

**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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Velma Starks
Recording Secretary


Secretary-Treasurer