

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

MONDAY MAY 17, 2021

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

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

Members Absent:

Staff: Drew Satterwhite, Nichole Sims, Tasha Hamilton, and Debi Atkins

General Counsel: Mike Wynne, Wynne and Smith
Bond Counsel Kristen Savant, Norton Rose Fulbright

Visitors: Tom Pruitt, City of Sherman

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:30 p.m.

II. Pledge of Allegiance

Board Member Matt Brown 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 April 19, 2021 Meeting.

V. * Consider and act upon approval of accrued liabilities for April 2021.

General Manager Drew Satterwhite reviewed the liabilities with the Board.

Board Member Matt Brown made a motion to approve the consent agenda items. Board Member Scott Blackerby 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.

General Manager Drew Satterwhite reviewed Quarterly Investment Report with the Board. Discussion was held.

VIII. Consider and act upon authorizing award of contract for the construction of the Bear Creek SUD Pump Station #2 Improvement Project.

General Manager Drew Satterwhite provided background information for the Board. The Bear Creek SUD approached the Authority for assistance in obtaining the funding for financing water infrastructure projects. The projects consisted of construction of a new ground storage tank and pump station to replace the existing facilities which are outdated and undersized, and 6,974' and 1,537' of 12" and 16" pipeline to connect the new pump station to the system. A bond issuance was obtained through the Texas Water Development Board's Drinking Water State Revolving Fund for improvement projects in the amount of \$7,490,000. The pipeline project was completed in January 2021. Six bids were received for the construction of a proposed pump station, 2-million-gallon concrete ground storage tank, and all associated piping, paving, electrical, SCADA, and grading. Crescent Contractors, Inc., low bidder in the amount of \$6,673,000.00 was over the budgeted amount. Bear Creek SUD would like to fund the difference, \$1,454,178.59, between the low bid and the amount of funding available through the bond issuance. Due to this circumstance, the next agenda item recommends the execution of a funding agreement so that we can have funds on-hand to award the contract. Board Member Ken Brawley made the motion to award the contract to Crescent Contractors, Inc., contingent upon the Bear Creek SUD taking similar action. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

IX. Consider and act upon authorizing the execution of a Funding Agreement between the Bear Creek SUD and the Greater Texoma Utility Authority.

General Manager Drew Satterwhite informed the Board that for the Authority to legally enter into contract for a construction project, we must have funds available. To satisfy this requirement at the time of award of contract and to provide Bear Creek SUD with a comfort level of depositing the money with the Authority, the Funding Agreement was proposed to Bear Creek SUD. This is essentially the same agreement that has been executed with other entities in the past and the document has been discussed with Bond Counsel and General Counsel. Bear Creek SUD will distribute funds (\$1,454,178.59) to the Authority and the Authority will use the funds for funding the construction project only. Board Member Scott Blackerby made the motion to authorize the execution of the Funding Agreement. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

X. Consider and act upon authorizing the execution of Change Order No. 3 for the City of Paradise Water Line Extension and Elevated Storage Tank Improvements Project with Patterson Professional Services.

General Manager Drew Satterwhite provided background information for the Board. The City of Paradise requested assistance in obtaining funding to construct approximately 17,000' of 6"

water line. Patterson Professional Services was awarded the contract in the amount of \$1,060,395.00. Change Order No. 1 included a new FRP building for housing the chloramination feed equipment instead of retrofitting the existing building at an increase of \$7,000 to \$1,067,395.00. Change Order No. 2 included 100' of 2" bore to extend 1" water service, 160' of 8" bore due to a difficult tie-in under drainage pipe at an increase of \$88,174.00 to \$1,155,569.00. Change Order No. 3 consists of 1) Converting the elevated storage tank to a "top-fill" which will further help water age issues in their system by constructing approximately 100' of 8" stainless steel water line, and 2) adding a fire hydrant that was shown on the plans, but the quantities in the bid form were miscounted. Change Order No. 3 would increase the contract price by \$111,000 to a revised contract amount of \$1,266,569.00. Board Member Donald Johnston made a motion to authorize the execution of Change Order No. 3 to the contract with Patterson Professional Services, LLC. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

- XI. 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 (City of Bells Water/Wastewater system Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The City of Bells requested assistance in obtaining funding for their wastewater and water systems. Due to changes in the SRF program and discussions with TWDB, the Authority staff proposed to pursue funding through the Texas Water Development Fund. A similar resolution was approved by the Board at the February 2021 meeting. Since that time, the City of Bells has been notified by TCEQ that they no longer meet the 0.6 gallons per minute (gpm) per connection rule on their water system. This rule requires water providers to have 0.6 gpm of water production per connection. The City of Bells now needs an additional water well, ground storage tank and pump station to come into compliance with TCEQ. The project was discussed at the City of Bells April Council Meeting. The council voted unanimously to pursue the additional funding. The application is to be filed with the Texas Water Development Board in an amount not to exceed \$7,200,000.00 to provide for the costs of improvements to the City of Bell's Water/Wastewater System. Board Member Donald Johnston made the motion to approve the Resolution requesting financial assistance. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XII. Consider all matters incident and related to the issuance, sale and delivery of "Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2021 (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.

General Manager Drew Satterwhite provided background information for the Board. Garry Kimball of Specialized Public Finance notified the Authority that there was an opportunity to refund three outstanding bond series (2010, 2011 and 2012) issued by the Authority on behalf of the City of Sherman to achieve savings of approximately \$761,289. The City of Sherman Council will consider ratifying the bond issuance in June following the pricing of the bond series. Board Member Scott Blackerby made the motion to authorize the adoption of a resolution for the General Manager to operate as pricing manager for the sale of the bonds. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

XIII. Consider and act upon authorizing award of contract for the construction of the City of Sherman Post Oak WWTP Operations Building Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. In January of 2020, the Board authorized the issuance of \$13,595,000 through the TWDB's CWSRF program to construct several projects in the City of Sherman's wastewater system. This project consists of remodeling the existing Operations Building to include new laboratory, office, storage, and support space, window and door replacement, and electrical system upgrades. Building additions include locker rooms, restrooms, accessible entrances, and drive-through service entrance. Site improvements include new driveways, accessible parking and sidewalks, utility connections, and a new antenna mast. The low bidder was Piazza Construction LLC in the amount of \$1,258,637.00. The construction cannot proceed until January 2022 due to the long lead times on construction materials. Board Member Matt Brown made the motion to award contract to Piazza Construction LLC in the amount of \$1,258,637.00, contingent upon the Sherman City Council taking similar action. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XIV. Consider and act upon authorizing award of contract and Change Order No. 1 for the construction of the City of Sherman WWTP Storm Water Management Project.

General Manager Drew Satterwhite provided background information for the Board. In January of 2020, the Board authorized the issuance of \$13,595,000 through the TWDB's CWSRF program to construct several projects in the City of Sherman's wastewater system. This project includes a large earthen detention basin, a storm water pump station, a 24" pipeline to the west sludge storage & dewatering basin and accompanying electrical and control work. Replacement of an existing drainage ditch/road crossing, demolition of existing pump station, modifications to existing piping and underground electrical lines is also included. One bid was received from Lynn Vessels Construction, LLC in the amount of \$1,117,488.42 was over budgeted amount. Freeman Millican and the contractor worked to value engineer the project and reduce the costs resulting in Change Order No. 1 which includes a modified design on the pump station and several other items such as sodding, adding additional pavement and deletion of a gravel road. Board Member Donald Johnston made the motion to award contract to Lynn Vessels Construction in the amount of \$1,117,488.42 and authorizing Change Order No. 1 which would reduce the contract amount to \$933,334. Both actions are contingent upon the Sherman City Council taking similar action. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

XV. Consider and act upon authorizing award of contract for the construction of the City of Sherman Northwest Sherman Force Main and Gravity Sewer.

General Manager Drew Satterwhite provided background information for the Board. This project includes 8", 12" & 15" sewer lines in the Preston Club Development. 15" and 18" sewer lines extend downstream to a sewer lift station located to serve the area around the intersection of US 82 and SH 289. A 10" sewer force main follows the sewers back through the development and over the ridge line to a short 12" sewer line connecting to an existing Sand Creek 12" Sewer. Lynn Vessels Construction was the lowest bidder in the amount of

\$1,608,996.56. Board Member Donald Johnston made the motion to award contract to Lynn Vessels Construction in the amount of \$1,608,996.56, contingent upon the Sherman City Council taking similar action. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XVI. Consider and act upon authorizing award of contract for the construction of the City of Sherman Northwest Sherman Lift Station.

General Manager Drew Satterwhite provided background information for the Board. This project includes high head submersible pumps to lift sewage about 200 vertical feet through over 2 miles of 10" force main. Digital controls and instrumentation are provided for operation of the remote un-manned facility. Communications with the Sherman water treatment plant are included to permit monitoring and operator over-ride from the plant control room when needed. About ½ mile of gravel access road and a 1" water line is included from Naylor Lane. Three phase power service will be extended along the access easement by Grayson Collin Electric Co-op (GCEC) as a separate cost to Sherman. This project also contained an additive alternate bid item to add harmonic filters on the variable frequency drives to minimize degraded power to nearby GCEC customers. Lyn Vessels Construction was the lowest bidder in the amount of \$735,517.05. Board Member Scott Blackerby made the motion to award contract, base bid and additive alternate, to Lynn Vessels Construction in the amount of \$735,517.05, contingent upon the Sherman City Council taking similar action. Board Member Matt Brown seconded the motion. Motion passed unanimously.

XVII. Consider and act upon Change Order No. 4 to the contract with Patterson Professional Services, LLC for the City of Gunter Downtown Wastewater Treatment Plant Replacement Project.

General Manager Drew Satterwhite provided background information for the Board. Change Order No. 4 includes 1) adding mufflers to the newly installed blowers to ease noise complaints from nearby residents, 2) extend walls of bar screen to prevent overflows during high flow events, and 3) to reconcile quantities of sludge that were removed from old ponds. In regard to the ponds, the engineer didn't have as-built drawings on the plant, so they had to make an educated guess on the bid quantities. The contractor was required to survey after the ponds were cleaned so that the quantities were correct. Unfortunately, the pond was a lot deeper than anticipated which resulted in a significant amount of sludge having to be removed. Change Order No. 4 would result in an increase of \$288,750.00 resulting in a revised contract amount of \$2,199,947.50. Board Member Matt Brown made the motion to approve Change Order No. 4 to the contract with Patterson Professional Services in the amount of \$288,750.00 resulting in a revised contract amount of \$2,199,947.50 contingent upon the City of Gunter's approval and having funds in our account to cover the full costs. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XVIII. Consider and act upon authorizing the execution of a Funding Agreement between the City of Gunter and the Greater Texoma Utility Authority.

General Manager Drew Satterwhite provided background information for the Board. The Authority does not have enough in bond contingencies to cover the full costs of Change Order No. 4. We currently have \$105,917 left in contingencies leaving a shortfall of \$182,833.00. Therefore, a contribution from the City of Gunter will be required. For the Authority to legally

enter into contract for a construction project, we must have funds available. To satisfy this requirement at the time of Change Order No. 4 execution and to provide the City of Gunter with a comfort level of depositing the money with the Authority, the Funding Agreement was proposed to the City of Gunter. The City of Gunter will distribute \$182,833.00 to the Authority and the Authority will use the funds for funding of the construction project only. Board Member Scott Blackerby made the motion to authorize the execution of the Funding Agreement. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

XIX. Consider and act upon authorizing award of contract for the construction of the City of Van Alstyne's Water Distribution System Well Site and Disinfection Improvements Project.

General Manager Drew Satterwhite provided background information for the Board. The project which included disinfection facilities at all six of the City's well sites had no bidders submit proposals. The City's well site No. 1 is located at a city park that is currently under construction. The park contractor needs the old facilities out of the way so they can complete their project which makes the Well No. 1 portion an urgent need. Since no bidders showed up, Van Alstyne requested that we use the emergency provisions available to us through the local government code and requested that the engineer find a contractor that would be willing to give us a fair price. This contract would include disinfection facilities, SCADA, electrical, new pumps, motors, VFDs, and a building for the pumps at well site No. 1. A proposal in the amount of \$459,704.00 was received from MVA Associates for the above-described work. The Authority only has \$328,718.00 remaining for construction in the bond issuance which means the City will have to provide \$130,986.00 in funding for the Authority to hold prior to awarding contract. The City council voted on April 11, 2021 to authorize award and to deposit \$130,986.00 with the Authority for the project. Board Member Ken Brawley made the motion to award contract to MVA Associates, in the amount not-to-exceed \$459,704, contingent upon receipt of funds from Van Alstyne. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

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

General Manager Drew Satterwhite updated the Board on the following:
CGMA pipeline
Bolivar Bond

XXI. Adjourn

Board Member Donald Johnston made the motion to adjourn. Board Member Matt Brown seconded the motion. Motion passed unanimously. Board President Brad Morgan declared the meeting adjourned at 1:34 p.m.

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Recording Secretary



Assistant Secretary-Treasurer