

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

MONDAY JANUARY 22, 2020

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

Members Present:	Brad Morgan, Ken Brawley, Scott Blackerby, Donald Johnston, Stanley Thomas, Anthony Richardson, and Mark Kuneman
Member Absent:	Matt Brown
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:	Mark Gibson, P.E., City of Sherman Tom Pruitt, P.E., City of Sherman Carl Deaton, Hankins, Eastup, Deaton, Tonn & Seay P.C.

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:31 p.m.

II. Pledge of Allegiance

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

III. Administer Oath of Office.

Velma Starks administered the Oath of Office to reappointed Board Members, Scott Blackerby, Donald Johnston, and Stanley Thomas.

IV. Consider and act upon Officers for 2020 Calendar Year.

Nominating Committee, Scott Blackerby and Ken Brawley nominated the same Officers to remain in office, Brad Morgan as President, Donald Johnston as Vice President, and Mark Kuneman as Secretary/Treasurer. Drew Satterwhite was nominated as Assistant Secretary/Treasurer. Board Member Ken Brawley made the motion to keep the same officers and elect Drew Satterwhite as Assistant Secretary/Treasurer. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

V. Consent Agenda

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

VI. * Consider and act upon approval of Minutes of November 18, 2019 Meeting.

VII. * Consider and act upon approval of accrued liabilities for November and December 2019.

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

VIII. Citizens to be Heard.

There were no citizens requesting to address the Board.

IX. Consider and act upon Audited Financial Statements for Fiscal Year Ending September 30, 2019.

General Manager Drew Satterwhite provided background information for the Board. The statute requires that the Authority provide copies of its audit to various public agencies within 135 days of the end of its fiscal year which is February 12, 2020. In order for this to take place, it is necessary for the Board to review the audit at the January meeting. The Authority's Finance Officer and General Manager met with Carl Deaton, Lead Auditor, on January 15, 2020 to review the findings of the audit. Carl Deaton, auditor, reviewed the audit with the Board. The Audit is available in its entirety on the GTUA website. Board Member Donald Johnston made the motion to accept the audit. Board Member Mark Kuneman seconded the motion. Motion passed unanimously.

X. Consider and act upon authorizing the execution of an Investment Advisor Services Contract between Greater Texoma Utility Authority and Valley View Consulting, L.L.C.

Board President Brad Morgan informed the Board that the staff has been very satisfied with the service provided by Valley View Consulting. The proposed contract is identical to the prior contract, except for a reduced fee tier schedule. Their performance is evidenced by the quarterly investment reports which have shown a substantial increase in the Authority's portfolio earnings. The Authority staff invests all funds in accordance with the Public Funds Investment Act and the Authority's Investment Policy. Board Member Mark Kuneman made the motion to authorize the execution of the contract between Greater Texoma Utility Authority and Valley View Consulting, L.L.C. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XI. Consider and act upon Change Order No. 1 to the contract with Associated Construction Partners, LTD for the City of Princeton Forest Grove Pump Station Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Princeton staff approached the Authority staff requesting assistance in financing and

constructing improvements to the City's water system, including a 4.0 MG ground storage tank, yard piping, pump station, electrical/SCADA/instrumentation, plumbing/HVAC, meters and all appurtenances necessary for the projects. The contract was awarded to Associated Construction Partners, LTD in the amount of \$13,307,500.00. The Change Order No. 1 requests the movement of the tank to facilitate constructability. The initial design of the project required the contractor to interact with and acquire temporary construction easements from neighboring property owners as they were going to have to excavate up to the adjacent property line. During the initial phases of laying out the project, the contractor proposed a new layout that could save the City a substantial sum of money. Change Order No. 1 would be a net decrease of \$73,185.00 resulting in a revised contract amount of \$13,234,315.00. The City of Princeton would like to move forward with this Change Order. The City staff is not required to go to Council for change orders that result in a decrease. Board Member Scott Blackerby made the motion to authorize the execution of Change Order No. 1. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

XII. Consider and act upon Award of Contract for City of Paradise Water Line Extensions and Elevated Storage Tank Improvements.

General Manager Drew Satterwhite provided background information for the Board. The City of Paradise approached the Authority staff requesting assistance in obtaining funding to construct approximately 17,000' of 6" water line. The Authority helped the City of Paradise obtain \$935,000 in a bond resolution and \$300,000 in principal forgiveness from the TWDB. In addition to the \$1,235,000, the Authority staff assisted the City in obtaining \$300,000 principal forgiveness that was funded directly by the City. The additional \$300,000 is for the purpose of modifying their elevated storage tank fill to feed from the top of the tank in order to reduce water age in the tower. Also included in this project would be disinfection facilities at the elevated storage tank site to re-disinfect the water before going into their system. Both the water line extensions and elevated storage tank improvements were bid as one project. Four Bids were received. Patterson Professional Services was the low bidder with a total base bid of \$1,060,395.00. Perkins Engineering Consultants, Inc. recommends that the Greater Texoma Utility Authority award the contract for the Water Line Extensions and Elevated Storage Tank Improvements to Patterson Professional Services. The City has already approved the contract. Board Member Donald Johnston made the motion to award the contract to Patterson Professional Services. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XIII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2020 (City of Sherman Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.

General Manager Drew Satterwhite provided background information for Board. The City of Sherman has several projects including 1) Aeration Basin Upgrade, Phase II; 2) Biological Clarifier Rehabilitation; 3) WWTP Control Building Expansion; 4) Brine Line Project (engineering, bores, rights-of-way, construction); and 5) WWTP Storm water Lift Station. The Bond Resolution would authorize the issuance of \$13,595,000 through the TWDB's CWSRF program. The Authority was able to procure a special class of CWSRF funds called the Equivalency Funds at an interest rate of 0.29% for a 20-year term. The TWDB estimates that the City of Sherman could save

approximately \$2.1 million over the life of the loan by using the CWSRF. Kristen Savant, Bond Counsel with Norton Rose Fulbright, reviewed the bond resolution with the Board. The City of Sherman is scheduled to consider an ordinance to confirm this bond resolution at their February 3, 2020 meeting. Board Member Stanley Thomas made the motion to approve the resolution, contingent upon City of Sherman taking similar action at their City Council meeting on February 3, 2020. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

XIV. Consider and act upon authorization of General Manager to advertise for bids for City of Sherman wastewater projects.

General Manager Drew Satterwhite provided the Board with background information. In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete. Authorizing the General Manager to advertise as soon as plans and specifications are complete improves the efficiency of the process to complete the project. Board Member Scott Blackerby made the motion to authorize the General Manager to advertise for bids for City of Sherman Wastewater projects. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

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

General Manager provided updates on the following:

Working with NTMWD to get a new customer contract for the CGMA system. A new contract is needed when the new connection is made. Draft contracts are being sent to Howe, Anna, Melissa and Van Alstyne.

Kaufman Bond Issue pushed back by TWDB a month to March. Staff will provide the Board with a contract for consideration either February or March.

Bells has contacted the Authority for assistance, will meet with them in a week or two.

Lake Kiowa first wanted to subcontract the next phase of water line replacements, but has now agreed to go with general contractor. It now includes Phase 4 (water line); amount is going to increase, possibly coming to Board next month for authorization to apply for funding

GTUA has new website designed by Paul Sigle.

Boundary Commission –The Board was briefed on the new Red River Boundary Commission

Water Rights Sale – The Board was briefed on an entity that is interested in selling their water rights. The staff's plan is to work with Bond Counsel and general Counsel to figure out how this can be done. After working through the details, the staff will then send notice to all 15 entities notifying them of the potential water rights.

XXII. Adjourn

Board Member Scott Blackerby made the motion to adjourn. Board Member Ken Brawley seconded the motion. Motion passed unanimously. Board President Brad Morgan declared the meeting adjourned at 1:55 p.m.

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Velma Starks

Recording Secretary

[Signature]

Secretary-Treasurer