

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

**MONDAY, AUGUST 17, 2020**

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

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Members Present: Brad Morgan, Scott Blackerby, Donald Johnston, Matt Brown, Stanley Thomas, Ken Brawley, Mark Kuneman, and Anthony Richardson.

Members Absent:

Staff: Drew Satterwhite, Debi Atkins, Carolyn Bennett, Tasha Hamilton, Nichole Sims, and Velma Starks,

General Counsel: Mike Wynne, Wynne and Smith

Visitors:

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I. Call to Order

Board President Brad Morgan called the meeting to order at 12:32 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 request a specific item to be discussed and voted on separately.

IV. \* Consider and act upon approval of Minutes of July 20, 2020 Meeting.

V. \* Consider and act upon approval of accrued liabilities for July 2020.

General Manager Drew Satterwhite reviewed the liabilities with Board. Additional construction payouts and a large engineering payment to Bear Creek account for higher payments for the month.

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

VI. Citizens to be Heard.

There were no citizens requesting to address the Board.

VII. Receive Quarterly Investment Report.

Debi Atkins reviewed the Quarterly Investment Report with the Board.

VIII. Consider and act upon an Engagement Letter for independent audit services for FY 2019-2020.

General Manager Drew Satterwhite provided background information for the Board. The Authority is required by its enabling legislation and the bond holders of securities issued by the Authority to provide an annual independent audit of its operations. In 2017, Hankins, Eastup, Deaton, Tonn and Seay was awarded the audit services agreement for 5 years under the condition that they did not increase rates more than 2% each year. The price proposed for the upcoming Audit is \$36,900 which is within the 2% agreement. Board Member Donald Johnston made the motion to authorize the engagement letter with Hankins, Eastup, Deaton, Tonn & Seay to perform the Authority's FY 2019-2020 Audit. Board Member Matt Brown seconded the motion. Motion passed unanimously.

IX. Consider and act upon Change Order No. 2 to the contract with Patterson Professional Services for the City of Gunter Downtown Wastewater Treatment Plant Replacement Project.

General Manager Drew Satterwhite provided background information for the Board. At the February 2018 meeting, the Board of Directors authorized the issuance of \$2,300,000 through the TWDB's CWSRF program. At the July 2018 meeting, the Board authorized award of contract to Patterson Professional Services, LLC in the amount of \$1,814,097.50. Change Order No. 1 included the addition of a crushed stone access drive and parking area along with the addition of manual double swing gates at a cost of \$14,000.00. Change Order No. 1 resulted in a revised contract amount of \$1,828,097.50. Change Order No. 2 would result in an increase of \$48,600 and consists of 1) moving the main electric service from over the generator as this does not meet code., 2) adding a valve for the sludge pump to allow for easier maintenance in the future, 3) relocating the fence per the Cities' request, and 4) increasing the size of the blower cover to shelter all blowers and the sludge pump. Change Order 2 has been discussed with the City of Gunter. Board Member Matt Brown made the motion to approve Change Order No. 2 to the contract with Patterson Professional Services contingent upon the City of Gunter's approval. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

X. Consider and act upon Contingency Allowance Draw No. 1 to the contract with Legion Development LLC for the City of Gunter Water System Improvements.

General Manager Drew Satterwhite provided background information for the Board. The City currently has two wells in their system with one being substantially larger than the other. The City needs to have another well in their system to provide redundancy if/when the large well goes down, which has happened twice since the City approached the authority for funding. The City is also less than 60 homes away from meeting the Texas Commission on Environmental Quality's ("TCEQ") 0.6 gallons per minute of source water per connection rule. The project was



separated into two projects with Project A including: (1) a 250,000-gallon ground storage tank; (2) pump station; (3) disinfection facilities; (4) generator; (5) SCADA; (6) water line from the pump station to J.C. Maples Road; and (7) appurtenances. Project B included a new water well and appurtenances. The low bid for Project A was Legion Development, however; the bid was in excess of the engineer's original estimate. Freeman-Millican, Inc., engineers, worked with the low bidder to reduce the scope and cost of the project. The largest reduction came from changing the 250,000 gallon ground storage tank from a pre-stressed concrete tank to a bolted steel tank. The need for grounding the tank arose and was not included by the engineer or tank manufacturer in the initial bids. During the construction of the tank, the engineer is of the opinion that the grounding of the tank will be an important component for both safety and to protect any ancillary electrical equipment. The engineer proposed for the contractor to add a grounding ring to the tank which would cost a total of \$7,420. This bid included a \$50,000 contingency allowance to allow for minor changes in the contract. With most of the Authority's contracts, any additional work would be done as a Change Order, but in this instance we simply need to authorize the contractor to proceed with the work which will not increase the total contract at this time. A discussion was held. Board Member Anthony Richardson made the motion to authorize the approval of the draw on contingency in the amount of \$7,420 for the contract with Legion Development LLC in order to ground the ground storage tank. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XI. Consider all matters incident and related to providing for the redemption of certain outstanding "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2001" (Gober Municipal Utility District Project), including the adoption of a resolution pertaining thereto.

General Manager Drew Satterwhite provided background information for the Board. In addition to the current process of issuing debt on behalf of Gober MUD, Gober MUD has an outstanding bond issuance with the Authority that matures on June 1, 2021. A typical bond issuance through the Authority requires us to hold money in a reserve account that is equal to one year's average debt service payments. Gober MUD has expressed a desire to either refinance the existing bond issuance or to use the reserve to repay the final year of debt service in order to reduce their debt service obligations during the first year of the upcoming bond issuance. To do this, the Authority would need to do a cash redemption on the bonds and apply the existing reserve toward their final year of debt service on the existing issuance. Gober MUD will consider this item at their September Board Meeting. Board Member Stanley Thomas made the motion contingent upon Gober MUD taking a similar action, authorizing a resolution which would allow the Authority to redeem the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2001 (Gober Municipal Utility District Project)" Bonds with the cash on hand in the reserve account. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

- XII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith. (Gober MUD project)

General manager Drew Satterwhite provided background information for the Board. Gober MUD requested financial assistance for the design of water system improvements, including, but not limited to, replacement of water lines, electrical, a new generator and repairs to a



ground storage tank at the July, 2020 meeting. Following the July meeting, the Engineer contacted the Authority requesting to increase the bond issuance budget due to new information regarding their construction estimates. Due to this increase, it is necessary to adopt another resolution with an increased not-to-exceed amount. With the TWDB application resolutions we have the latitude to reduce the bond issuance, but we do not have the ability to increase the bond issuance beyond the amount approved initially by the Board of Directors. The Authority staff drafted the required certificate of secretary and resolution for the Board's consideration of approving the application for financial assistance with the Texas Water Development Board in the amount of \$830,000. The application was due and submitted August 1. Board Member Donald Johnston made the motion to approve the resolution requesting financial assistance from the TWDB on behalf of the Gober MUD in the amount of \$830,000.00. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

XIII. Consider Statements of Qualifications received for Gober MUD engineering services associated with the Gober MUD Water System Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. The Gober MUD requested assistance in obtaining funding for improvements to the District's water system. The DWSRF program requires that engineering services be solicited following the Disadvantaged Business Enterprise requirements. The Authority staff solicited engineering services on behalf of the Gober MUD for this project. Four engineering firms, Hayter Engineering, KSA, SPI (Schaumburg & Polk, Inc.) and VA (Vilbig & Associates, PLLC) provided Statement of Qualifications for the Gober MUD Water System Improvements Project. The Gober MUD Board of Director's selected Hayter Engineering to perform engineering services on this project at their July, 2020 meeting. Board Member Scott Blackerby made the motion to confirm Gober MUD's selection of Hayter Engineering. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XIV. Consider and act upon Budget Amendment for FY 2019-2020.

General Manager Drew Satterwhite provided background information for the Board and reviewed the proposed changes to the Construction Budget, Combined Bond Budget and CGMA Budget. The Budget will be discussed by the Budget Committee (Anthony Richardson, Scott Blackerby and Brad Morgan) in September. Board Member Ken Brawley made the motion to authorize a budget amendment for FY 2019-2020. Board Member Anthony Richardson 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 Drew Satterwhite informed the Board that the following will have applications for funding requests: Van Alstyne, Gober MUD, Lake Kiowa, Bells, and Pottsboro.

A discussion regarding virtual and/or in person meetings was held. A survey will be sent to the Board regarding virtual or in person meetings.

XVI. Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Stanley Thomas seconded the motion. Motion passed unanimously. Board President Brad Morgan declared the meeting adjourned at 1:30 p.m.

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Velma Starks  
Recording Secretary

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Secretary-Treasurer