

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

MONDAY MARCH 18, 2019

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

Members Present:	Brad Morgan, Stanley Thomas, Scott Blackerby, Donald Johnston, Matt Brown, Anthony Richardson, and Mark Kuneman
Members Absent:	Ken Brawley
Staff:	Drew Satterwhite, Carolyn Bennett, Debi Atkins, and Velma Starks
General Counsel:	Mike Wynne, Wynne and Smith
Visitor:	Cooper Morgan, Brad Morgan's son

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 February 18, 2019 Meeting.

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

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

VI. Consider and act upon Change Order No. 3 to the contract with Wilson Contractor Services, LLC for Lake Kiowa Special Utility District ("SUD") Water system Improvements Phase 1A and 2 Water Main Replacements Project.

General Manager Drew Satterwhite provided background information. In 2014 the Lake Kiowa SUD requested the Authority proceed with the first of five proposed phases of water system improvements, authorizing the issuance of \$3,695,000 in bonds for the engineering and construction of the initial projects in the Lake Kiowa SUD Capital Improvement Program. After completion of these projects, approximately \$560,000 remained in the construction fund for this bond issue, which was able to be utilized for the next phase of line replacements.

In June of 2016, bids were solicited for Phase 1A of waterline replacements project. The two bids received were too high. The Authority and Lake Kiowa pursued additional funding to complete phase 1A and Phase 2. At the December 2016 meeting, the Board authorized the issuance of \$2,125,000 through the Texas Water Development Board's ("TWDB") Drinking Water State Revolving Fund ("DWSRF"). One bid submitted by Wilson Contractor Services LLC of Denton was received and the contract was awarded at the June 2017 in the amount of \$2,106,035.60.

In June of 2018 a revised Change Order No. 1 consisted of modified electrofusion saddles that have threaded connections for all service lines, changing all fire hydrants and valves to a manufacturer who produces Lake Kiowa SUD's preferred fittings on the HDPE main lines, and the addition of 18 gate valves into the main lines in order to provide Lake Kiowa more isolation points for future repairs and maintenance. Change Order No. 1 resulted in an increase of \$42,702.25 resulting in a revised contract amount of \$2,148,737.85.

Change Order No. 2 was for additional materials and to lay an additional section of waterline that was not included in the contract. Lake Kiowa SUD found out that the Home Owners Association ("HOA") would be performing some drainage improvements in the near future. This section of line was initially slated for a future phase, but it was in Lake Kiowa SUD's best interest to get this work done ahead of the HOA installing storm sewer. Change Order No. 2 resulted in an increase of \$108,882.11 resulting in a revised contract amount of \$2,257,619.96.

Change Order No. 3 is divided into 3 categories. Item 1 is for \$5,089.30 to relocating an existing fire hydrant which included materials and labor for new pipe and valves as well as labor for removing and installing fire hydrant. Item 2 is a credit of (\$2,967.84) for tapping of service lines on the existing line that were initially planned on being done while under pressure. However, Lake Kiowa SUD was able to isolate a portion of the water line to the point where the contractor could perform a standard tap which resulted in a cost savings. Item 3 is for \$34,500.00 for labor involved with modifying existing service connections that were put in place 30+ years ago. These meter boxes were oriented differently than indicated on the plans and required a substantial amount of effort on the contractor's part to relocate the meters and plumb the new connections. Change Order No. 3 is an increase of \$36,621.46 resulting in a revised contract amount of \$2,294,241.42. Lake Kiowa approved Change Order No. 3 at their meeting last Wednesday.

Change Order No. 3 is anticipated to be the final reconciliation change order; however Lake Kiowa SUD has requested that the contractor wait on spring weather and dry conditions to lay the sod for the project. There is a possibility that sod quantities may result in a change order when we propose to close the project out.

Board Member Donald Johnston made the motion to authorize the execution of Change Order No. 3 to the contract with Wilson Contractor Services for an increase of \$36,621.46 resulting in a revised contract amount of \$2,294,241.42. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

- VII. Consider and act upon Resolution by the Board of Directors of the Greater Texoma Utility Authority adopting a Water Conservation Plan and a Water Resource and Emergency Management Plan to promote the responsible use of water.

General Manager Drew Satterwhite briefly explained the plans. The Texas Commission on Environmental Quality and the Texas Water Development Board require that the Greater Texoma Utility Authority ("Authority") update the Water Conservation Plan and Water Resource and Emergency Management Plan by May 1, 2019. The contract between the North Texas Municipal Water District ("NTMWD") and the Authority requires that the Authority adopt a Water Conservation Plan and a Water Resource and Emergency Management Plan meeting criteria set out by the NTMWD. The plans are reviewed every five years.

Board Member Stanley Thomas made the motion to adopt the resolution approving the Greater Texoma Utility Authority Water Conservation Plan and the Water Resource and Emergency Management Plan. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

- VIII. Consider and act upon Statements of Qualifications for engineering services for City of Whitewright Wastewater System Improvements Project.

General Manager Drew Satterwhite informed the Board of issues existing with the Whitewright projects. The Authority staff will meet with mayor, city staff and project engineer to discuss the city's water and wastewater projects. The City of Whitewright requested the Authority's assistance in financing and constructing improvements to the City's wastewater treatment plant. The Authority staff plans to pursue the Texas Water Development Board's ("TWDB") Clean Water State Revolving Fund ("CWSRF") for this project. One requirement for the CWSRF Equivalency Funds is that the engineering services be solicited utilizing the TWDB Disadvantage Business Enterprise Program. This was done and the Whitewright City Council considered the statements of qualifications at their March 4, 2019 meeting, and voted to retain the services of KSA Engineers. The staff believes KSA Engineers is a capable firm with the resources to satisfy the needs of this project.

Board Member Mark Kuneman made the motion to confirm the Whitewright City Council's selection of KSA Engineers. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- IX. Provide the Board with an update on the issuance and sale of Greater Texoma Utility Authority Contract Revenue Refunding Bonds, Series 2019 (City of Princeton Project).

General Manager Drew Satterwhite reminded the Board that at the February meeting the General Manager was authorized to operate as pricing manager within certain parameters in order to get the bond issue refunded.

This bond Issue ultimately ended up receiving a rating from Standard and Poor's of AA, which negated the requirement for insurance and also made for a more attractive interest rate. As a result of these factors and the market conditions working in our favor, the Authority and City were able to receive a 2.39% interest rate which will save the City \$492,086 (Net Present Value) over the remaining 10.5 years of the loan.

The General Manager attended the City of Princeton Council Meeting on March 11, 2019 during which the City Council ratified the Authority's action from the February meeting. The bond issue is set to close on April 2, 2019.

X. 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:

City of Pottsboro project for rehabilitation of their wastewater treatment plant upgrade was based on 0.9 MGD capacity, which would triple the size of the existing plant. The City's engineer for this project, Alan Plummer Associates, prepared a feasibility study based on 0.9 MGD. The rate increases necessary to fund the expansion based on 0.9 MGD were discussed and the city decided to ask the engineers to prepare an amendment to the feasibility report decreasing size and taking smaller steps in their expansion. The Authority staff will be going today to meet with Pottsboro to discuss how rates would be affected by expansion.

City of Sherman – our financial advisor has identified 4 bond issues from the 2008-2009 timeframe that are candidates for refinancing, similar to the recent Princeton refunding issue. The City of Sherman has several infrastructure projects. A proposed 2019 Open Market issue would be for some of these projects. This Open Market Revenue Bonds will be issued in conjunction with the refinancing issue. The City also has several projects which the Authority staff will be submitting an application to the TWDB Clean Water State Revolving Fund, to take advantage of the below market interest rates. These improvements include updates at their wastewater treatment plant. Possibility April agenda item for open market.

City of Kaufman - General Manager Drew Satterwhite gave presentation at their City Council retreat last Friday. City of Kaufman is trying to get a wastewater expansion project, 3 or 4 million construction cost.

City of Gainesville – is trying to get a board member representative for GTUA

City of Gunter – needing to get their water well on line as soon as possible and also very interested in regional water system study. They have developers asking about the water situation.

XI. Adjourn

Board Member Matt Brown made the motion to adjourn. Board Member Anthony Richardson seconded the motion. The motion passed unanimously. Board President Morgan declared the meeting adjourned at 1:10 p.m.

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Velma Starks

Recording Secretary

[Signature]

Secretary-Treasurer