the Principal Forgiveness Agreement process with the Board. Board Member Matt Brown made the motion to adopt the resolution approving the execution of the Principal Forgiveness Agreement. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

- XI. Consider and act upon authorization for General Manager to advertise for bids for City of Whitewright Water System Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. The project will be three or four contracts one for the re-coating of the elevated storage tank, one for the water line replacements and one for the ground storage tank and possible 4th for water well. Board Member Anthony Richardson made the motion to authorize the General Manager to advertise for bids. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XII. Consider and act upon Change Order No. 4 and a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with MWH for the City of Sherman Lake Texoma WTP Expansion Project as complete.

General Manager Drew Satterwhite provided background information for the Board. In 2015 the City of Sherman requested assistance in funding for the City of Sherman Lake Texoma WTP expansion project. The project included a 10 million gallon per day capacity increase that will utilize reverse osmosis to demineralize the Lake Texoma water supply. The initial contract was for \$23,805,000. There were three previous change orders. Change Order No. 1 increased the contract amount by \$140,075.00 resulting in a revised contract amount of \$23,945,075.00. Change Order No. 2 increased the contract amount by \$521,535.00 resulting in a revised contract amount of \$24,466,610.00. Change Order No. 3 increased the contract by \$159,518.00 resulting in a revised contract amount of \$24,626,128.00. Change Order No. 4 would result in a \$717.00 decrease of costs resulting in a revised contract amount of \$24,625,411.00. The project is complete. Change Order No. 4 is scheduled to be considered by the City of Sherman Council at their November 18, 2019 meeting. Based upon the project Engineer's recommendation, the staff recommends Board approval of Change Order No. 4 to the contract with MWH Constructors, Inc., for a decrease of \$717.00, resulting in a revised contract amount of \$24,625,411.00, contingent upon the Sherman City Council's approval. The staff also recommends authorizing closeout of the contract contingent upon receipt of all closeout documents for the project. Board Member Thomas Smith made the motion to approve Change Order No. 4 contingent upon the Sherman City Council's approval and accept the contract as complete contingent upon receipt of all closeout documents for the project. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XIII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with H2O for the City Sherman Water Treatment Plant Expansion Project as complete.

General Manager Drew Satterwhite informed the Board that this was part of the previous item project. This contract was for the equipment which had to be incorporated into the new plant design. The H2O portion of the project is now complete and the engineer has recommended that we close the contract. This action would be contingent upon the receipt of all closeout documentation for the project. Board Member Scott Blackerby made the motion to accept the contract as complete. Board Member Mark Kuneman seconded the motion. Motion passed unanimously.

- XIV. Consider and act upon statements of qualifications for engineering services for Lake Kiowa Water System Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. In 2014 the Lake Kiowa SUD requested the Authority proceed with the first of five proposed phases of water system improvements, authorizing the issuance of \$3,695,000 in bonds for the engineering and construction of the initial projects in the Lake Kiowa SUD Capital Improvement Program. The first two phases have been completed. Lake Kiowa SUD requested that we proceed with the next phase of water system improvements for a project that would include replacement of approximately 5,685 linear feet of aged asbestos-cement pipelines in their distribution system. The Authority staff solicited the engineering services on behalf of the Lake Kiowa SUD, following the requirements of Texas Water Development Board's Disadvantage Business Enterprise Program. Three Statements of Qualifications were received from Cobb Fendley, Schaumburg & Polk, and Vilbig & Associates. Lake Kiowa SUD selected Cobb Fendley. GTUA is not a party to this contract. The engineering contract is between the Lake Kiowa SUD and the engineering firm. Board Member Matt Brown made the motion to confirm Lake Kiowa SUD's selection of Cobb Fendley. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XV. Consider and act upon statements of qualifications for engineering service for the City of Sherman Equalization Basin Rehabilitation Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Sherman staff approached the Authority staff, requesting financial assistance for several upcoming capital improvement projects. This is one of those projects. The Authority staff has solicited the engineering services on behalf of the City of Sherman, following the requirements of Texas Water Development Board's Disadvantage Business Enterprise Program. Three Statements of Qualifications were received from Parkhill Smith and Cooper, Perkins, and Schaumburg & Polk. The City of Sherman selected Perkins Engineering Consultants, Inc. Board Member Stanley Thomas made the motion to confirm the City of Sherman's selection of Perkins Engineering Consultants, Inc. Board Member Mark Kuneman seconded the motion. Motion passed unanimously.

- XVI. Consider and act upon statements of qualifications for engineering service for the City of Sherman Brine Water Disposal Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Sherman staff approached the Authority staff, requesting financial assistance for several upcoming capital improvement projects. This is one of those projects. The Authority staff has solicited the engineering services on behalf of the City of Sherman, following the requirements of Texas Water Development Board's Disadvantage Business Enterprise Program. Three Statements of Qualifications were received from Freeman Millican, Plummer, and Schaumburg & Polk. The City of Sherman selected Freeman Millican, Inc. Board Member Ken Brawley made the motion to confirm the City of Sherman's selection of Freeman Millican, Inc. Board member Anthony Richardson seconded the motion. Motion passed unanimously.

XVII. Consider and act upon Administrative Service Contract with the Red River Groundwater Conservation District for 2020.

General Manager Drew Satterwhite provided background information for the Board. The Authority has provided administrative services to the RRGCD and NTGCD since 2010. The current contracts expire on December 31, 2019. The administrative services provided to the RRGCD and NTGCD are paid by the RRGCD and NTGCD. They have been a great help in offsetting the administrative costs of the Authority. These agreements provide a significantly more cost-effective mechanism for operating the RRGCD and NTGCD than procuring an office and hiring full-time staff for each. The costs for these services have been budgeted in the RRGCD's and NTGCD's 2020 budgets. The agreements will be voted upon separately in each item. Board Member Scott Blackerby made the motion to authorize the execution of the Administrative Services Contract with the Red River Groundwater Conservation District. Board Member Mark Kuneman seconded the motion. Motion passed unanimously.

XVIII. Consider and act upon Administrative Service Contract with the North Texas Groundwater Conservation District for 2020.

General Manager Drew Satterwhite provided the background information in the previous Item XVII. Board Member Anthony Richardson made the motion to authorize the execution of the Administrative Services Contract with the North Texas Groundwater Conservation District. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XIX. Discussion and possible action of changing January Meeting date due to Martin Luther King Jr. Day.

General Manager Drew Satterwhite informed Board that January meeting is Martin Luther King Jr. Day. Board discussed and decided to have meeting on Tuesday, January 21. There is a possibility that the December meeting will be cancelled.

XX. Receive Quarterly Investment Report.

Debi Atkins reviewed the Quarterly Investment Report with the Board.

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

General Manager Drew Satterwhite provided updates:

Bear Creek SUD awarded contract last board meeting, Notice to Proceed was effective today

City of Paradise project is advertised for elevated storage tank modification, water line project

Gunter, both projects Notice to Proceeds issued

CGMA modification connection NTMWD contract awarded and Notice to Proceed issued

Trenton & Bells have terminated contracts with GTUA for operations.

XXII. Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Scott Blackerby seconded the motion the Motion passed unanimously. Board Vice President Johnston declared the meeting adjourned at 1:29 p.m.

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Velma Starks

Recording Secretary



Secretary-Treasurer