

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

**MONDAY, MAY 15, 2023**

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

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Members Present: Brad Morgan, Ken Brawley, Scott Blackerby, Matt Brown, Robert Hallberg, and Donald Johnson

Members Absent: Stanley Thomas

Staff: Paul Sigle, Nichole Sims Murphy, Tasha Hamilton, Lisa Cranfill, Debi Atkins, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith

Bond Counsel: Kristen Savant, Norton Rose Fulbright US LLP

Visitors: Jim Cross, City of Sherman  
Lance Klement, Garver  
V.T. Madhavan  
Alan David, Plummer  
Clint Philpott, City of Sherman  
Robby Hefton, City of Sherman  
Tom Pruitt, City of Sherman  
Mary Lawrence, City of Sherman

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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 April 17, 2023, Meeting.

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

Board Member Scott Blackerby made the motion to approve the Consent Agenda as presented. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

VI. Citizens to be Heard.

No citizens wished to be heard.

VII. Receive Quarterly Investment Report.

Debi Atkins, Finance Officer, reviewed the Quarterly Investment Report with the Board.

VIII. Consider all matters incident and related to the issuance, sale and delivery of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023-A (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 Paul Sigle provided background information for the Board. Robby Hefton, City of Sherman, provided details for the Board regarding construction of a new industrial wastewater plant, and upgrades to the existing water treatment plant. To ensure debt coverage, industrial wastewater rates will increase. Discussion was held. Kristen Savant, Norton Rose Fulbright US LLP explained the bond issuance which will be Open Market. Discussion was held. Board Member Scott Blackerby made the motion to adopt a resolution authorizing the issuance of bonds, establish parameters for the sale and issuance of bonds and delegating certain matters to authorized officials of the authority. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

IX.. Consider all matters incident and related to declaring expectation to reimburse expenditures with proceeds of future debt, including the adoption of a resolution pertaining thereto.

General Manager Paul Sigle provided background information for the Board. The resolution allows GTUA to reimburse the city of Sherman with proceeds from the future bond issuance set to close on July 11, 2023. Kristen Savant, Norton Rose Fulbright US LLP provided details. Board Member Matt Brown made the motion to adopt the resolution. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

X. Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023A (City of Whitewright Project)”, including the adoption of a resolution approving the issuance of such bonds.

General Manager Paul Sigle provided background information for Items X, XI and XII at this time. The total amount sought for this project from the TWDB is \$7,145,000. 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 2023A which offers a 0% interest rate for 30 years; 2) Series 2023B which offers 2.68% interest rate for 30 years; and 3) Principal Forgiveness which is not required to be paid back. Board Member Matt Brown made the motion to approve the resolution contingent on Whitewright approving same. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

- XI. Consider all matters incident and related to the issuance and sale of “Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023B (City of Whitewright Project)”, including the adoption of a resolution approving the issuance of such bonds.

Board Member Matt Brown made the motion to adopt the resolution contingent on Whitewright approving same. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

- XII. Consider all matters incident and related to the Principal Forgiveness Agreement between the Texas Water Development Board and the Greater Texoma Utility Authority in connection with the City of Whitewright Project, including the adoption of a resolution and an Escrow Agreement relating thereto.

Board Member Matt Brown made the motion to adopt the resolution contingent on Whitewright approving same. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

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

General Manager Paul Sigle reminded the Board that 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 to improve the efficiency of the process of completing the project. Board Member Donald Johnston made the motion to authorize the General Manager to advertise for bids on any projects that are to be funded by the City of Whitewright Bonds. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XIV. Consider all matters incident and related to the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (Gober Municipal Utility District Project), including the adoption of a resolution approving the execution of a Contract of Indemnification with Gober Municipal Utility District and approving the execution of a Financing Agreement with the Texas Water Development Board in connection therewith.

General Manager Paul Sigle provided background information for the Board. The TWDB requires Financing Agreements for its DFund Program. These agreements commit the Authority to the funding prior to the TWDB going to market to fund the entire DFund program. If the Authority does not end up pursuing the funding, then there are liquidated damage clauses that kick in and require a penalty payment. The TWDB does not want to issue debt for entities that are not planning to borrow it. The Contract of Indemnification would be executed between Gober MUD and the Authority. The primary goal of that contract is to make Gober MUD liable for the liquidated damages should they decide not to go forward with the Bonds. Board Member Scott Blackerby made the motion to authorize the execution of the Contract of Indemnification and the Financing Agreement contingent upon the Gober MUD’s approving and executing the Contract of Indemnification. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XV. Consider all matters incident and related to the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (White Shed Water Supply Corporation Project), including the adoption of a resolution approving the execution of a Contract of Indemnification with White Shed Water Supply Corporation and approving the execution of a Financing Agreement with the Texas Water Development Board in connection therewith.

General Manager Paul Sigle provided information that White Shed Water Supply Corporation Project is a taxable entity and therefore does not need to execute a Contract of Indemnification or a Financing Agreement. No action is to be taken on this item.

- XVI. Consider and act upon the Guaranteed Maximum Price Two (GMP 2.00) for Garney Companies, Inc. for the City of Sherman 36-inch West Sherman Water Main Project.

General Manager Paul Sigle provided information for the Board. Garney has worked with selected contractors before without any issues. The GMP 2.00 for Garney is \$8,846,863.41 for a total contract amount of \$10,818,351.61. Board Member Ken Brawley made the motion to approve the GMP 2.00 for Garney contingent on the City of Sherman's approval. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XVII. Consider and act upon Change Order No. 1 to the contract with Garney Companies, Inc. for the City of Sherman 36-inch West Sherman Water Main Project.

General Manager Paul Sigle provided background information for the Board. Due to a change in new demand from large manufacturing plants, the date when the new water main must be substantially completed can be delayed by about 229 days. Change Order No. 1 changes the substantial completion date and final completion date to February 14, 2025, and April 15, 2025, respectively. Board Member Scott Blackerby made the motion to approve Change Order No. 1 contingent on the City of Sherman's approval. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XVIII. Consider and act upon Change Order No. 1 to the contract with THI Water Well for the City of Whitewright Proposed Well No. 5 Project.

General Manager Paul Sigle provided background information for the Board. During drilling of the new well, the borehole for the new well came in contact with the gravel pack of the existing well. The City and THI planned to cap the existing well, and allow Red River GCD to use the existing well as a monitoring well. Due to this issue, the existing well will need to be plugged. Change Order No. 1 consists of abandoning the existing well on site instead of capping for an increased contract price of \$29,500 resulting in a new contract price of \$1,528,288.00. Board Member Ken Brawley made the motion to approve Change Order No. 1 contingent on the approval of the City of Whitewright. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

- XIX. Consider and act upon Change Order No. 3 to the contract with Underwood, Inc. for the City of Whitewright Waterline Project.

General Manager Paul Sigle provided background information for the Board. Change Order No. 3 increases the substantial completion date and final completion date to June 4, 2023, and July 3, 2023, respectively. Board Member Matt Brown made the motion to approve Change Order No. 3

contingent upon the approval of the City of Whitewright. Board Member Robert Hallberg seconded the motion. Motion passed unanimously.

XX. Consider and act upon Change Order No. 3 Correction to the contract with Red River Construction Co. for the City of Kaufman WWTP Improvements Project.

General Manager Paul Sigle provided background information for the Board. The Authority approved Change Order No. 3 at the April Board of Directors meeting for an increase of \$20,855.26 to the contract price. Due to listing the incorrect amount for the increase, the Authority will need to approve the correct increase in the contract price of \$22,490.12. Change Order No. 3 would result in a new contract amount of \$3,091,977.51. The City of Kaufman will also have to directly fund the costs of this change order as there are no additional bond funds available. Any action would be contingent upon the Authority receiving additional funds from the City to cover the additional costs of the change order. Board Member Ken Brawley made the motion to approve the corrected Change Order No. 3 contingent upon the Authority receiving the additional funds from the City of Kaufman. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XXI. Consider and act upon Change Order No. 2 to the contract with Associated Construction Partners, Ltd., for the City of Princeton Forest Grove Pump Station Improvements Project.

General Manager Paul Sigle provided background information for the Board. The engineers for the project discovered that the original specified SCADA Pack would be obsolete within the next two years. RLC, the contractor who is installing the SCADA system, recommends a PLC that is compatible with the current SCADA system used by the City. Additionally, the existing Wonderware HMI software doesn't have the significant capacity to meet the needs of the SCADA system. RLC is proposing replacing the Wonderware HMI software with VT SCADA software. Change Order No. 2 will increase the contract price by \$84,612.44 resulting in a revised contract amount of \$13,318,927.44. Board Member Scott Blackerby made the motion to approve Change Order No. 2. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

XXII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Associated Construction Partners, Ltd. for the City of Princeton Forest Grove Pump Station Improvements Project as complete.

General Manager Paul Sigle provided background information for the Board. The City of Princeton and the project engineers have reviewed the project and have accepted the project as completed on April 24<sup>th</sup>. Board Member Donald Johnston made the motion to accept the contract as complete. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

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

- City of Denison is appointing new board member.
- Follow up on CGMA Anna letter regarding easement issues.
- TWDB funding workshop was held.

XXIV Adjourn

Board Member Scott Blackerby made the motion to adjourn. Board Member Ken Brawley seconded the motion. Board President Brad Morgan declared the meeting adjourned at 12:52 p.m.

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Velma Starks  
Recording Secretary

SOBLY  
Secretary-Treasurer