

**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
OCTOBER 21, 2019**

AGENDA
GREATER TEXOMA UTILITY AUTHORITY
BOARD OF DIRECTORS PUBLIC HEARING AND MEETING
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
12:30 P.M., MONDAY, OCTOBER 21, 2019

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 21st day of October, 2019, at 12:30 p.m. in the Administrative Offices of the Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered and acted upon, including the expenditure of funds:

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Consent Agenda
 - * Items marked with an asterisk (*) are considered routine by the Board of Directors and will be 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 September 16, 2019 Meeting.
- V. * Consider and act upon approval of accrued liabilities for September 2019.
- VI. *Receive Monthly Financial Information.
- VII. Citizens to be Heard.
- VIII. Review and act upon Approval of Investment Policy.
- IX. Consider and act upon award of contract for Bear Creek SUD S.H. 78 16" and 12" Water Lines.
- X. Consider and act upon authorizing execution of the Third Amendment to GTUA City of McKinney Potable Water Pass Through & Pumping Agreement.
- XI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.
- XII. Adjourn.

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Greater Texoma Utility Authority Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072);

deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT VELMA STARKS AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

ATTACHMENT IV

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

MONDAY SEPTEMBER 16, 2019

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

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

Members Absent: Matt Brown and Mark Kuneman

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

General Counsel: Mike Wynne, Wynne and Smith

Visitors: Richard Todd, Herald Democrat

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 August 19, 2019 Meeting.

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

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

VI. Citizens to be Heard.

There were no citizens requesting to address the Board.

VII. Consider and act upon Budget Amendment for FY 2018-2019.

General Manager Drew Satterwhite provided background information for the Board. In previous years, the Board of Directors has been willing to consider amendments to the Authority's annual budget during the course of the fiscal year to adjust for circumstances that impact revenue and expenses. In many cases, projects that were planned on a specific schedule may be delayed and therefore the funds may not be able to be expended as originally planned. Also, there are typically several adjustments to account for actual bond issuance amounts and interest rates that staff attempted to predict well in advance of a defined project scope. The Authority Staff is proposing to only make changes to the Construction Budget and the Combined Bond Budget. The budget amendment would more accurately reflect expenditures and revenues as they occurred during the course of the year, which results in a more favorable reflection on expenses and revenues during the fiscal year. The Budget Committee (Matt Brown, Stanley Thomas and Brad Morgan) reviewed the budget amendment on September 9, 2019. A request was made that the financial documents have page numbers in the future for easier reference when discussed. Board Member Stanley Thomas made the motion to authorize a budget amendment for the 2018-2019 budget. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

VIII. Consider and act upon Budget for Fiscal Year October 1, 2019 – September 30, 2020.

General Manager Drew Satterwhite provided the Board with a brief explanation of the five major budgeted expense categories (Construction Budget, General Fund Budget, Collin Grayson Municipal Alliance Budget, Solid Waste and Combined Bond Budget). Mr. Satterwhite explained that no salary adjustments are included in the budget. One adjustment that will be addressed is replacement of one employee who will be retiring December 31, 2020. It was suggested that making a motion be delayed until after the Executive Session.

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 Drew Satterwhite provided background information for the Board. TxDOT informed the City of Sherman that utility lines in the TxDOT right of way along SH 1417 needed to be relocated for the widening of SH 1417. The City of Sherman requested financial assistance from the Authority resulting in issuance of additional bonds in the amount of \$2,895,000. The relocation project will be constructed through TxDOT's contractor, but the City is required to provide the funding prior to the project beginning. TxDOT requested funding as soon as possible. At the August 19, 2019 Board Meeting the Board adopted a parameters resolution delegating authority to the General Manager to execute bond documents after the bond series has been priced. The City of Sherman Council will consider this issue at their October 7, 2019 council meeting.

Due to TxDOT needing the funds prior to bond closing, a re-imbursement resolution is required to be adopted by the Board of Directors. A reimbursement resolution is required if funds are expended on hard costs prior to the closing on the loan, and there is a need reimburse another account with bond funds. Reimbursement resolutions are required for hard costs (land, construction, etc.), which are expended more than 60 days prior to bond closing. Board

Member Stanley Thomas made the motion to approve the reimbursement resolution relating to bond funds issued on behalf of the City of Sherman for relocation of utilities located in the TXDOT right-of-way along FM 1417. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

X. Consider and act upon Change Order No. 2 to the contract with Patterson Professional Services, LLC for City of Ector Wastewater Treatment Plant Disinfection Project.

General Manager Drew Satterwhite provided background information for the Board. The City of Ector staff approached the Authority staff with a request for funding through the Texas Water Development Board Clean Water State Revolving Fund for the disinfection upgrade required for the City's Wastewater Treatment Plant. In July of 2017, the Board of Directors authorized the issuance of bonds in the amount of \$550,000 through the TWDB's CWSRF for design and construction of these improvements. In November, the Board authorized award of contract to Patterson Professional Services, LLC in the amount of \$314,075.50 at their November 19, 2018 meeting. During the initial phases of construction, the wet weather the region was experiencing helped identify a need for the contractor to construct an all-weather access road to the chlorine facilities which are located near the back of the WWTP site. Change Order No. 1 included the addition of a gravel road to access the disinfection facility at a cost of \$5,000.00.

Change Order No. 2 includes changing handrail from steel to aluminum (\$2,500.00) and furnishing and installing flow meter (\$9,500.00). The handrail material change is due to a City preference as the aluminum handrail is corrosion resistant providing a safer and longer lasting solution. The flow meter change is due to the City wanting to flow-pace (or automate) their chlorination system which will dose chlorine automatically at a rate dependent on flow. Change Order No. 2 would result in an increase of \$12,000.00 resulting in a revised contract amount of \$331,075.50. The City of Ector will consider this Change Order at their council meeting on September 16th. Board Member Donald Johnston made the motion to authorize the execution of Change Order No. 2 to the contract with Patterson Professional Services, LLC for an increase of \$12,000.00 resulting in a revised contract amount of \$331,075.50. This action would be contingent upon the City of Ector taking similar action. Board Member Ken Brawley seconded the motion. Motion passed unanimously.

XI. Consider and act upon award of Contract and Change Order No. 1 for the Collin Grayson Municipal Alliance Water System's North Texas Municipal Water District Point of Delivery project.

General Manager Drew Satterwhite provided background information for the Board. The North Texas Municipal Water District ("NTMWD") has recently constructed a new 84" transmission line that runs within 500' of the Authority's Collin-Grayson Municipal Alliance ("CGMA") pump station. For the past 10 years, the system has purchased water from NTMWD and has it delivered through the City of McKinney's distribution system. This arrangement has worked great for all parties, however, now that the NTMWD line is in the area, the CGMA system will finally be able to tie directly into NTMWD's transmission system and eliminate the pass through charge from McKinney. Mr. Satterwhite provided a slide presentation explaining how the system works and where the project is located. The low bid was submitted by Dickerson Construction in the amount of \$721,005.00. Change Order Number 1 includes modification of the piping in the pump station and installing approximately 100 l.f. of 8" waterline to the new

fire hydrant and includes cutting existing 18" waterline and capping, installing 18" tee with plug, and removing and salvaging existing fire hydrant. Change Order Number 1 is a decrease of \$99,356.00 resulting in a new contract of \$621,749.00. The four cities are in favor of the changes. Board Member Donald Johnston made the motion awarding the contract to Dickerson Construction and approving Change Order Number 1. Scott Blackerby seconded the motion. Motion passed unanimously.

The Board entered into Executive Session at 1:20 p.m.

XII. EXECUTIVE SESSION

Pursuant to Government Code, Section 551.074, the Board of Directors may adjourn into closed Executive Session to discuss the following:

A. Personnel Matters

- (i) Consider evaluation and duties of Authority General Manager
- (ii) Consider evaluation and duties of administrative and operational personnel

The Board reconvened into Regular Session at 2:40 p.m.

XIII. Regular Session

Board President Brad Morgan stated that no action was taken during Executive Session.

Board Member Donald Johnston made the motion that the Salaries for the General Fund Budget October 1, 2019 – September 30, 2020 be increased \$26,100 for the personnel line items. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

XIV. 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:

The Audit letter language for the current fiscal year was verified that it is similar language used in previous letters.

Bear Creek SUD water line project is being advertised for receipt of bids.

Lake Kiowa has reconsidered and decided to bid the next water line replacement project in the conventional manner was the best practice.

XV. 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 2:45 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT V

RESOLUTION NO. _____

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY AUTHORIZING
PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF SEPTEMBER**

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Dues and Subscriptions</u>			
Gainesville Area chamber of Commerce (Annual Membership)	200.00		
<u>Equipment</u>			
Sam Pack's Five Star Ford (2019 Ford F150 to replace 2011 F150 LP 1096579)	23,967.00		
<u>Fuel and Reimbursements for Mileage</u>			
Theda Anderson (Reimbursement for mileage)	39.92		
Carolyn Bennett (Reimbursement for mileage)			
Velma Starks (Reimbursement for mileage)	30.20		
Conoco (Fuel - operations vehicles, August)	365.14		
Conoco (Fuel - operations vehicles, September)	443.63		
ExxonMobil (Fuel - operations vehicles)	409.64		
Drew Satterwhite (Fuel)	105.38		
Shell Fleet (Fuel - operations vehicles)	108.66		
Valero (Fuel - operations vehicles, September)	403.35		
<u>Insurance</u>			
Drew Satterwhite (2017 Ford F150)	81.77		
TWCA Risk Management (Auto Insurance for 2019 F150)	857.00		
TWCA Risk Management (Workers' compensation insurance, August)	1,174.00		
TWCA Risk Management (Workers' compensation insurance, September)	1,171.00		
<u>Leases/Rental Fees</u>			
Pitney-Bowes (Mailing system)	105.00		
North Texas Regional Airport (Lease - administrative offices)	2,168.61		
<u>Legal Fees</u>			
Wynne & Smith, LLC (Agenda, Board Meeting)	1,186.25		
<u>Maintenance Agreements</u>			
Nova Tech (Konika-Minolta copier)	510.94		
<u>Meetings and Conferences</u>			
Bank of Texas Visa (TWCA Conference)	131.67		
Feast on This (BOD Lunches)	235.00		
TWCA (Mid Year Conference Full Registration)	125.00		
TWCA (Conference)	131.67		
<u>Postage</u>			
United States Postal Service (Post Office Box Renewal)	310.00		
<u>Professional Services</u>			
Final Details (Cleaning Service for August & September)	1,170.00		
Gonzalez Landscape (Lawn Care)			
<u>Repair & Maintenance - Building & Equipment</u>			
Neal Plumbing (Fixed handicap toilet in women's restroom)	118.19		
Shred It (Shredded 48 boxes)	624.18		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			

	CURRENT	PRIOR MONTH	PRIOR YEAR
Blake Utter Ford (2011 F150 LP 1096579 (DH) replaced fuel pump)	497.86		
Blake Utter Ford (2016 F150 LP 1286579 Replaced vacuum actuator, intake manifold assembly)	770.34		
Grayson County Tax Assessor (2019 Ford F150 VIN# 1FTEX1C54KKE52202 registration)	21.75		
Whistlestop Car Spa & Lube (F150 LP 1161476 (AM) oil change and truck wash)	173.28		
<u>Supplies</u>			
Bank of Texas Visa (General Office Supplies)	41.92		
Dave Tomlinson (New flashlight for truck)	9.66		
Office Depot (General Office Supplies)	254.50		
Home Depot Pro (Janitorial Supplies)	150.05		
Home Depot Pro (Field Supplies)	128.86		
Exxon/Mobil (Field supplies - ice)	10.77		
Valero (Field Supplies - ice)	23.70		
Wal-Mart (Field supplies)			
<u>Utilities</u>			
Alan Moore (Reimbursement for cell phone expenses)	25.00		
Wayne Eller (Reimbursement for cell phone expenses)	25.00		
Dave Tomlinson (Reimbursement for cell phone expenses)	25.00		
Drew Satterwhite (Reimbursement for cell phone expense)	25.00		
Sparklight (Internet)	129.44		
AT & T Wireless (cell phone)	111.93		
City of Denison (Water)	129.36		
City of Sherman (Trash services)	102.00		
8x8, Inc. (phone lines - local & long distance)	191.27		
TXU Electric	770.91		
ATMOS Energy	51.54		
TOTAL:	\$ 39,842.34	\$ 19,544.26	\$ 12,871.47
SOLID WASTE:			
<u>Fuel</u>			
Valero (Fuel - operations vehicles)	87.19		
<u>Supplies</u>			
Dave Tomlinson (Keys for DH)	11.00		
<u>Utilities</u>			
Grayson-Collin Electric	317.50		
Starr Water Supply	60.30		
TOTAL:	\$ 475.99	\$ 199.28	\$ 600.53
WASTEWATER:			
<u>Advertising</u>			
Bank of Texas Visa (Kaufman 2019 - Herald Democrat Environmental Review)	64.35		
Herald Democrat (Bear Creek 2019 - Public Notice for Construction bids 16" & 12" water lines)	420.00		
Herald Democrat (Sherman 2019 REF - Public Notice for Construction Bids)	43.88		
<u>Construction Contracts</u>			
City of Sherman (Sherman 2017A - Reimbursement NW Sewer aka Preston Club Sewer)	12,500.00		
City of Sherman (Sherman 2019 REF - Reimbursement WWTP Aeration & Clarification)	225,648.68		
City of Sherman (Sherman 2019 REF - Reimbursement Water & Sewer Supplies Contract services)	5,552.50		
City of Sherman (Sherman 2019 REF - Reimbursement Storm Water Lift Station)	36,814.00		
City of Sherman (Sherman 2019 REF - Reimbursement Exp Moore Street Sewer)	10,650.00		
Fryer Construction (Van Alstyne 2014B - WWTP Solids Dewatering Project Pay App #2)	122,216.00		
Patterson Professional (City of Gunter 2018 - WWTP project. Pay App #11)	100,331.40		
Patterson Professional (City of Ector 2017 - WWTP Disinfection Project Pay App #5)	12,346.67		
Fryer Construction (Van Alstyne 2014B - Solids Dewatering Project Pay App #1)	114,751.00		
<u>Engineering Fees</u>			
Freeman-Millican (Sherman 2019 REF - Storm Wtr Management 90% Final Design complete)	6,043.50		

	CURRENT	PRIOR MONTH	PRIOR YEAR
<u>Miscellaneous</u>			
BLX Group (Leonard 2002 - Final Arbitrage Report for 2/3/17)	250.00		
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Gainesville 2013 - GTUACRB13GP 10/1/19)	300.00		
Bank of Texas Trust (Ector 2017 - GTUAECTOR17 10/1/19)	300.00		
Bank of Texas Trust (Sadler 2016 - GTUASADLER16 10/1/19)	300.00		
Bank of Texas Trust (Whitewright 2015 - GTUAWHITE15 10/1/19)	300.00		
TOTAL:	\$ 648,831.98	\$ 62,848.28	\$ 291,976.67
WATER:			
<u>Advertising</u>			
Gainesville Daily Star (CGMA - Contractor Bids to intergrate with new NTMWD water lines)	380.76		
Gainesville Daily Star (Bear Creek 2019 - Construction bids for water improvements and expansion)	689.50		
Herald Democrat (CGMA - Contractor Bids to intergrate with new NTMWD water lines)	305.06		
Herald Democrat (Bear Creek SUD 2019 - Construction Bids for 16" & 12" water lines)	420.00		
Star Local Medica (Bear Creek 2019 - Notice for construction bids for SH 78 Water Lines)	1,815.00		
<u>Construction Costs</u>			
City of Sherman (Sherman 2017A - Reimbursement for High Country Water)	35,754.26		
MWH (Sherman 2017 - Lk Texoma WTP Expansion Project Pay app #29 for work in July 2019)	15,855.00		
<u>Engineering Fees</u>			
City of Krum (Krum 2017 - Reimbursement of Freese & Nichols invoices for Masch Branch Well)	22,786.29		
City of Princeton (Princeton 2018 - Reimbursement of Kimly-Horn invoices for Forest Grove PS.)	24,922.13		
Freeman-Millican (Sherman 2017A - Fairview Elevated Tank paint & Repair 100% total contract complete)	650.00		
Freeman-Millican (Gunter 2018 - Water System Improvements through May 2019)	16,040.00		
<u>Groundwater</u>			
8x8, Inc. (NTGCD - 800 line, local & long distance)	191.27		
8x8, Inc. (RRGCD - 800 line, local & long distance)	191.27		
American Express (NTGCD - Invoiced A/R application)	50.00		
American Express (RRGCD - Invoiced A/R application)	50.00		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	101.74		
Allen Burks (RRGCD - cell phone reimbursement)	25.00		
Bank of Texas Visa (RRGCD - GoDaddy both servers)	534.96		
Exxon/Mobil (NTGCD - Fuel, W. Parkman)	107.27		
Exxon/Mobil (RRGCD - Fuel, A. Burks)	37.56		
Lowe's (NTGCD - bug spray and misc. field supplies)	21.97		
Lowe's (RRGCD - bug spray and misc. field supplies)	21.97		
Paul Sigle (NTGCD - cell phone reimbursement)	12.50		
Paul Sigle (RRGCD - cell phone reimbursement,)	12.50		
Theda Anderson (RRGCD - reimbursment to for BOD cookies and mileage)	12.88		
Shell (RRGCD - Fuel, A. Burks)	82.64		
Velma Starks (NTGCD - mileage reimbursement)	15.89		
Velma Starks (RRGCD - mileage reimbursement)	25.01		
Valero - (RRGCD - Fuel, A. Burks)	52.00		
Whistlestop (NTGCD - inspection for truck)	7.00		
Whistlestop (RRGCD - oil change)	66.65		
<u>Legal</u>			
Wynne & Smith (CGMA - August services for Youngblood, TxDOT Easements and Collin Condemnation)	3,583.25		
<u>Meetings & Conferences</u>			
American Express (NTGCD - TAGD Conference)	679.77		
American Express (RRGCD - TAGD Conference)	679.77		
Bank of Texas Visa (NTGCD - TWCA Conference)	131.67		
Bank of Texas Visa (RRGCD - TWCA Conference)	131.66		
Bank of Texas Visa (NTGCD - BOD catering Prairie House)	214.98		
TWCA (NTGCD - Full mid-year conference registration)	125.00		
TWCA (RRGCD - Full mid-year conference registration)	125.00		

<u>Miscellaneous</u>	CURRENT	PRIOR MONTH	PRIOR YEAR
BLX Group (Leonard 2000 - Final Arbitrage Report for 2/3/17)	250.00		
Gonzalez Landscape (Sherman 2012 Ref - Pump Station, Corp Property - mowing)			
<u>Paying Agent Fees</u>			
Bank of Texas Trust (Argyle 2007 - 1605GTUACRB7 10/1/20)	325.00		
Bank of Texas Trust (Beils 2004 - BELLS05 10/1/19)	250.00		
Bank of Texas Trust (Bolivar GRETEUTIL042 10/1/19)	325.00		
Bank of Texas Trust (Ector 2013 - GRTEXOMA2013 10/1/19)	225.00		
Bank of Texas Trust (Gainesville 2011 - GTUACRBGPS11 10/1/19)	300.00		
Bank of Texas Trust (Gainesville 2011A - GTUACRB2011A 10/1/19)	300.00		
Bank of Texas Trust (Gainesville 2012 - GTUACRBS2012 10/1/19)	300.00		
Bank of Texas Trust (Paradise 1999 - GTUAPARADI99 10/1/19)	125.00		
Bank of Texas Trust (Paradise 2018 - GTUAPARADI18 10/1/19)	300.00		
Bank of Texas Trust (Southmayd 2012 - GRETEXUTIL00 10/1/19)	137.50		
Bank of Texas Trust (Whitewright 2004 - GRETEUTIL043 10/1/19)	125.00		
<u>Postage</u>			
Federal Express (Paradise 2018 - TWDB #627 documents sent to Joe Koen)	17.42		
<u>CGMA Repair & Maintenance</u>			
Brenntag Southwest (CGMA - Chemicals to disinfect lines at pump station)	8,774.97		
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83		
Texas Excavation Safety System, Inc. (CGMA - water tests, August)	229.90		
Texas Excavation Safety System, Inc. (CGMA - water tests, September)	162.45		
USA Bluebook (CGMA - Sension PH Electrodes)	765.51		
USA Bluebook (CGMA - Sension PH Electrodes, back ordered)	194.32		
USA Bluebook (CGMA - 1Pulsatron E + series)	1,334.19		
Wal-Mart (CGMA - Battery Back up and two extension cords)	144.70		
<u>CGMA Utilities</u>			
AT & T Mobility (CGMA emergency back up lines)	112.46		
AT & T U-Verse (Bloomdale Pump Station, August)	82.52		
AT & T U-Verse (Bloomdale Pump Station, September)	103.32		
City of McKinney (Pass Through Charges, August)	43,376.00		
North Texas Municipal Water District (Water Usage, July)	188,485.00		
North Texas Municipal Water District (Water Usage, August)	188,485.00		
North Texas Municipal Water District (Excess Water 2018-2019 water year)	14,415.37		
TXU Energy (Bloomdale Pump Station)	13,861.72		
TOTAL:	\$ 590,797.36	\$ 848,329.28	\$ 2,567,491.18
Note: DIFFERENCE IS DUE TO MWH \$1,768,902 Sherman WTP			
GRAND TOTAL:	\$ 1,279,947.67	\$ 930,921.10	\$ 2,872,939.85

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY
AUTHORITY THAT the Secretary-Treasurer is hereby authorized to make payments in the
amounts listed above.

On motion of _____ and

seconded by _____, the foregoing

Resolution was passed and approved on this, the _____ day of _____ by
the following vote:

AYE:

NAY:

At a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT VIII



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: October 15, 2019

SUBJECT: AGENDA ITEM NO. VIII

REVIEW AND ACT UPON APPROVAL OF INVESTMENT POLICY

ISSUE

Review and act upon the Investment Policy as required by the Public Funds Investment Act.

BACKGROUND

The Authority is required by the Public Funds Investment Act to have an investment policy in place. The policy provides a framework and guidance document for the investment officers to manage the Authority's funds.

The Board's continual review of this policy is evidence that the Authority is responsible in its use of public funds. Two (2) Authority staff members attend the Public Funds Investment training on a bi-annual basis. Staff also tries to keep our attendance staggered in order to keep up with any changes that may occur.

CONSIDERATIONS

In 2017, the last year following relevant legislative changes, the Budget Committee met with staff and Valley View Consulting to review the proposed changes.

This year, the legislative session did not produce any changes to the Public Funds Investment Act that would impact the Authority's current investment policy. The Authority's Financial Advisor, Valley View Consulting, has reviewed the policy and recommended approving the policy as-is.

STAFF RECOMMENDATIONS

The staff recommends the Board review and approve the proposed Investment Policy.

ATTACHMENTS

Investment Policy

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

RECOMMENDED BY:

Debi Atkins, Finance Officer

GREATER TEXOMA UTILITY AUTHORITY

POLICY RESOLUTION #20.07

FISCAL MANAGEMENT AND INVESTMENT

Adopted:

October 21, 2019

INVESTMENT POLICY

I. PURPOSE

A. Formal Adoption

This investment policy is authorized by the Greater Texoma Utility Authority Board of Directors in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "Act"). It is intended to provide guidelines to the Board of Directors and the investment officers to effectively supervise and manage the investment assets of the Authority.

B. Scope

This investment policy applies to all of the investment activities of the Greater Texoma Utility Authority, excluding the Employee Retirement Trust, and the deferred compensation plan. This policy establishes guidelines for those who can invest Authority funds, for how Authority funds will be invested, and for when and how a periodic review of investments will be made. In addition to this policy, bond funds (which shall include but not be limited to each construction fund, bond fund, revenue fund, and reserve fund), each enterprise fund, and the general fund shall be managed by their governing resolution and all applicable state and federal laws. The Authority will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

C. Review and Amendment

The General Manager and the Board of Directors shall review this policy annually. This policy and any amendments must be approved and adopted by the Board of Directors at least annually.

D. Investment Strategy

The investment strategy must follow investment objectives for each particular fund according to the following priorities:

1. Understanding suitability of investments to the Authority's requirements,
2. Preservation and safety of principal,
 - a. Credit risk - the Authority will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment
 - b. Interest rate risk - the Authority will minimize the risk that the interest

earnings and the market value of investments in the portfolio will fall due to changes in general interest rates

3. Liquidity,
4. Marketability prior to maturity of each investment,
5. Diversification, and
6. Yield.

II. INVESTMENT POLICIES

A. Eligible Investments

Investments described below are authorized by Chapter 2256, Texas Government Code, as eligible securities for the Authority. The purchase of specific issues may, at times, be restricted or prohibited by the General Manager and Board of Directors. Authority funds governed by this policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding principal-only and interest-only mortgage backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits.
2. Direct obligations of the State of Texas, or its agencies and instrumentalities.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States, or their respective agencies and instrumentalities.
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.
5. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, and secured by obligations described by 1-4 above, which are eligible investments under the Act, pledged with a third party selected or approved by the Authority, and having a market value of not less than the principal amount of the funds disbursed. The term includes direct security repurchase agreements entered into by the Authority and reverse repurchase agreements only obtained in connection with investment by the Authority in an Eligible Investment Pool or Money Market Mutual Fund. (All Authority repurchase agreement transactions shall be

governed by a signed Master Repurchase Agreement as described in B.4. of this section.)

6. Certificates of deposit, and other forms of deposit, placed in compliance with the Act in state and national banks, savings and loan associations, and credit unions that are:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance fund, or its successor, or, secured by obligations authorized by the Public Funds Collateral Act;
 - b. Governed by a depository contract, as described in B.4., that complies with federal and state regulation to properly secure a pledged security interest; and,
 - c. Solicited for bid orally, in writing, electronically, or any combination of those methods.
7. Money market mutual funds regulated by the Securities and Exchange Commission that fully invest dollar-for-dollar all Authority funds without sales commissions or loads and whose investment objectives include seeking to maintain a stable net asset value of \$1.0000 per share. The Authority may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.
8. Eligible investment pools as defined in Section 2256.016 of the Act provided that (a) investment in the particular pool has been authorized by the Board of Directors; (b) the pool shall have furnished the investment officers or other authorized representatives of the Authority an offering circular containing the information required by Section 2256.016(b) of the Act; (c) the pool shall furnish to the investment officers or other authorized representatives of the Authority investment transaction confirmations with respect to all investments made with it; (d) the pool shall furnish to the investment officers or other authorized representatives of the Authority, monthly reports that contain the information required by Section 2256.016(c) of the Act; (e) the pool's assets shall consist exclusively of the obligations authorized by the Act; and (f) whose investment philosophy and strategy are consistent with this policy and the Authority's ongoing investment strategy.

The Authority is not required to liquidate investments that were authorized investments at the time of purchase.

Not less than quarterly, the Investment Officers will monitor the credit rating for each held investment that has an Act required minimum rating. Any investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. Prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

B. Protection of Principal

The Authority shall seek to control the credit risk due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the types of securities as defined in the policy; by qualifying the broker, dealer, and financial institution with whom the Authority will transact; by collateralization as required by law; and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Authority's safekeeping agent. By so doing, Authority funds are not released until the Authority has received, through the safekeeping agent, the securities purchased.

1. Portfolio Diversification

The investment portfolio shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (where appropriate),
- b. Limiting investment in securities that have higher credit risks,
- c. Investing with varying maturities, and
- d. Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Bond proceeds may be invested in a single investment (e.g. flexible repurchase agreement or similar structured investment) if the General Manager, the Finance Officer, and Secretary-Treasurer determine that such an investment complies with federal arbitrage restrictions and facilitates arbitrage recordkeeping and calculations.

2. Diversification by Investment Maturity

In order to minimize interest rate risk, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

a. Current Operating Funds

The weighted average days to maturity for the operating fund portfolio shall be less than 365 days and the maximum allowable maturity shall be three years. The maximum maturity for repurchase agreements shall be 30 days. The investment officers will monitor the average days to maturity level and make changes as appropriate.

b. Bond Proceeds

The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

c. Debt Service Funds

Debt service funds shall be invested to ensure adequate funding for each consecutive debt service payment. The investment officers shall invest in such a manner as not to exceed an "unfunded" debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

d. Bond Reserve Funds

Market conditions, bond resolution constraints, and arbitrage regulation compliance will be considered when formulating reserve fund strategy. Maturity limitation shall generally not exceed the call provisions of the bond resolution and shall not exceed the final maturity of the bond issue.

e. Operating Reserve Funds

The anticipated cash requirements of other Authority funds will govern the appropriate maturity mix. Appropriate portfolio strategy shall be determined based on market conditions, policy compliance, Authority financial condition, and risk/return constraints. Maximum maturity shall not exceed five years.

3. Ensuring Liquidity

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets, and by investing in eligible money market mutual funds and eligible investment pools.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

4. Collateralization

Consistent with the requirements of state law, the Authority requires all bank, savings and loan association, and credit union deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Authority depositories will be required to sign a depository agreement with the Authority. The Agreement shall define the Authority's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a

perfected security interest in compliance with federal and state regulations, including:

- the agreement must be in writing;
- the agreement has to be executed by the depository and the Authority contemporaneously with the acquisition of the asset;
- the agreement must be approved by the Board of Directors or the loan committee of the depository and a copy of the meeting minutes must be delivered to the Authority; and
- the agreement must be part of the depository's "official record" continuously since its execution.

Repurchase agreements must also be secured in accordance with state law. Each counter party to a repurchase transaction is required to sign a copy of the Public Securities Association Master Repurchase Agreement, or similar agreement, as approved by the Authority. An executed copy of this agreement must be on file before the Authority will enter into any transactions with a counter party. All master repurchase agreements must be approved by the Board of Directors.

a. Collateral Levels

(1) Financial Institution Deposits

The market value of this principal portion of collateral pledged for financial institution deposits must at all times be equal to or greater than 102% of the deposit amount plus accrued interest on the deposit, less the applicable level of FDIC insurance.

(2) Repurchase Agreements

A repurchase agreement's security value shall be the par value plus accrued interest, and the security's market value must be maintained at the following minimum levels:

Agreement Maturities Greater Than One Business Day

U.S. Treasury securities.....102%

U.S. agency and instrumentalities.....103%

Agreement Maturities of One Business Day

All securities.....100%

b. Monitoring Collateral Adequacy

(1) Financial Institution Deposits

The Authority shall require monthly reports with market values of pledged securities from all financial institutions with which the Authority has

deposits. The investment officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

(2) Repurchase Agreement

Routine monitoring by the investment officers of market values of all underlying securities purchased for Authority in repurchase transactions is required. More frequent monitoring may be necessary during periods of market volatility.

c. Additional Collateral and Securities

(1) Financial Institution Deposits

If the collateral pledged for a deposit falls below the deposit value of the deposit, plus accrued interest, less FDIC insurance, the institution holding the deposit will be notified by the investment officers and will be required to pledge additional collateral no later than the end of the next succeeding business day.

(2) Repurchase Agreements

If the value of the securities underlying a repurchase agreement falls below the margin maintenance levels specified above, the investment officers will request additional securities. If the repurchase agreement is scheduled to mature within five business days, and the amount is deemed to be immaterial, then the request is not necessary.

d. Collateral Release or Substitution

Collateralized deposits and repurchase agreements often require release or substitution of collateral. Any broker/dealer or financial institution requesting substitution must contact the investment officers for approval and settlement. The substituted security's value will be calculated and substitution approved, if its value is equal to or greater than the required security level. The investment officers, or a designee, must provide written notification of the decision to the bank or the custodian/safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The investment officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

5. Safekeeping and Custody

a. Safekeeping/Custodial Agreement

The Authority shall contract with a bank or banks for the safekeeping of securities

owned by the Authority as a part of its investment portfolio, or custodian of collateral as part of its depository and repurchase agreements.

b. Pledged Collateral Custodian

All collateral deposits must be held by a third-party institution eligible under the Public Funds Collateral Act and acceptable to the Authority, or by the Federal Reserve Bank.

c. Safekeeping of Repurchase Agreement Securities

The securities purchased under repurchase agreements must be delivered to a third-party safekeeping agent with which the Authority has established a safekeeping agreement.

C. Investment Broker/Dealers

Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations. All Authority investment portfolios shall be actively managed to enhance overall interest income. Investment broker/dealers shall adhere to the spirit, philosophy, and specific term of this policy, and shall avoid recommending or suggesting transactions outside the same "Standard of Care" as defined in III. D.4.

1. Authorized Broker/Dealers

A list will be maintained of approved investment broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 153C-1 (uniform net capital rule).

All broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

Audited financial statements

Proof of Financial Industry Regulatory Authority (FINRA) certification and U4

Proof of state registration

Completed broker/dealer questionnaire

An annual review of the qualified broker/dealers will be conducted by the Board of Directors.

D. Responsibility and Controls

1. Administration

The administrative staff and the Board of Directors shall develop the policies for the Authority's investment portfolios. The guidelines and procedures established by this policy will at all times be adhered to by the Authority.

2. Authority to Invest

a. Designation of investment officers and delegation of authority regarding investment decisions

The Authority's Board of Directors designates the General Manager and Finance Officer having authority to make investment decisions (the "investment officers"). No other person may deposit, withdraw, invest, transfer, or manage in any other manner the funds of the Authority without express written authority of the Board, except that any investment officer may give written authorization for a member of the Authority's contract administrator's finance and accounting staff to execute electronic fund transfers between the Authority's financial institution accounts. Authority granted under this section is effective until rescinded by the Board or until termination of the person's employment or board membership or until the termination of the contract administrator's agreement.

b. The investment officers shall have the authority to:

- (1) Obtain and review competitive rates from qualified investment providers, financial institutions and broker/dealers.
- (2) Make or authorize the making of investments on behalf of the Authority.
- (3) Authorize or confirm the wire transfers of money of the Authority as authorized in this policy.
- (4) Maintain custody of all records of the Authority relating to its investment and management of its funds.
- (5) Perform or supervise the performance of any duties authorized to be performed by the Authority depository under this policy.
- (6) Prepare or supervise the preparation of periodic reports to be provided to the Board of Directors summarizing the investment and management of funds of the Authority.
- (7) Perform other duties as appropriate to implement this policy.

c. The investment officers shall attend training, as required by Water Code 49.1571, relating to the investment officers' responsibilities within 12 months after taking office or assuming responsibilities. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. The investment officers shall continue to participate in educational opportunities as needed to maintain their quality and capabilities for performing their duties.

The investment training session shall be provided by an independent source approved by the Board. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom the Entity may engage in an investment transaction.

3. Prudent Investment Management

The designated investment officers shall perform their duties in accordance with the adopted investment policy and internal procedures. The prudence of the Investment Officer is considered by the investment of all funds rather than a single investment. The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

4. Standard of Care

The standard of care used by the Authority and designated investment officers shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Act states:

- a. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) Preservation and safety of principal;
- (2) Liquidity; and
- (3) Yield.

- b. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) The investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) Whether the investment decision was consistent with the written investment

policy of the entity.

5. Standard of Ethics

The designated investment officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity. Additionally, all investment officers shall file with the Texas Ethics Commission and the Board of Directors a statement disclosing any personal business relationship with any entity seeking to sell investments to the Authority or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the Authority.

6. Establishment of Internal Controls

The Board of Directors will oversee the investment officers in the maintenance of a system of internal controls over the investment activities of the Authority. The investment officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officers shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- a. Control of collusion
- b. Separation of transactions authority from accounting and record keeping
- c. Custodial safekeeping
- d. Avoidance of physical delivery securities
- e. Written confirmation for telephone (voice) transactions for investments and wire transfers

7. Reporting

Investment performance will be monitored and evaluated by the investment officers. The

investment officers will provide a quarterly comprehensive report signed by all investment officers to the Board of Directors. This investment report shall:

- a. Include a listing of individual securities held at the end of the reporting period,
- b. State the reporting period beginning market value, additions or changes to the market value during the period, and ending market value for the period of each pooled fund group,
- c. State the reporting period beginning market value and ending market value for each investment security by asset type and fund type,
- d. State the maturity date of each investment security,
- e. State the fund for which each investment security was purchased,
- f. Include an average weighted yield to maturity of portfolio as compared to applicable benchmark,
- g. State the fully accrued interest for the reporting period,
- h. State the percentage of the total portfolio that each type of investment represents, and
- i. State the compliance of the investment portfolio with the Authority's investment policy and strategy of the Public Funds Investment Act.

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. The source of pricing used to calculate market value will be sources independent from the transaction.

In conjunction with the annual audit, the quarterly reports shall be formally reviewed by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

8. Investment Policy Certification

Local government investment pools and discretionary investment management firms shall be presented a written copy of this investment policy. The qualified representative of the business organization shall execute a written instrument substantially to the effect that the organization has:

- a. Received and reviewed this investment policy; and
- b. Acknowledged that the organization has implemented reasonable procedures and

controls in an effort to preclude imprudent investment activities with the Authority in compliance with the Act.

The Authority shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

The Authority, in conjunction with its annual financial audit, shall perform a compliance audit of management controls or investments and adherence to the Authority's investment policy and strategies.

On motion of _____ seconded by _____,
the foregoing resolution was adopted by the Board of Directors of the Greater Texoma Utility Authority this 21st day of October, 2019 by the following vote:

_____ Voted "For"

_____ Voted "Against"

_____ Abstained

at a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary-Treasurer

Policy source: Board Policy Manual, Section 20.00, Policies on Finance

Appendix A
Approved Investment Training Sources

Association of Water Board Directors
Texas Rural Water Association
Texas Water Utilities Association
Government Finance Officers' Association
Government Finance Officers' Association of Texas
Government Treasurers' Organization of Texas
Council of Governments
University of North Texas Center for Public Management
American Institute of Certified Public Accountants
Association of Governmental Accountants

Appendix B
Authorized Broker/Dealers

BOKF Financial
FTN Financial
Multi-Bank Securities
Raymond James

ATTACHMENT IX



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 15, 2019

SUBJECT: AGENDA ITEM NO. IX

CONSIDER AND ACT UPON AWARD OF CONTRACT FOR BEAR CREEK SPECIAL UTILITY DISTRICT S.H. 78 16" AND 12" WATER LINES.

ISSUE

Consider and act upon award of contract for the Bear Creek Special Utility District ("SUD") SH 78 16" and 12" water lines.

BACKGROUND

In 2018, the Bear Creek SUD approached the Authority to discuss the process of utilizing the Authority for financing water infrastructure projects. The Bear Creek SUD is planning to construct 1) a new ground storage tank and pump station to replace the existing facilities which are outdated and undersized, and 2) 6,974' and 1,537' of 12" and 16" pipeline to connect the new pump station to the system.

At their May 2018 Board meeting, the Bear Creek SUD passed a resolution expressing their intent to utilize the Authority for financial assistance for these projects.

At the September 2018 meeting, the Board approved a Water Facilities Contract between the Authority and Bear Creek SUD enabling the Authority to issue debt on behalf of Bear Creek SUD. Bear Creek SUD approved the Water Facilities Contract at their October 9, 2018 meeting.

The Board subsequently approved an application to the Texas Water Development Board ("TWDB") for funding through their Drinking Water State Revolving Fund ("DWSRF") for the Bear Creek SUD water system improvement projects in the amount of \$7,490,000.

The DWSRF offered a 1.35% interest rate subsidy which brought the interest rate on this 30 year bond series to 2.39%. The TWDB estimates that by utilizing this program, the Bear Creek SUD would save approximately \$1,802,000 over the life of the loan. The GTUA Board authorized the issuance of the bonds on behalf of the Bear Creek SUD in the amount of \$7,490,000 at their December 2018 meeting. The Bear Creek SUD confirmed the Authority's Bond resolution at their January meeting.

The Bear Creek SUD's water system improvements project bid was for SH 78 16" and 12" Water Lines. The Work is to include furnishing all labor, materials, and equipment, and performing all work necessary for the installation of 6,974' LF of 12-inch water line, and 1, 1,537 LF of 16-inch water line, and all associated appurtenances and connections to existing water line along S.H. 78 in Lavon, TX. The limits of the project are from the existing pump station located on Geren Drive to the intersection of H 78 and Bently Drive.

CONSIDERATIONS

On September 26, 2019, Greater Texoma Utility Authority on behalf of Bear Creek Special Utility District received bids for the "SH 78 16-inch and 12-inch Water Lines" project. The following bids were received:



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

Bidder	Amount Bid
Western Municipal Construction of Texas, LLC	\$994,870.00
Canary Construction, Inc.	\$1,016,692.00
Dickerson Construction Company	\$1,126,836.00
Black Rock Construction	\$1,165,583.00
Larett, Inc.	\$1,191,211.00
Interstate Pipeline Utility	\$1,197,116.80
Quality Excavation	\$1,206,053.74
Barclay Premier Utility Services	\$1,345,900.80
Garney Companies	\$1,380,620.00
Saber Development Corporation	\$1,447,062.20
FM Utilities, LLC	\$1,447,121.00
Joe Funk Construction	\$1,688,460.54

Kimley-Horn and Associates, Inc. has reviewed the lowest bidder's qualifications and verified that the Contractor is licensed to perform work in the State of Texas. The contractor is new to Texas but has performed work out of state and references have provided positive reviews. Based on these reviews, it appears that Western Municipal Construction of Texas, LLC is the lowest responsive bidder for the project. Kimley- Horn recommends award of the construction contract to Western Municipal Construction of Texas, LLC based on the bids received.

The Bear Creek SUD Board is scheduled to consider a similar action at their October 15th Board Meeting.

STAFF RECOMMENDATIONS

The Authority staff recommends the Board award the contract to Western Municipal Construction of Texas, LLC. in the amount of \$994,870.00.

ATTACHMENTS

Recommendation Letter
Bid Tabulation

PREPARED AND SUBMITTED BY:


Drew Satterwhite, P.E. General Manager

Kimley»Horn

October 9, 2019

Drew Satterwhite, P.E.
Greater Texoma Utility Authority
5100 Airport Drive
Denison, TX 75020

RE: SH 78 16-inch and 12-inch Water Lines

Dear Mr. Satterwhite:

On September 26th, 2019, Greater Texoma Utility Authority on behalf of Bear Creek Special Utility District received bids for the "SH 78 16-inch and 12-inch Water Lines" project. The following bids were received:

Bidder	Amount Bid
Western Municipal Construction of Texas, LLC	\$994,870.00
Canary Construction, Inc.	\$1,016,692.00
Dickerson Construction Company	\$1,126,836.00
Black Rock Construction	\$1,165,583.00
Larett, Inc.	\$1,191,211.00
Interstate Pipeline Utility	\$1,197,116.80
Quality Excavation	\$1,206,053.74
Barclay Premier Utility Services	\$1,345,900.80
Garney Companies	\$1,380,620.00
Saber Development Corporation	\$1,447,062.20
FM Utilities, LLC	\$1,447,121.00
Joe Funk Construction	\$1,688,460.54

Kimley-Horn and Associates, Inc. has reviewed the lowest bidder's qualifications and verified that the Contractor is licensed to perform work in the State of Texas. Based on these reviews, it appears that Western Municipal Construction of Texas, LLC is the lowest responsive bidder for the project. Kimley-Horn recommends award of the construction contract to Western Municipal Construction of Texas, LLC based on the bids received.

Enclosed is a copy of the bid tabulation for your reference. Thank you for the opportunity to be of service to Greater Texoma Utility Authority on behalf of Bear Creek Special Utility District.

Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.



Todd Strouse, P.E.

[illegible]

that listed on it shows a discrepancy in the Old Farm Submarket amount this is Old Farm is incorrect based on Unit Old Price. Amount Old has been corrected in Unit's calculation based on Unit Old Price.

ATTACHMENT X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: October 15, 2019

SUBJECT: AGENDA ITEM NO. X

CONSIDER AND ACT UPON AUTHORIZING EXECUTION OF THE THIRD AMENDMENT TO THE POTABLE WATER PASS THROUGH AND PUMPING AGREEMENT WITH THE CITY OF MCKINNEY

ISSUE

Consider and act upon authorizing the execution of the third amendment to the Potable Water Pass Through Pumping Agreement with the City of McKinney.

BACKGROUND

The Collin Grayson Municipal Alliance pipeline was constructed in 2007 to serve water to the Cities of Howe, Van Alstyne, Anna and Howe ("Cities"). The Authority financed the construction of this 20+ mile pipeline and ultimately signed contracts with the Cities, North Texas Municipal Water District ("NTMWD") and the City of McKinney to become the operator of the pipeline. During the planning phases of the project, the Authority reached an agreement with the NTMWD to purchase potable water on the north side of McKinney. However, the NTMWD did not have a major transmission line in place in the area which ultimately led to discussions with the City of McKinney of purchasing the water from NTMWD and paying McKinney a fee to pass the water through their system for delivery to the CGMA system. This was a temporary measure as it was understood that NTMWD would be building a transmission line in the vicinity of the CGMA pump station in the coming years. As development slowed down after the economic downturn beginning around 2007, the plans for constructing this pipeline slowed down as well. The NTMWD's transmission line has recently been completed and the City of McKinney and the Authority are currently in the process of constructing improvements to allow us both to utilize this new NTWMD transmission line. The agreement last reached with McKinney expire in September of 2019 which necessitates the Authority, on behalf of the CGMA Cities, pursuing another extension to our existing pass through agreement that will keep us under contract until we can receive water from NTMWD directly.

OPTIONS/ALTERNATIVES

The CGMA group is fortunate to have the take point with the City of McKinney at this time. We believe there is no other feasible option at this time.

CONSIDERATIONS

In summary, this amendment will extend the existing contract to September 30, 2020. The Authority staff believes it is prudent to get this amendment agreed upon to ensure a reasonable rate of water delivery.

The City of McKinney has provided the attached amendment. The four (4) CGMA Cities will also be asked to this agreement at their upcoming council meetings.

STAFF RECOMMENDATIONS

The staff recommends that the Board authorize the execution of the Third Amendment to the Potable Water Pass Through and Pumping Agreement.

ATTACHMENTS

Third Amendment to the Potable Water Pass Through and Pumping Agreement



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

**THIRD AMENDMENT
TO
GREATER TEXOMA UTILITY AUTHORITY – CITY OF MCKINNEY
POTABLE WATER PASS THROUGH & PUMPING AGREEMENT
Effective Date: October 1, 2019**

THIS THIRD AMENDMENT, is made and entered into effective the 1st day of October, 2019 to that one certain Original Agreement dated effective the 30th day of November, 2004, which Agreement was subsequently amended August 20, 2006 (the “Amended Agreement”) and May 17, 2017 (the “Second Amendment”) by and between the **CITY OF MCKINNEY, TEXAS**, a municipal corporation, hereinafter called the “City,” and the **GREATER TEXOMA UTILITY AUTHORITY**, hereinafter called “GTUA,” provides:

1. Section 12 of the Second Amendment shall be amended to read as follows:

TERM OF AGREEMENT. So long as no default shall exist, McKinney shall exercise its best efforts to complete the design and necessary utility infrastructure to effectuate this Amended Agreement, which if completed shall have a primary term commencing on December 31, 2006 (or sooner if McKinney completes the necessary utility infrastructure) and continue in force and effect until its termination on September 30, 2020, unless:

McKinney agrees to extend the Amended Agreement on a year-to-year basis if 1) McKinney determines, in its sole discretion, that it has available capacity for any requested extension term after September 30, 2019, 2) the increased volumes requested are not more than 2.5 MGD over the previous year’s volumes, and 3) GTUA agrees to a price for water delivery which is not less than 100% of the previous year’s Base Cost for the period beginning October 1, 2019 through September 30, 2020 and thereafter 150% more than the previous year’s Base Cost for any subsequent year; however, in no event shall the agreement be extended without the mutual agreement to the then existing timeline for the pending the completion of a new NTMWD transmission facility designed to provide service to GTUA; OR,

NTMWD completes construction of an adequate transmission facility designed to serve GTUA prior to the termination of this Amended Agreement, such as the transmission facility contemplated by NTMWD and the City of McKinney as a component of the planned McKinney Delivery Point #4. In such event, this Amended Agreement shall be immediately terminated upon the connection of the NTMWD transmission line to the GTUA Point of Delivery and upon final payment for any costs incurred by GTUA to McKinney under this Amended Agreement.

This THIRD AMENDMENT to the Potable Water Pass Through and Pumping Agreement shall be effective as of October 1, 2019.

IN WITNESS WHEREOF, the **CITY OF MCKINNEY, TEXAS** has caused this THIRD AMENDMENT to be signed and executed in its behalf by its City Manager, and duly attested by its City Secretary, and the **GTUA** has signed and executed this Agreement, both in duplicate, as of the dates written below.

[signatures on the following pages]

GREATER TEXOMA UTILITY AUTHORITY
Denison, Texas

By: _____
President, Board of Directors

Attest:

GREATER TEXOMA UTILITY AUTHORITY
Denison, Texas

By: _____
Secretary, Board of Directors

Accepted and agreed to:

Paul G. Grimes
City Manager
City of McKinney, Texas

Attest:

Empress Drane
City Secretary
City of McKinney, Texas

[Signatures below are needed]

Printed Name: _____

Mayor

City of Anna, Texas

Attest:

Printed Name: _____

City Secretary

City of Anna, Texas

Printed Name: _____

Mayor

City of Melissa, Texas

Attest:

Printed Name: _____

City Secretary

City of Melissa, Texas

Printed Name: _____

Mayor

City of Howe, Texas

Attest:

Printed Name: _____

City Secretary

City of Howe, Texas

Printed Name:

Mayor

City of Van Alstyne, Texas

Attest:

Printed Name:

City Secretary

City of Van Alstyne, Texas

PREPARED IN THE OFFICES OF:

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