

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

MONDAY JUNE 17 2019

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

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

Members Absent:

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

General Counsel: Mike Wynne, Wynne and Smith

Visitors: David Howerton, Alan Plummer Associates, Inc.
Kevin Farley, Pottsboro City Manager

I. Call to Order

Board President Morgan called the meeting to order at 12:30 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 May 20, 2019 Meeting.

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

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

VI. Citizens to be Heard.

No citizens present requested to speak before the Board.

VII. Consider and act upon an Interlocal Agreement between the Greater Texoma Utility Authority and the City of Princeton for 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. At the February 2018 meeting, the Board of Directors adopted a Bond Resolution authorizing the issuance of \$15,200,000 through the Texas Water Development Board's Drinking Water State Revolving Fund. The DWSRF offers an interest rate subsidy of 1.35% which the TWDB estimates will save the City of Princeton approximately \$3,900,000 over the life of the loan by using the DWSRF program.

The City of Princeton is a member city of the North Texas Municipal Water District. One of the benefits is that NTMWD pays for the delivery vaults that house the billing flow meters in addition to the flow control valves. That item was broken out as an alternate on the bid documents of this project so that the City would be able to present the exact cost of these items to NTMWD for reimbursement.

An Interlocal Agreement between Princeton and NTMWD establishes an escrow fund for delivery vault components in the amount of \$1,262,500.00. Release of funds from escrow is pending approval by the NTMWD Board of Directors at their July 2019 meeting. The City desires to fund the proposed contract with Associated Construction Partners, LTD, in the amount of \$13,307,500 utilizing bond funds issued by the Authority, with payment of \$1,262,500 from the City, through the escrow agreement with NTMWD. The award of the contract with Associated Construction Partners, LTD is discussed in item VIII.

An Interlocal Agreement between the Authority and the City of Princeton has been drafted in order for the Authority to utilize the \$1,262,500 escrow funds for this construction project. Through the agreement, the City agrees to pay \$1,262,500 for construction of the project by committing the escrow funds from NTMWD to the construction contract with Associated Construction Partners, LTD. The City Council approved the Interlocal Agreement between the Authority and the city at their June 10 2019 council meeting. Board Member Mark Kuneman made the motion to approve the Interlocal Agreement with the City of Princeton for the Forest Grove Pump Station Project. Board Member Matt Brown seconded the motion. Motion passed unanimously.

VIII. Consider and act upon award of contract for City of Princeton Forest Grove Pump Station Improvements Project.

General Manager Drew Satterwhite had given the background information in Item VII. Four bids were received on May 23, 2019 for the Forest Grove Pump Station Improvements Project. Associated Construction Partners was the lowest bidder in the amount of \$13,307,500.00. The City of Princeton authorized the award of contract at their June 10, 2019 council meeting. With the inclusion of the NTMWD funds made available by the Interlocal Agreement on the previous item, there are funds available to award and construct this project. Board Member Matt Brown made the motion to authorize the award of contract contingent upon North Texas Municipal

Water District Board of Directors authorizing the release of escrow funds at their July Board Meeting. Board Member Scott Blackerby 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 2019 (City of Pottsboro Project)", including the adoption of a resolution authorizing the issuance of such bonds.

General Manager Drew Satterwhite provided background information for the Board. The City of Pottsboro staff requested GTUA staff's assistance in obtaining funding for a wastewater treatment plant rehabilitation and expansion project. The project would increase the capacity of the existing WWTP from a design flowrate of 0.35 MGD to 0.65 MGD through both the construction of new treatment processes and pipelines as well as the rehabilitation of existing infrastructure. The WWTP is in need of expansion, in order to continue meeting TCEQ permit requirements. The TWDB approved the Pottsboro bond application in the amount of \$8,420,000 for funding through the CWSRF. The City could save approximately \$2,300,000 over the life of the loan by utilizing the CWSRF program. The CWSRF 30 year true interest rate for this issue is .846%, closing the loan on July 26, 2019. Kristen Savant with Norton Rose Fulbright reviewed the bond resolution. Board Member Scott Blackerby made the motion to adopt the resolution authorizing the issuance of the bonds. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- X. Consider and act upon authorization for General Manager to advertise for bids for City of Pottsboro Project.

General Manager Drew Satterwhite advised the Board that in the past the Board has authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete. This improves the efficiency of the process to complete the project, and avoids the potential for a one to two month wait to receive approval to advertise for bids. Board Member Ken Brawley made the motion to authorize the General Manager to proceed with advertising the projects. Board Member Matt Brown seconded the motion. Motion passed unanimously.

- XI. Executive Session.

Pursuant to Government Code Section 551.071, the Board of Directors President Morgan stated the Board of Directors would adjourn into closed Executive Session at 12:50 pm to discuss the following:

- A. All matters incident and related to the Bear Creek Special Utility District's rate appeal being evaluated by the Public Utility Commission

- XII. Regular Session.

Board reconvened into regular session at 12:58 p.m. Board President Brad Morgan stated that no action was taken during the Executive Session.

XIII. 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:

CGMA plans are coming together and are hoping to enable taking water directly at McKinney from line.

GTUA agenda was late due to Whitewright emergency situation trying to get funding for repairs. Street collapsed on sewer line, not sure how long temporary measures will work before line bursts. With time being a critical issue TWDB options and open market would take too long. It was decided that there would not be an item on the agenda. It was suggested that Whitewright find a local bank to seek funding. Legacy Bank of which Board Member Matt Brown is President is in the process of purchasing the bank Whitewright was dealing with. If Whitewright and the bank do business, Board Member Matt Brown would have to excuse himself from any discussion. Board Members were asked if for any reason the packets need to be mailed on Thursday, if they would like hand-delivered packet to assure they get it before the meeting, members are to let the staff know.

Letter from Jeff Walker, TWDB, was received praising GTUA and staff for the on-going relationship between TWDB staff and GTUA staff.

XIV. Adjourn

Board Member Ken Brawley made the motion to adjourn. Board Member Anthony Richardson seconded the motion. The motion passed unanimously. Board President Morgan declared the meeting adjourned at 1:11 p.m.

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Velma Starks
Recording Secretary


Secretary-Treasurer