GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
AUGUST 17, 2026

GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020

AGENDA
GREATER TEXOMA UTILITY AUTHORITY
BOARD OF DIRECTORS MEETING
GTUA BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
Monday, August 17, 2026, 12:00 p.m.

Notice is hereby given that a meeting of the Board of Directors of the Greater Texoma Utility Authority will be held on the 17th day of August 2026, at 12:00 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 July 20, 2026, Meeting

V. *Consider and act upon approval of accrued liabilities for July 2026.

VI. *Consider and act upon approval of Change Order #1 for the City of Bells Branch Street Sewer Project.

VII. *Consider and act upon approval of Change Order #4 for the City of Pottsboro WWTP Expansion Project.

VIII. Citizens to be Heard.

IX. Receive Quarterly Investment Report.

X. Consider and act upon an Engagement Letter for Independent Audit Services for Fiscal Year 2025-2026.

XI. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)," including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.

XII. Consider and act upon the award of contract for the City of Gainesville 16-Inch Clements St. Water line Project

XIII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Red River Construction Co., for the City of Sherman WTP Flocculation and Sedimentation Improvements Project as complete and authorizing Change Order #2.

XIV. Consider and act upon the award of contract for the City of Bells Tank Rehabilitation Project.

XV. Consider and act upon the resignation of Stanley Thomas.

XVI. Consider and act upon Resolution of Appreciation for Stanley Thomas.

XVII. Executive Session

Pursuant to Government Code, Sections 551.071, the Board of Directors may adjourn into closed Executive Session to discuss the following:

a. Consultations Between Governmental Body and Its Attorney
    i. Pending or contemplated litigation.

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

XIX. Adjourn.

---

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

[2]At 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.

[3]PERSONS 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.

AGENDA ITEM IV

MINUTES OF THE BOARD OF DIRECTORS
GREATER TEXOMA UTILITY AUTHORITY

MONDAY, JULY 20, 2026

AT THE ADMINISTRATIVE OFFICES
5100 AIRPORT DRIVE
DENISON TX 75020

Members Present:	Stanley Thomas, Donald Johnston, Ken Brawley, Brad Morgan, Scott Blackerby, Henry Koehler, Matt Brown, and Kristofor Spiegel
Members Absent:	Josh Wells
Staff:	Paul Sigle, Stacy Patrick, Debi Atkins, Tasha Hamilton, Shelly DeLozier, and Velma Starks
General Counsel:	Mike Wynne, Wynne, Smith, and Young
Bond Counsel:	Kristen Savant, Norton Rose Fulbright

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:00 p.m.

II. Pledge of Allegiance

Board President Brad Morgan led the group in the Pledge of Allegiance.

III. Consent Agenda
*Items marked with an asterisk (*) are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.

IV. * Consider and act upon approval of Minutes of June 15, 2026, Meeting.

V. * Consider and act upon approval of accrued liabilities for June 2026.

Board Member Scott Blackerby made the motion to approve the Consent Agenda. Board Member Kristofor Spiegel seconded the motion. The motion passed unanimously.

VI. Citizens to be Heard.

No citizens to be heard.

VII. Consider and act upon the resignation of Kristofor Spiegel.

Board President Brad Morgan informed the Board that Kristofor Spiegel had submitted his resignation from the Board. Board Member Ken Brawley made a motion to accept the resignation of Kristofor Spiegel. Board Member Matt Brown seconded the motion. The motion passed unanimously.

VIII. Consider and act upon Resolution of Appreciation for Kristofor Spiegel.

General Manager Paul Sigle presented the Resolution of Appreciation honoring Kristofor Spiegel for his service to the Authority. Board President Brad Morgan presented Mr. Spiegel with a plaque in recognition of his contributions. Board Member Matt Brown made a motion to approve the Resolution of Appreciation. Board Member Donald Johnston seconded the motion. The motion passed unanimously.

IX. Consider and act upon appointments to the Budget and Finance Committee for fiscal year 2026-2027.

Board Members Scott Blackerby, Ken Brawley, and Brad Morgan were appointed to the Budget and Finance Committee. Board Member Matt Brown made a motion to accept the appointments to the Budget and Finance Committee. Board Member Donald Johnston seconded the motion. The motion passed unanimously.

X. Consider and act upon the award of contract for the Lake Kiowa SUD Water Main Replacement Phase 5 Project.

General Manager Paul Sigel provided background information for the Board. Blackrock Construction was the recommended contractor for the project. Board Member Ken Brawley made a motion to award the contract to Blackrock Construction. Board Member Scott Blackerby seconded the motion. The motion passed unanimously.

XI. Consider and act upon the award of contract for the City of Whitewright Wastewater Treatment Plant Improvements Project.

General Manager Paul Sigle provided background information regarding the project. The lowest bid, submitted by Gracon Construction Inc., exceeded the remaining funds available for the project. The City of Whitewright is pursuing additional local funding to cover the funding shortfall. Board Member Matt Brown made a motion to award the contract to Gracon Construction Inc. in the amount of $6,769,360.00 contingent upon the approval by the City of Whitewright and the deposit of sufficient additional local funds to cover the full cost of the project. Board Member Donald Johnston seconded the motion. The motion passed unanimously.

XII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the Contract with Hawk Builders LLC, for the City of Sherman Laboratory Services Building Remodel Project as complete and authorizing Change Order 4.

General Manager Paul Sigle provided background information for the Board. Change Order 4 reduced the contract amount by $1,200.00 resulting in a final contract price of $2,708,137.83. Board Member Scott Blackerby made a motion to accept the Contract with Hawk Builders LLC, for the City of Sherman Laboratory Services Building Remodel Project as complete and approve Change Order 4. Board Member Stanley Thomas seconded the motion. The motion passed unanimously.

XIII. Consider and act upon an amendment to a resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development

<u>Board, authorizing the filing of an application for assistance, and making certain findings in connection therewith (Hickory Creek SUD - Randolph WSC System).</u>

General Manager Paul Sigle presented background information regarding the proposed amendment. Due to an error in estimating the total funds required for the bond issuance, the previously approved not-to-exceed amount was insufficient to cover the full project cost. As a result, the not-to-exceed amount must be increased from $12,500,000 to $13,000,000. Staff recommended that the Board authorize the submission of a DWSRF application to TWDB for funding to be used by the Authority for the Hickory Creek SUD-Randolph WSC project in an amount not-to-exceed $13,000,000. Board Member Donald Johnston made a motion to approve the amendment. Board Member Scott Blackerby seconded the motion. The motion passed unanimously.

XIV. <u>Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.</u>

General Manager Paul Sigle provided background information for the Board. Following discussion, the item was tabled. Board Member Ken Brawley made a motion to table the item. Board Member Matt Brown seconded the motion. The motion passed unanimously.

XV. Consider and act upon a Wastewater Operation agreement for the City of Van Alstyne

General Manager Paul Sigle provided background information regarding the proposed agreement. Discussion followed, during which it was noted that a GTUA Operator would provide backup as needed. Board Member Ken Brawley made a motion to approve the agreement. Board Member Matt Brown seconded the motion. The motion passed unanimously.

XVI. Executive Session

Pursuant to Government Code, Sections 551.071 the Board of Directors may adjourn into closed Executive Session to discuss the following:

a. Consultations Between Governmental Body and Its Attorney
    i. Pending or contemplated litigation.

Board Member Ken Brawley made a motion to convene into Executive Session at 12:25 p.m. Board Member Matt Brown seconded the motion. The Board reconvened into Regular Session at 1:03 p.m. No action was taken.

XVII. <u>Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority</u>.

Bear Creek contract discussion
Baby due in August
Stanley Thomas to resign in the near future, two or three months.

XVIII. <u>Adjourn</u>

Board Member Matt Brown made a motion to adjourn. Board Member Ken Brawley seconded the motion. Board President Brad Morgan declared the meeting adjourned at 1:07 p.m.

##

Recording Secretary	Secretary-Treasurer

AGENDA ITEM 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 July

The following liabilities are hereby presented for payment:	CURRENT	PRIOR MONTH	PRIOR YEAR	% COMPLETE
GENERAL:				
Dues and Subscriptions				
American Express - Intuit (49.50)Microsoft(211.44)	260.94			
Grayson Cnty Tax Assessor - (Registration renewal for 2019 F-150 & 2016 F-150 Operations Vehicles)	15.00			
NexTraq LLC - (GPS Tracking on all field operators trucks)	336.90			
Equipment / Supplies - Contract Operation Services				
Bank Of Texas Visa - (AutoZone(10.81)Academy Sports(54.11)	64.92			
Fuel and Reimbursements				
Billie Jo Tiner - (Reimbursement for mileage)	21.28			
Bobby Miller (Reimbursement for cell phone expenses)	25.00			
Bryan Bradley (Reimbursement for cell phone expenses)	25.00			
Debi Atkins - (BOD Drinks through 5/18/26 - 7/20/26)	48.75			
Nichole Murphy (Reimbursement for cell phone expences)	25.00			
Nicholas Williamson (Reimbursement for cell phone expences)	25.00			
Paul Sigle - (Reimbursement for mileage)	124.34			
Paul Sigle (Reimbursment for cell phone expense)	8.34			
Richard McCool (Reimbursement for cell phone expense)	25.00			
Stacy Pactrick - (Reimbursement for mileage)	171.00			
Stacy Patrick (Reimbursement for cell phone expenses)	25.00			
Tasha Hamilton - (Reimbursement for mileage)	44.08			
Tasha Hamilton (Reimbursement for cell phone expenses)	25.00			
Velma Starks - (Reimbursement for mileage)	41.40			
Valero Fleet Plus - (GTUA - Fuel Expense for closing date 7/15/26)	1,520.86			
Wayne Eller - (Reimbursement for cell phone expenses)	25.00			
Insurance				
TWCA Risk Management (June 2026 workman comp. Insurance)	606.00			
Leases/Rental Fees				
North Texas Regional Airport (Bldg 703 Rent and online payment fee for August 2026)	2,758.85			
Wells Fargo Finance Center (Konica Lease for the period of 7/20/2026 - 8/19/2026)	560.87			
Legal Fees				
Wynne & Smith, LLC (Review and Attendance for BOD from 3/13/26-6/15/26)	3,398.35			
Meetings and Conferences				
Feast On This (GTUA BOD lunch for July 2026)	425.00			
Postage				
Federal Express (Member services - Federal Home Loan Bank)	31.20			
Professional Services				
Final Details (Monthly janitorial services for July 2026)	585.00			
Repair & Maintenance - Building & Equipment				
DTI Voice Data, Inc. - (Installed Zulty 23GE phone/power supply (W.E.) & 25ft Patch Cord)	233.00			
Flores Heating & Air Conditioning - (Replaced 1 Capacitor for AC unit in P.S. Office and tested operation)	215.00			

Orkin Sherman 971 - (Bldg 703 pest control for 6/23/2026)	154.72		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Bank Of Texas Visa - (Circle Star carwash 2019 F-150 for 7/26 42.00)	42.00		
Fibrenew Sherman-Gainesville - (Remaing Balance for 2012 F150 GTUA truck seat replacement	690.98		
Whistle Stop Oil Change Center - (Field operator W.E. Full Synthetic oil and filter change on 2025 Ram 1500)	74.76		
Whistle Stop Oil Change Center - (Field operator B.B. Full Synthetic oil and filter change on 2016 F-150)	90.34		
Whistle Stop Oil Change Center - (Field operator B.M. Full Synthetic oil and filter change on 2022 Ford Ranger	70.88		
Whistle Stop Oil Change Center - (Field operator B.M. Full Synthetic oil and filter change and wash on 2012 F-150	96.28		
<u>Supplies</u>			
Awards Unlimited - (1.25x3 gold/silver/bronze nametag for R.D.)	36.00		
Awards Unlimited - (Kristofor Speigel Resignation recognition Award GTUA BOD)	112.44		
Bank of Texas Visa - (Amazon-copy paper, trash can, White board (681.76)	681.76		
<u>Training</u>			
Bank Of Texas Visa - (TCEQ Lic Renewal for W.E. 111.00)	111.00		
<u>Utilities</u>			
ATMOS Energy (Gas for bldg 703 for the period of 6/13/26 - 7/15/26)	142.50		
American Express - (Zulty Inc. - Telephone system for GTUA)	257.66		
City of Denison (Water & Sewer for the period of 5/20/2026 - 6/20/2026)	406.12		
City of Sherman (Bldg 703 Trash pick up for the period of 5/26/2026 - 6/25/2026)	89.00		
Gridmatic Retail - (Electric Servicefor GTUA blding services through 6/8/26-7/8/26)	697.48		
Sparklight (Bldg 703 internet for the periods of 6/23/26 - 7/22/26)	125.93		
TOTAL:	$ 15,550.93	$ 27,975.64	$ 17,572.86
SOLID WASTE:			
<u>Utilities</u>			
Grayson-Collin Electric - (Electric for Landfill for Methane Flare system, truck barn & diesel storage tank for the period of 6/13/26 - 7/13/26	270.42		
Starr Water Supply - (Landfill water. Meter # 133 for the period of 6/18/2026 - 7/20/2026)	36.18		
TOTAL:	$ 306.60	$ 842.22	$ 280.40
WASTEWATER:			
<u>Construction Contracts</u>			
Landmark Structures I, LP - (Sherman 2024 - Shepherd 2.0 MG Elevated Storage Tank Pay App # 5)	3,032,115.00		
<u>Engineering Fees</u>			
Antero Group LLC - (Bells 2022 - Bells TWDB 2026 - Advanced Tier projects for Water and WW)	5,397.50		
Antero Group LLC - (Bells 2022 Water Tank TCEQ Compliance, 100% plan comments, Electrical Design)	7,203.75		
City of Whitewright - (Whitewright 2023 CWSRF - Reimbursment for Kimley-Horn Eng Invoices for WWTP Imp.)	30,475.00		
GDC Industrial, Inc. - (Sherman 2024 - Post Oak WWTP - 15KV MV Loop. Pay application #13)	351,485.40		
Geotex Engineering Labs, LLC - (Sherman 2023 OM Post Oak WWTP Electrical Upgrade for June 2026)	4,979.44		
Geotex Engineering Labs, LLC - (Sherman 2024A - Solids Thickening Building project services for June 2026)	2,856.50		
Kimley Horn & Associates Inc. - (Whitewright 2023 - WWTP Improvements Services through 6-30-26)	5,000.00		
Mead & Hunt Inc. - (Sherman 2024A - Blalock Park Interceptor and sewer line improvements, services from 6/1/2026 - 6/30/2026	3,747.40		

Pape-Dawson Consulting Engineers LLC - (Sherman 2024 - Sherman Program Management services through 5/30/26 - 7/3/26)	12,327.79			
Plummer - (Sherman 2024A - WWTP Electrical switchgear design-15-KV Electrical Distrubution and generator, services through 6/26/2026)	29,248.95			
Plummer - (Sherman 2024A - South WWTP Phase II Expansion - MBR Industry Support. Services through 6/26/26)	2,613.36			
Plummer - (Sherman 2024A - SWWTP - MBR Solid Thickening Improvements - Construction Admin - Services through 6/26/26)	28,022.50			
Plummer - (Sherman 2024A - WWTP Electrical switchgear design-15-KV Electrical Distrubution and generator, services through 6/22/2026	27,511.43			
Red River Construction Co. - (Sherman 2025 - Sherman SWWTP - MBR Solids Thickening Improvements Pay App #5	401,362.20			
Wade Trim Inc. - (Sherman 2024A - US HWY 82 wastewater replacement project services through 5/29/2026)	3,675.00			
<u>Legal</u>				
Wynn, Smith, & Young PLLC - (Bells 2022 - Review of contract, bonds, and insurance documents; preparation of letter to Paul Sigle)	375.00			
<u>Paying Agent Fees</u>				
BOK Financial - (North Kaufman SUD TWDB Taxable 2025 - Semi-Annual paying agent fee)	300.00			
TOTAL:	$ 3,948,696.22	$ 2,737,081.14	$ 12,455,223.10	
WATER:				
<u>Arbitrage Fees</u>				
United States Tresury - (EIN #75-1695421 - Lake Kiowa 2021 Arbitrage payment)	63,676.82			
<u>Advertising</u>				
American Express - (Lake Kiowa 2026 - Gainesville Daily Reg(662.00)	662.00			
American Express - (Gainesvill 2022 - Column Herald Dem(385.44)Column-Star Local Media(1575.88)	1,961.32			
<u>Construction Costs</u>				
Caldwell Tanks, Inc. - (Bear Creek 2024 - 500,000 & 2M Gallon Elevated Water Strg Tank service period 5/26/26 - 6/25/26)	1,736,386.59			17% complete
Drake General Contractors LLC - (Bear Creek 2024 SUD - Pump Station #1 upgrade Pay App #14)	816,561.33			68% complete
Drake General Contractors LLC - (Bear Creek 2024 SUD - Pump Station #2 PP#1 Pay App # 12)	462,986.58			59% complete
Haynie Leadership Group, Inc. - (Gainesville 2022 - Foundry Road Water Line Improvements. Pay App #8)	52,062.61			100% complete
RLC Controls Inc. - (Sherman 2023A - WTP-Demin System and Control Panels Services through 5/20/26)	29,452.07			90% complete
THI Water Well - (Dorchester 2022 Water well No. 2 & Disinfection Facilities - TWDB 21803 CID02 Pay App #6)	91,325.21			60% complete
THI Water Well - (Dorchester 2022 Water Well No. 2 & Disinfection Facilities - TWDB 21803 CID02 Pay App #8)	233,900.79			69% complete
THI Water Well - (Dorchester 2022 Water well No. 2 & Disinfection Facilities - TWDB 21803 CID02 Pay App #7)	75,166.62			62% complete
<u>Engineering Fees</u>				
Freese & Nichols, Inc. - (Sherman 2024A - Lead & Copper PH 4 services through 4/30/26)	1,036.28			
Freese & Nichols, Inc. - (Sherman 2024A - Lead & Copper PH 4 services through 5/31/26)	10,674.10			
Freese & Nichols, Inc. - (Sherman 2023 - Lake Texoma Pump Station Expansion for the period of 4/01/26 - 4/30/26)	10,561.54			
Freese & Nichols, Inc. - (Sherman 2023 - Lake Texoma Pump Station Expansion for the period of 5/01/26 - 5/31/26)	22,246.71			
Freese & Nichols, Inc. - (Sherman 2024A - Sherman US-75 Phase II Utility Relocation for services through 6/30/2026	32,915.54			

Freese & Nichols, Inc. - (Sherman 2024A - Shepherd 2.0 MG elevated Storage Tank for services through 6/30/2026)	17,128.08
Freese & Nichols, Inc. - (Sherman 2023 - Lake Texoma Pump Station Expansion for the period of 6/01/26 - 6/30/26)	5,555.03
Garver LLC - (Sherman 2023 OM - WTP Expansion project. Professional Engineering Services through 4/24/26)	158,085.32
Geotex Engineering Labs, LLC - (Sherman 2024A - Shepherd Elevated Storage Tank - Testing)	10,151.38
Huitt-Zollars, Inc. - (Sherman 2024A - Dripping Springs Waterline Replacement for services rendered through 6/27/2026	44,436.32
Kimley Horn & Associates Inc. - (Gainesville 2022 - Foundry Water Line Improvements. Services through 6/30/26	315.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 8/23/25 - 10/24/25)	18,640.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 10/25/25 - 11/21/25)	1,442.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 11/22/25 - 01/01/26)	12,252.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 1/3/26 - 1/30/26)	2,226.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 1/31/26 - 4/3/26)	1,384.00
Pape Dawson Engineers - (Sherman 2023 - Sherman Program Management services through 4/2/26 - 5/1/26)	2,585.50
Groundwater	
American Express (NTGCD - Gainesville daily Reg(305.10)Column Public Notice(346.75)Horsehoe Bay Resort(330.14)Zulty(257.67)Denton Art & Jazz Festival(50.00)	1,289.66
American Express (RRGCD - Horseshoe Bay Resort(330.15)Column Public Notice(97.92)Zulty(257.67)Denton Art & Jazz Festival(50.00)	735.74
Allen Burks (NTGCD - cell phone reimbursement)	12.50
Allen Burks (RRGCD - cell phone reimbursement)	12.50
Bank of Texas - Visa (Amazon, supplies for new employee R.D. and office(596.88)Blake Utter Ford(114.72)Home Depot(51.21)Johnson-Burks(50.73)	813.54
Bank of Texas Visa - (Amazon, supplies for new employee R.D. and office(596.88)Johnson-Burks(50.73)Home Depot(24.42)Texoma Auto Spa(6.00)Ace(24.84)Brights Hardware(15.13)Grayson Co Clk(4.00)	721.99
Billie Tiner (NTGCD - mileage reimbursement)	9.44
Kelley Carr (NTGCD - cell phone reimbursement)	12.50
Kelly Carr (RRGCD - cell phone reimbursement)	12.50
Kenneth Elliott (NTGCD - cell phone reimbursement)	12.50
Kenneth Elliott (RRGCD - cell phone reimbursement)	12.50
Rochelle DeLozier (NTGCD - cell phone reimbursement)	12.50
Rochelle DeLozier (RRGCD - cell phone reimbursement)	12.50
Rochelle DeLozier (NTGCD - mileage reimbursement)	359.86
Rochelle DeLozier (RRGCD - mileage reimbursement	225.34
Paul Sigle (NTGCD - cell phone reimbursement)	8.33
Paul Sigle (RRGCD - cell phone reimbursement)	8.33
Paul Sigle (NTGCD - mileage phone reimbursement)	243.15
Paul Sigle (RRGCD - mileage phone reimbursement)	183.03
Valero Fleet Plus - (NTGCD - Fuel Expense for closing date 7/15/26)	353.23
Valero Fleet Plus - (RRGCD - Fuel Expense for closing date 7/15/26)	123.64
Velma Starks (NTGCD - mileage reimbursement)	11.30
Velma Starks (RRGCD - mileage reimbursement)	24.02
Legal	
Wynn, Smith & Young PLLC - (CGMA - Telephone conference with Paul Sigle & Stanley Thomas in regards to Tank Builders)	187.50
Wynn, Smith & Young PLLC - (Sherman 2025 O&M review of drafts of agreements and comments to Paul Sigle and Kristen Savant in regards to NTMWD)	375.00
Insurance	
Miscellaneous	
Fire & Table - (NTGCD - Fire & Table - Gainesville Farmers Market Info Booth S.D.)	25.00
Fire & Table - (RRGCD - Fire & Table - Gainesville Farmers Market Info Booth S.D.)	25.00

<u>Paying Agent Fees</u>			
BLX Group LLC - (Lake Kiowa 2021 - Interim Arbitrage Rebate Report for period ending 06/02/2026)	1,750.00		
BOK - (STSP - COLLEGE MOUND SUD 2025 - Semi-Annual Paying agent Fee)	300.00		
BOK - (STSP - GASTONIA SCURRY SUD 2025 - Semi-Annual Paying agent Fee)	300.00		
BOK - (STSP - BECKER JIBA SUD 2025- Semi-Annual Paying agent Fee)	300.00		
BOK - (Princeton 2018 - Semi Annual Paying Agent Fees for Princeton 18, 19 & 22 bonds)	900.00		
<u>Supplies</u>			
Tex-Oma Builders Supply Co. - (Sherman 2023A - Sherman Water Plant, La Cima Rd. Water Rehab, Door Replacement)	16,910.11		
Tex-Oma Builders Supply Co. - (Sherman 2023A - Sherman Water Plant, La Cima Rd. Water Rehab, Door Replacement)	52,368.40		
<u>CGMA Equipment Lease</u>			
Nippon Sanso Matheson, Inc. - (Lease - HP CYL, 1 Year, 2 CYL from 7/2026-7/2027	195.00		
<u>CGMA Repair & Maintenance</u>			
Cox Services - (Dug Trench for new drain line from the analyzer to deliver excess water, floor sink, & 2" drain was installed, drain lines tested and checked for flow)	4,367.57		
Enviornmental Monitoring Lab - (Special Samples for 6/16/26 15 Nitrate Nitrogen, 15 Nitrite Nitrogen 1 Bacteriological Analysis)	1,044.00		
Matheson Tri Gas - (CGMA - Bottles for Bloomdale Pump Station)			
RLC Controls - (Cellular Autodialer for alarm notification at Bloomdale Pump Station)	6,725.00		
RLC Controls - (Replaced antenna, coax cable, new connectors, and new Polyphasor to replace the malfunctioned assembly at Old Patterson Rd, Howe)	2,159.00		
Texas Excavation Safety System, Inc. - (Message fees for June 2026)	277.70		
U.S. Underwater Service, LLC - (In-Service Diver Cleaning - 500K GST Old Patterson - Mob/Demob)	10,875.00		
<u>CGMA Mileage Reimbursment</u>			
Paul Sigle - (Reimbursement for mileage)	29.64		
<u>CGMA Supplies</u>			
Bank of Texas Visa - (Wal-Mart(253.84)O'Reilly's(113.57)Flanagans Outdoor(84.50)O'Reilly's Returned item Credit back on Card(+12.97)	438.95		
Brenntag Southwest - (55 G-PDRM 6 Units of Sodium Hypochlorite 10% NSF & 3 Units of Ammonium Sulfate 38%-40% NSF)	2,956.17		
Brenntag Southwest - (55 G-PDRM -12 Units of Sodium Hypochlorite 10% NSF)	3,782.79		
HD Supply - (2 Brass Key Schlage, Split Keyring, Brass Master Padlock, Key color Master, Brass Key Yale, Apex Master & Mini Carabiner)	52.72		
HD Supply - (1 4x4 10 ft Post and 3-1/2 IN 1LB Deckmate screws)	30.80		
HD Supply - (4 TruFuel 50:1 110oz .095 X 125' Trimmer Line)	120.00		
Lowe's Buisness Account - (4 - VP 1 Gallon Fuel)	98.64		
United Ag &Turf - (Picco Mini Micro 3" Drive Tube Assembly, "14" .043 GA 3/8 Picco Slim)	84.65		
United Ag & Turf - (Drive Tube Assembly HT 105/135)	383.21		
<u>CGMA Utilities</u>			
Allied Unniversal Technology Services - (Cloud Storage service for 3 camera systems. Services through 7/1/25 - 9/30/26)	767.58		
AT&T Mobility - (Cradle Point lines for Bloomdale Pump Station SCADA for the period of 7/8/26-8/7/26)	781.48		
AT&T U-Verse - (Internet service for Bloomdale pump station for the period of 6/29/26 - 7/28/26)	69.89		
AT&T Fiberoptic - (Bloomdale Pump Station SCADA monthly Internet charges for the period of 7/7/26-8/6/26)	1,067.63		
North Texas Municipal Water District - (July 2026 take or pay)	831,030.00		
Paul Sigle (Reimbursement for mileage)			
Gridmatic Retail - (Electric Service at ESI ID # 10443720008612559 for period of 6/16/26-7/16/26)	40,042.64		
Fontier Waste - McKinney (CGMA -Bloomdale Pump Station trash disposal for the period of July 2026)	115.82		
Valero (CGMA - Fuel Expense for closing date 7/15/26)	1,534.14		
TOTAL:	$ 4,839,781.55	$ 6,794,377.66	$ 8,522,427.68

GRAND TOTAL:	$ 8,804,335.30	$ 9,560,276.66	$ 20,995,504.04

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

AGENDA ITEM VI

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **August 3, 2026**

SUBJECT: **AGENDA ITEM NO. VI**

PREPARED BY: Tasha Hamilton, Project Manager
SUBMITTED BY: Paul Sigle, General Manager

CONSIDER AND ACT UPON CHANGE ORDER NO. 1 WITH HAYES CONSTRUCTION LLC FOR THE CITY OF BELLS' BRANCH STREET SEWER PROJECT.

ISSUE
Approval of Change Order No. 1 with Hayes Construction, LLC for the City of Bells' Branch Street Sewer Project.

BACKGROUND
The project consists of the replacement of approximately 710 linear feet of sanitary sewer utilizing boring methods. The project scope includes the reconnection of all existing sanitary sewer service lines to the new sewer main, as well as the restoration and rehabilitation of pavement surfaces impacted by the boring operations.

CONSIDERATIONS
Change Order No. 1 requests an extension of contract time due to scheduling delays that affected the planned sequencing and timing of construction activities. The requested extension will revise the Substantial Completion date from July 30, 2026, to August 29, 2026, and increase contract time from 45 days to 75 days.

Change Order No. 1 is limited to an extension of the contract time and does not result in any increase or decrease to the contract amount.

STAFF RECOMMENDATIONS
The Authority Staff recommend approving Change Order No. 1, changing Substantial Completion date from July 30, 2026, to August 29, 2026, therefore, increasing the contract time from 45 days to 75 days. This item is contingent upon City of Bells' approval on August 17, 2026.

ATTACHMENTS
Change Order No. 1

Change Order

Date of Issuance: 7/31/2026 No. 1

Project: Branch Street Sanitary Sewer Repair	Project No.:
Owner: City of Bells/GTUA	Date of Contract: 2/18/2026
Contractor: Hayes Construction, LLC.	Notice to Proceed: 6/15/2026

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Extend contract time

Justification: The requested contract time extension is necessary due to scheduling delays that Impacted the sequencing and timing of the work.

CHANGE IN CONTRACT PRICE:	**CHANGE IN CONTRACT TIMES:**
Original Contract Price: $ 99,962.00	Original Contract Substantial completion days: 45 days Substantial completion date: 7/30/2026
[Increase] [Decrease] from previously approved Change Orders No. ______ to No. $ n/a	[Increase] [Decrease] from previously Change Orders No. ______ to No. ______: Substantial completion days: 30 days Substantial completion date: 8/29/2026
Contract Price prior to this Change Order: $______	Contract Times prior to this Change Order: Substantial completion days: ______ Substantial completion date: ______
[Increase] [Decrease] of this Change Order: $______	[Increase] [Decrease] of this Change Order: Substantial completion days: ______ Substantial completion date: ______
Contract Price incorporating this Change $ 99,962.00	Contract Times with all approved Change Orders: Substantial completion days: 75 days Substantial completion date: 8/29/2026

RECOMMENDED:	ACCEPTED:	ACCEPTED:	ACCEPTED:
By: Eric V. May	By: [signature]	By: Lara Jackson	By: ______
Engineer (Authorized Signature)	City (Authorized Signature)	Contractor (Authorized Signature)	GTUA (Authorized Signature)
Date: 8/3/2026	Date: 8-4-2026	Date: 7/31/2026	Date: ______

AGENDA ITEM VII

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **August 07, 2026**

SUBJECT: **AGENDA ITEM NO. VII**

PREPARED BY: Tasha Hamilton, Project Manager
SUBMITTED BY: Paul Sigle, General Manager

CONSIDER AND ACT UPON CHANGE ORDER NO. 4 FOR THE CITY OF POTTSBORO WWTP IMPROVEMENTS PROJECT.

ISSUE

Consider and act upon authorizing Change Order No. 4 to the contract with Archer Western Constructors, LLC for the City of Pottsboro WWTP Improvements Project.

BACKGROUND

The City of Pottsboro staff requested GTUA staff's assistance in obtaining funding for a wastewater treatment plant rehabilitation and expansion project. The project increased the capacity of the existing WWTP from a design flowrate of 0.35 MGD to 0.65 MGD through the construction of the new treatment processes, pipelines, and rehabilitated existing infrastructure. The WWTP expansion allows the city to continue to meet TCEQ permit requirements. The Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF) was identified as the most economical funding source for the identified projects. At the June 2019 meeting, the Board authorized the issuance of $8,420,000 in funding through the CWSRF. As the design on this project progressed, the Engineers updated their cost estimates and determined the funds we had available would not be enough to award the project. The original construction cost estimate from 2018 was $6,240,000. The most recent estimate, prior to bid, was $7,852,200 leaving a shortage of funds in the amount of $1,612,200. At the June 2022 Meeting, the Board authorized the issuance of an additional $2,160,000 through the TWDB's Development Fund.

Original Contract Price: $11,184,000.00
Change Order No. 1 $125,000.00 deduct
Change Order No. 2 $129,265.00
Change Order No. 3 $226,541.00 resulting in a contract amount of $11,414,806.00.

CONSIDERATIONS

Change Order No. 4 consists of: (1) Remobilize to site, install safety equipment, ladder, remove angle at Influent Lift Station concrete wall opening, and remove equipment.

Change order No.4 will increase the contract by $10,950.00 resulting in a total contract amount of $11,425,756.00.

STAFF RECOMMENDATIONS

The Authority Staff recommend approving Change Order No. 4. The City of Pottsboro has already authorized the Authority to execute this Change Order.

ATTACHMENTS

Change Order No. 4

C941 - CHANGE ORDER
Change Order No. 4

Owner: City of Pottsboro

Contractor: Archer Western Constructors, LLC

Engineer: Plummer

Project: Pottsboro WWTP Expansion to 0.65 MGD

The Contract is modified as follows upon execution of this Change Order.

Description:

1. Remove misc. metal in lift station. Purpose is to prevent large collection of rags and debris that could plug pumps.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES
Original Contract Price: $: 11,184,000.00	Original Contract Times: 548 Days for Substantial Completion 578 Days for Final Completion Substantial Completion: September 13, 2024 Ready for Final Payment: October 13, 2024 (calendar days or dates)
Increase / Decrease from previously approved Change Orders No. 1 to No. 3 : $:230,906.00	Increase / Decrease from previously approved Change Orders No. 1 to No. 3 : Substantial Completion: 56 Days Ready for Final Payment: 140 Days (calendar days)
Contract Price prior to this Change Order: $: 11,414,906.00	Contract Times prior to this Change Order: Substantial Completion: November 8, 2024 Ready for Final Payment: March 2, 2025

	(calendar days or dates)
Increase ~~/ Decrease~~ of this Change Order: $: 10,950.00	Increase ~~/ Decrease~~ of this Change Order: Substantial Completion: 465 Days Ready for Final Payment: 465 Days (calendar days or dates)
Contract Price incorporating this Change Order: $: 11,425,856.00	Contract Times with all approved Change Orders: Substantial Completion: February 16, 2026 Ready for Final Payment: June 10, 2026 (calendar days or dates)

RECOMMENDED:

By: Jeffrey E. Caffey, P.E. Digitally signed by Jeffrey E. Caffey, P.E. DN: C=US, E=jcaffey@plummer.com, O="Plummer Associates, Inc.", OU=Principal, CN="Jeffrey E. Caffey, P.E." Date: 2026.08.03 14:29:23-05'00'

Engineer (Authorized Signature)

Print Name: Jeff Caffey, P.E.

Title: Project Manager Date: August 3, 2026

ACCEPTED:

By:

Owner (Authorized Signature)

Print Name: SHONE NIX

Title: CITY MANAGER Date: 8/7/26

RECEIVED:

By: Frank Etier Digitally signed by Frank Etier DN: C=US, E=fetier@walshgroup.com, CN=Frank Etier Reason: I am approving this document Date: 2026.07.31 13:58:44-05'00'

Contractor (Authorized Signature)

Print Name: Frank Etier

Title: Program Manager Date: 7/31/2026

APPROVED:

By: ______________________________

Funding Agency (Authorized Signature)

Print Name: ______________________________

Title: ____________________ Date: ____________________

PCO-008 Lift Station Angle Removal

Project Name:	Pottsboro WWTP Expansion to 0.65 MGD	Project No:	222165
Project Owner:	GTUA/City of Pottsboro	Initiated By:	☑ Owner
Engineer:	Plummer		☑ Engineer
Engineer Project Number:			☐ Contractor
Contractor:	Archer Western Construction, Ltd.	Date:	6/11/2026
Attention			

The following change in the contract on this project is proposed

• *Work shall not commence until authorized by the OWNER.*

Description of the Proposed Change:

PCO-008 Lift Station Angle Removal

Remobilize to site, install safety equipment, ladder, remove angle at Influent lift station concrete wall opening, and remove equipment

BY

All work shall be in accordance with the terms, stipulations, & conditions of the original Contract Documents. If the work herein provided for is Approved by Change Order, the time of completion will be:

☑ Increased ☐ Decreased ☐ Unchanged

by 465 calendar days

This change will: ☑ Add ☐ Deduct ☐ Not Change

Comments: $10,950

Ramon Mendoza

GENERAL CONTRACTOR

06/11/2026

DATE

☐ Accepted ☐ Rejected

BY (Consultant Name):

DATE

Owner's Action:

☐ Accepted ☐ Rejected

BY (Owner)

Date

Contract Modification Request

PCO-008 Lift Station Angle Removal

Amount Requested: **$10,950**

Add'l Days Requested: 465

PROJECT NO: 222165
OWNER: GTUA/City of Pottsboro
ENGINEER: Plummer
uction Manager:

DESCRIPTION:
Remobilize to site, install safety equipment, ladder, remove angle at Influent lift station concrete wall opening, and remove equipment

CONTRACTOR: ARCHER WESTERN CONSTRUCTION, LTD

Description	Qty	Unit	Unit/Price	Labor	Material	Equipment	Subcontractor	Totals
LABOR								
Project Management	4	HR	$150.00	$600.00				$600.00
Superintendent	8	HR	$125.00	$1,000.00				$1,000.00
Equipment Operator	8	HR	$65.00	$520.00				$520.00
Skilled Labor	8	HR	$55.00	$440.00				$440.00
		HR						
MATERIAL								
					$0.00			$0.00
EQUIPMENT								
Skytrack	1.00	DY	$1,130.00			$1,130.00		$1,130.00
SUBCONTRACT								
Vac Truck Fees	1	ea	$3,000.00				$3,000.00	$3,000.00
MISCELLANEOUS ITEMS								
Delivery / Pick UpFee	1	LS	$1,500.00				$1,500.00	$1,500.00
DIRECT COSTS:				$2,560.00	$0.00	$1,130.00	$4,500.00	**$8,190.00**
Small Tools @ 10% of Labor				$256.00				$256.00
Safety @ 5% of Labor				$128.00				$128.00
Equipment Operating Expense @ 50% of Equipment						*$565.00*		$565.00
DIRECT & INDIRECT COSTS:				$2,944.00	$0.00	$1,695.00	$4,500.00	**$9,139.00**
OH&P @ 15% of Direct & Indirect Costs				*$441.60*	*$0.00*	*$254.25*	*$900.00*	$1,595.85
SUBTOTALS:				$3,385.60	$0.00	$1,949.25	$5,400.00	**$10,735**
Insurance and Bond @2%								$214.70
TOTAL AMOUNT THIS COST PROPOSAL SUMMARY								**$10,950**

AGENDA ITEM IX

Greater Texoma Utility Authority

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2026

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Greater Texoma Utility Authority is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Debi Atkins

Paul Sigle
General Manager

Debi Atkins
Finance Officer

Disclaimer: These reports were compiled using information provided by the Authority No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

	March 31, 2026			June 30, 2026		
Asset Type	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.66%	$ 3,791,585	$ 3,791,585	0.66%	$ 2,437,989	$ 2,437,989
NOW/MMA/MMF/ICS	3.74%	60,076,556	60,076,556	3.73%	68,015,632	68,015,632
Local Government Pools	3.65%	79,771,678	79,771,678	3.62%	105,569,618	105,569,618
CDs/Securities	3.91%	237,605,954	237,605,954	3.88%	209,077,364	209,077,364
Totals	**3.79%**	**$ 381,245,773**	**$ 381,245,773**	**3.76%**	**$ 385,100,603**	**$ 385,100,603**

Quarter End Average Yield *(1)*	
Total Portfolio	3.76%
Rolling Three Month Treasury	3.73%
Rolling Six Month Treasury	3.71%
TexPool	3.65%

Fiscal Year-to-Date Average Yield *(2)*	
Total Portfolio	3.82%
Rolling Three Month Treasury	3.74%
Rolling Six Month Treasury	3.75%
TexPool	3.72%

Interest Revenue *(3)*		
Quarterly Interest Income	$ 3,553,639	Approximate
Year-to-date Interest Income	$ 11,805,218	Approximate

Bank Fee Offset	
Quarterly Bank Fees Offset	$ 8,076
Year-to-date Bank Fees Offset	$ 24,706

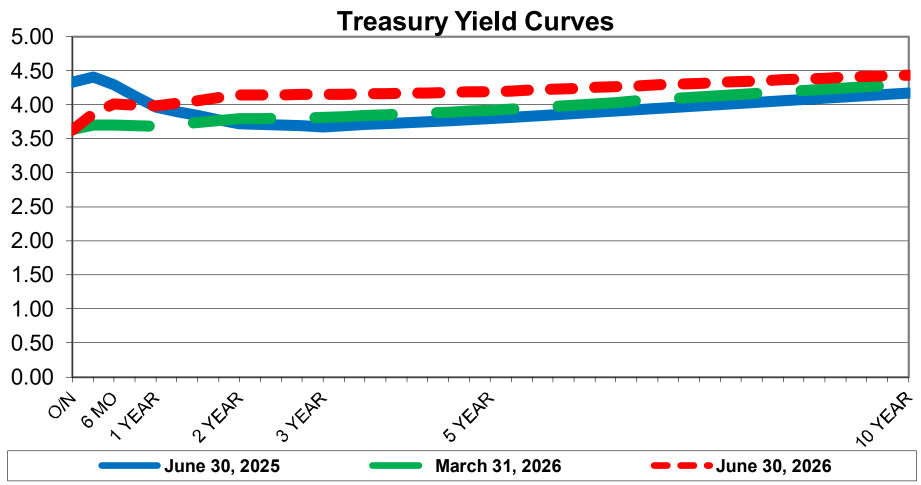
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

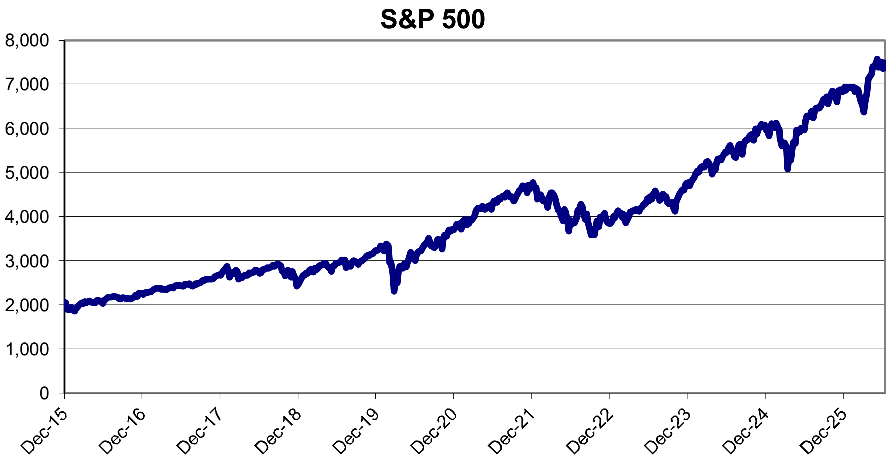
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

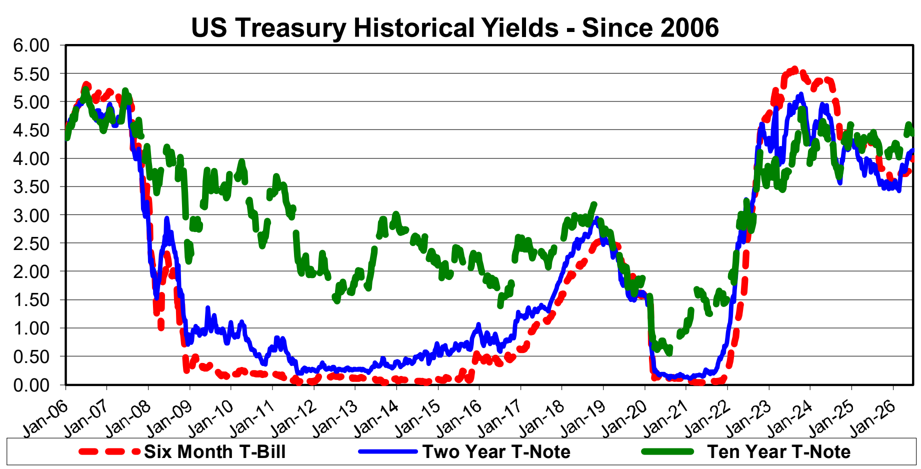
(3) Beginning with the March 31, 2024 report, interest revenue includes compound interest received on certificates of deposit.

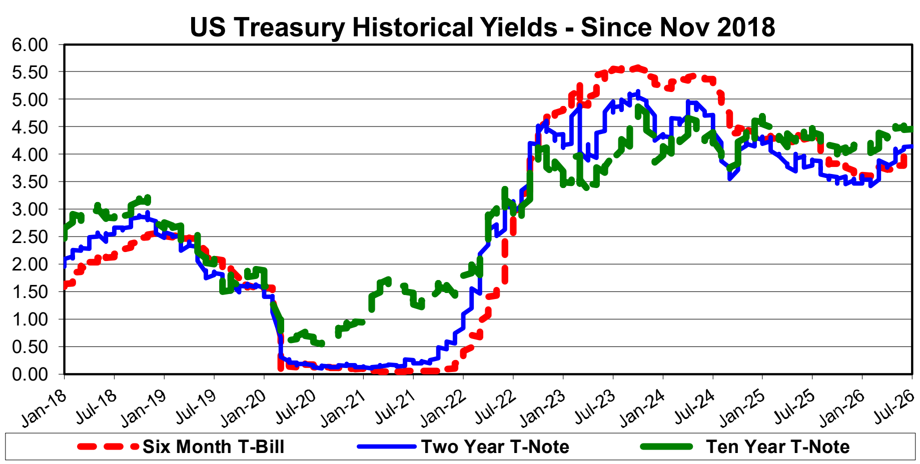
Economic Overview **6/30/2026**

The Federal Open Market Committee's (FOMC) on June 16th and 17th, hosted by new Chairman Kevin Warsh, resulted in no change to the Fed Funds 3.50% - 3.75% target (Effective Fed Funds trade +/-3.62%). First Quarter GDP expanded by 2.1%. June Non-Farm Payroll added 57k (below the +110k expectation). The three month average decreased to +111k. The S&P 500 Stock Index rretreated from 7,600 but remained +/-7,500. The positively sloped yield curve increased slighlty. Crude Oil declined to +/-$70. Inflation continues above the FOMC 2% target (Core CPI 2.9% and Core PCE +/-3.4%). The uncertain world events still influence volatility.









Investment Holdings
June 30, 2026

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
BOT DDA (3)		0.656%	07/01/26	06/30/26	$ 2,437,989	$ 2,437,989	1.00	$ 2,437,989	1	0.66%
BOT Escrow MMF		3.590%	07/01/26	06/30/26	17,977,330	17,977,330	1.00	17,977,330	1	3.59%
Invesco Govt & Agy Inst MMF	AAAm	3.630%	07/01/26	06/30/26	2,640	2,640	1.00	2,640	1	3.63%
First National Bank ICS		3.842%	07/01/26	06/30/26	20,423,402	20,423,402	1.00	20,423,402	1	3.84%
Veritex Bank MMA Escrow		3.300%	07/01/26	06/30/26	55,621	55,621	1.00	55,621	1	3.30%
NexBank ICS		3.750%	07/01/26	06/30/26	22,840,921	22,840,921	1.00	22,840,921	1	3.75%
NexBank ICS Escrow		3.750%	07/01/26	06/30/26	1,685,136	1,685,136	1.00	1,685,136	1	3.75%
NexBank Sherman 25		3.750%	07/01/26	06/30/26	5,030,582	5,030,582	1.00	5,030,582	1	3.75%
TexPool	AAAm	3.647%	07/01/26	06/30/26	27,573	27,573	1.00	27,573	1	3.65%
TexSTAR	AAAm	3.622%	07/01/26	06/30/26	105,542,045	105,542,045	1.00	105,542,045	1	3.62%
East West Bank CD		3.760%	07/10/26	04/10/26	1,714,420	1,714,420	100.00	1,714,420	10	4.83%
East West Bank CD		4.114%	07/10/26	07/10/25	1,798,743	1,798,743	100.00	1,798,743	10	4.20%
East West Bank CD		3.760%	07/13/26	04/13/26	758,144	758,144	100.00	758,144	13	3.83%
East West Bank CD		3.760%	07/13/26	04/13/26	1,032,367	1,032,367	100.00	1,032,367	13	3.83%
East West Bank CD		3.590%	07/13/26	01/13/26	508,380	508,380	100.00	508,380	13	3.66%
East West Bank CD		4.114%	07/14/26	07/14/25	520,235	520,235	100.00	520,235	14	4.20%
East West Bank CD		4.114%	07/14/26	07/14/25	2,914,044	2,914,044	100.00	2,914,044	14	4.20%
East West Bank CD		4.114%	07/20/26	07/18/25	520,001	520,001	100.00	520,001	20	4.20%
East West Bank CD		4.114%	07/20/26	07/18/25	520,001	520,001	100.00	520,001	20	4.20%
East West Bank CD		3.840%	08/10/26	08/08/25	776,249	776,249	100.00	776,249	41	3.91%
American National B&T CDARS		4.300%	08/20/26	08/21/25	6,439,337	6,439,337	100.00	6,439,337	51	4.39%
American National B&T CDARS		4.300%	08/20/26	08/21/25	5,240,295	5,240,295	100.00	5,240,295	51	4.39%
East West Bank CD		3.910%	09/02/26	09/02/25	723,015	723,015	100.00	723,015	64	3.99%
East West Bank CD		3.910%	09/02/26	09/02/25	1,187,810	1,187,810	100.00	1,187,810	64	3.99%
East West Bank CD		3.650%	09/11/26	09/11/25	931,907	931,907	100.00	931,907	73	3.72%
East West Bank CD		3.650%	09/15/26	09/15/25	5,979,836	5,979,836	100.00	5,979,836	77	3.72%
East West Bank CD		3.650%	09/15/26	09/15/25	209,981	209,981	100.00	209,981	77	3.72%
East West Bank CD		3.620%	09/16/26	09/16/25	308,692	308,692	100.00	308,692	78	3.69%
East West Bank CD		3.730%	09/16/26	03/16/26	5,772,776	5,772,776	100.00	5,772,776	78	3.80%
East West Bank CD		3.830%	09/27/26	03/27/26	1,212,196	1,212,196	100.00	1,212,196	89	3.90%
UBank CD		4.760%	10/08/26	10/08/24	1,792,277	1,792,277	100.00	1,792,277	100	4.85%
East West Bank CD		3.650%	10/09/26	10/09/25	20,537,058	20,537,058	100.00	20,537,058	101	3.72%
East West Bank CD		3.630%	11/12/26	11/12/25	511,619	511,619	100.00	511,619	135	3.70%
East West Bank CD		4.220%	11/12/26	11/12/25	1,534,857	1,534,857	100.00	1,534,857	135	3.70%
Texas Bank & Trust CD		3.747%	11/20/26	11/20/25	8,739,147	8,739,147	100.00	8,739,147	143	3.80%
East West Bank CD		3.670%	11/24/26	11/24/25	2,652,364	2,652,364	100.00	2,652,364	147	3.67%
East West Bank CD		3.670%	11/25/26	11/25/25	8,177,282	8,177,282	100.00	8,177,282	148	3.74%
East West Bank CD		3.670%	11/25/26	11/25/25	8,177,282	8,177,282	100.00	8,177,282	148	3.74%

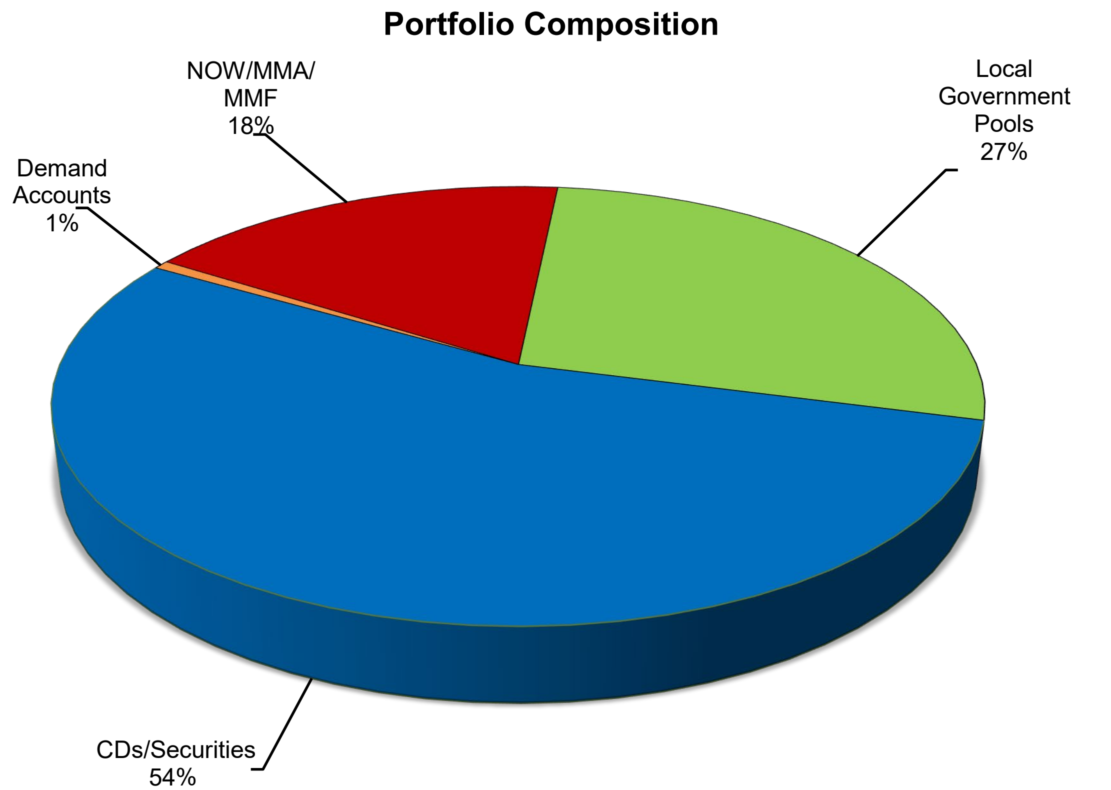
Investment Holdings
June 30, 2026

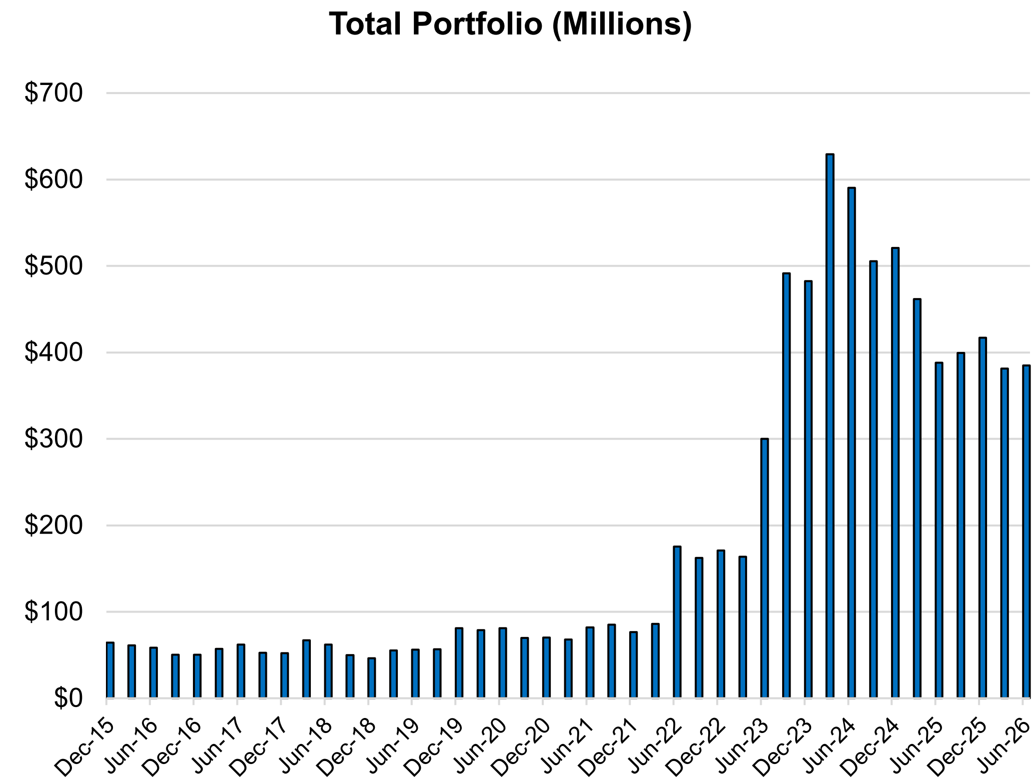
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
East West Bank CD		3.670%	11/25/26	11/25/25	8,177,282	8,177,282	100.00	8,177,282	148	3.74%
East West Bank CD		3.670%	11/25/26	11/25/25	8,177,282	8,177,282	100.00	8,177,282	148	3.74%
Texas Heritage Nat'l Bank CD		3.900%	11/26/26	05/26/26	15,817,500	15,817,500	100.00	15,817,500	149	3.90%
East West Bank CD		3.610%	12/12/26	12/12/25	1,020,106	1,020,106	100.00	1,020,106	165	3.68%
East West Bank CD		3.615%	12/15/26	12/15/25	7,658,718	7,658,718	100.00	7,658,718	168	3.68%
East West Bank CD		3.610%	12/17/26	12/17/25	1,019,601	1,019,601	100.00	1,019,601	170	3.68%
East West Bank CD		4.000%	12/24/26	06/26/26	375,288	375,288	100.00	375,288	177	4.08%
East West Bank CD		4.000%	12/24/26	06/26/26	528,405	528,405	100.00	528,405	177	4.08%
East West Bank CD		4.000%	12/24/26	06/26/26	600,477	600,477	100.00	600,477	177	4.08%
East West Bank CD		3.520%	12/24/26	12/24/25	5,845,576	5,845,576	100.00	5,845,576	177	3.58%
East West Bank CD		3.590%	01/12/27	01/12/26	508,335	508,335	100.00	508,335	196	3.61%
East West Bank CD		3.480%	02/10/27	02/10/26	760,150	760,150	100.00	760,150	225	3.52%
East West Bank CD		3.550%	02/24/27	02/24/26	506,214	506,214	100.00	506,214	239	3.61%
East West Bank CD		3.590%	03/03/27	03/03/26	1,163,653	1,163,653	100.00	1,163,653	246	3.65%
East West Bank CD		3.590%	03/03/27	03/03/26	303,562	303,562	100.00	303,562	246	3.65%
East West Bank CD		3.670%	03/16/27	03/16/26	13,200,754	13,200,754	100.00	13,200,754	259	3.74%
WallisBank CDARS		3.700%	03/25/27	03/26/26	3,152,664	3,152,664	100.00	3,152,664	268	3.77%
BOK Financial CDARS		3.681%	03/25/27	03/26/26	8,936,622	8,936,622	100.00	8,936,622	268	3.75%
East West Bank CD		3.820%	03/27/27	03/27/26	1,010,137	1,010,137	100.00	1,010,137	270	3.89%
East West Bank CD		3.820%	03/27/27	03/27/26	757,603	757,603	100.00	757,603	270	3.89%
Wallis Bank CDARS		3.802%	04/01/27	04/02/26	6,973,567	6,973,567	100.00	6,973,567	275	3.87%
East West Bank CD		3.780%	04/15/27	04/15/26	3,090,546	3,090,546	100.00	3,090,546	289	3.85%
Texas Heritage Nat'l Bank CD		3.900%	05/06/27	05/06/26	4,835,000	4,835,000	100.00	4,835,000	310	3.90%
East West Bank CD		3.830%	05/14/27	05/14/26	603,029	603,029	100.00	603,029	318	3.90%
East West Bank CD		3.870%	05/19/27	05/19/26	703,199	703,199	100.00	703,199	323	3.95%
East West Bank CD		4.100%	06/24/27	06/24/26	1,801,416	1,801,416	100.00	1,801,416	359	4.18%
East West Bank CD		4.100%	06/28/27	06/26/26	20,360,363	20,360,363	100.00	20,360,363	363	4.18%
					$ 385,100,603	**$ 385,100,603**		**$ 385,100,603**	**96**	**3.76%**
									(1)	**(2)**

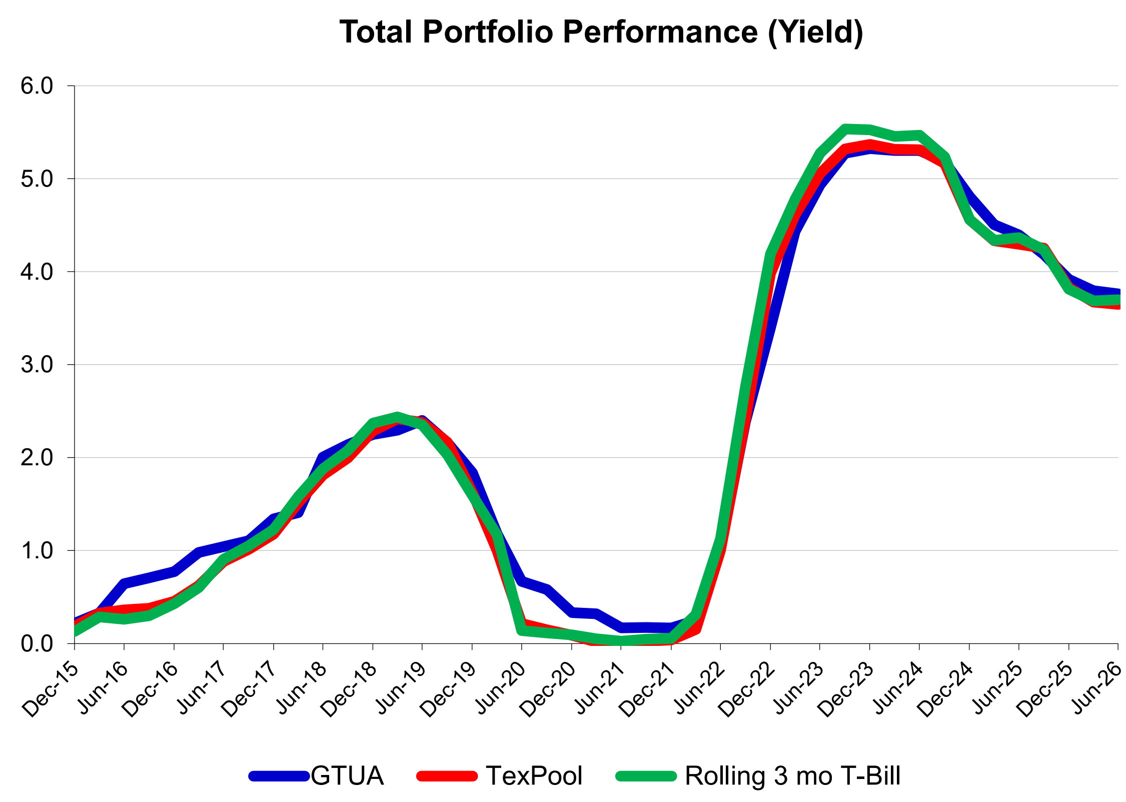
(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

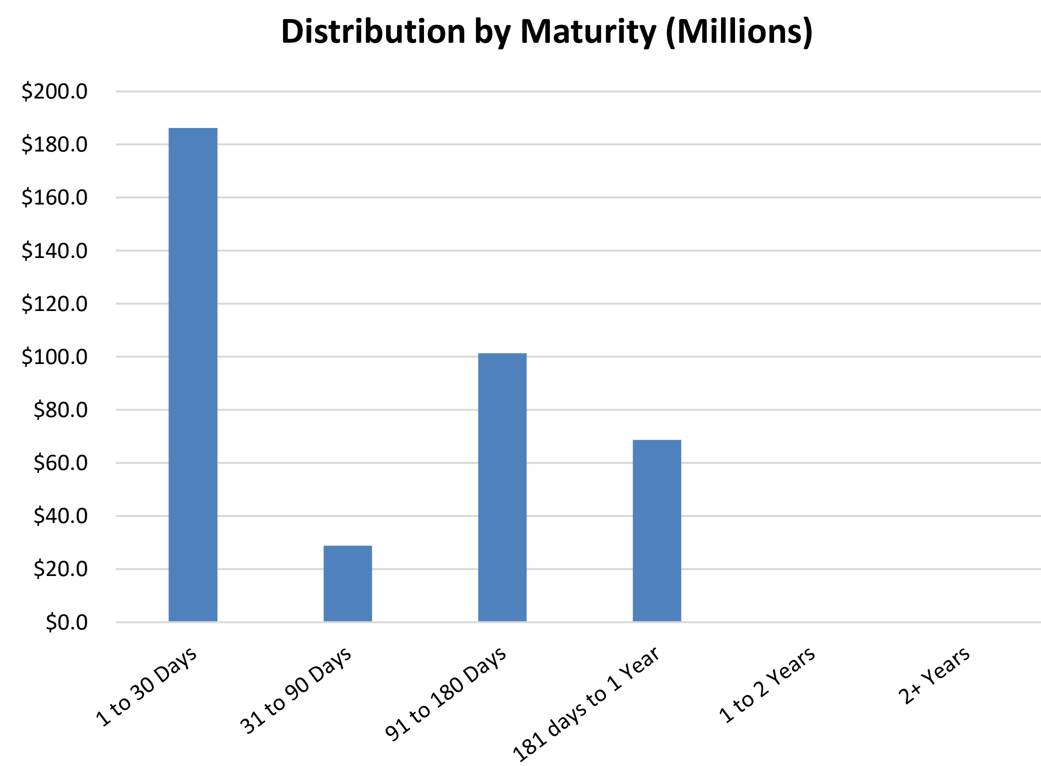
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(3) Earnings Credit - The Authority's depository accounts provide an earnings credit on balances which is used to offset bank fees. The reported rate is estimated based on fees offset and average


Portfolio Composition
NOW/MMA/ MMF 18%
Local Government Pools 27%
Demand Accounts 1%
CDs/Securities 54%

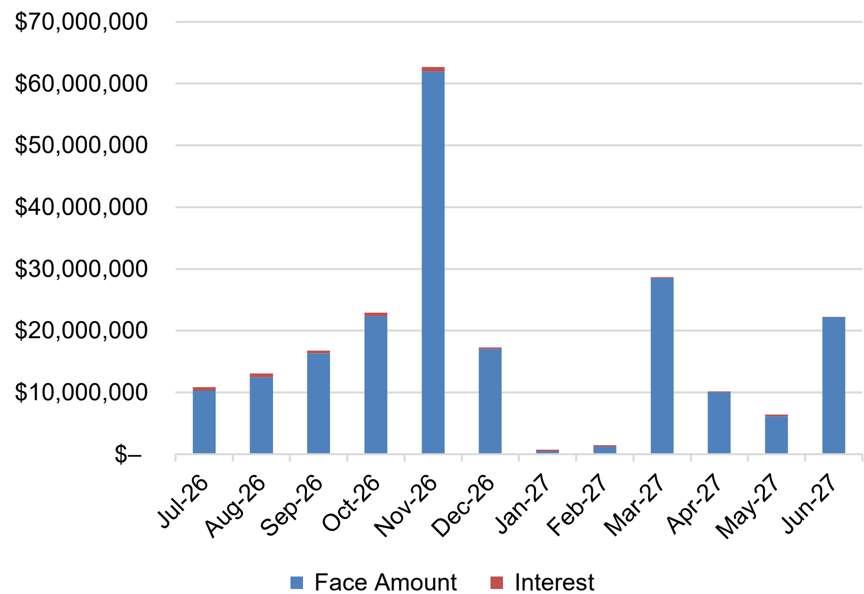

Total Portfolio (Millions)
$700
$600
$500
$400
$300
$200
$100
$0
Dec-15
Jun-16
Dec-16
Jun-17
Dec-17
Jun-18
Dec-18
Jun-19
Dec-19
Jun-20
Dec-20
Jun-21
Dec-21
Jun-22
Dec-22
Jun-23
Dec-23
Jun-24
Dec-24
Jun-25
Dec-25
Jun-26


Total Portfolio Performance (Yield)
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Dec-15
Jun-16
Dec-16
Jun-17
Dec-17
Jun-18
Dec-18
Jun-19
Dec-19
Jun-20
Dec-20
Jun-21
Dec-21
Jun-22
Dec-22
Jun-23
Dec-23
Jun-24
Dec-24
Jun-25
Dec-25
Jun-26
GTUA
TexPool
Rolling 3 mo T-Bill


Distribution by Maturity (Millions)
$200.0
$180.0
$160.0
$140.0
$120.0
$100.0
$80.0
$60.0
$40.0
$20.0
$0.0
1 to 30 Days
31 to 90 Days
91 to 180 Days
181 days to 1 Year
1 to 2 Years
2+ Years

Maturity Cash Flows - Next 12 Months

Month	Face Amount	Interest	Total
Jul-26	$ 10,286,335	$ 557,993	$ 10,844,328
Aug-26	12,455,881	603,595	13,059,476
Sep-26	16,326,213	450,610	16,776,823
Oct-26	22,329,335	574,144	22,903,478
Nov-26	61,964,617	733,982	62,698,599
Dec-26	17,048,171	238,927	17,287,097
Jan-27	508,335	207,798	716,133
Feb-27	1,266,364	185,535	1,451,900
Mar-27	28,524,994	168,482	28,693,476
Apr-27	10,064,112	83,429	10,147,542
May-27	6,141,228	268,033	6,409,261
Jun-27	22,161,779	66,501	22,228,280
TOTALS	**$ 209,077,364**	**$ 4,139,029**	**$ 213,216,393**



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/26	Increases	Decreases	Book Value 06/30/26	Market Value 03/31/26	Change in Market Value	Market Value 06/30/26
BOT DDA (3)	0.66%	07/01/26	$ 3,791,585	$ –	$ (1,353,597)	$ 2,437,989	$ 3,791,585	$ (1,353,597)	$ 2,437,989
BOT Escrow MMF	3.59%	07/01/26	15,851,907	2,125,423	–	17,977,330	15,851,907	2,125,423	17,977,330
Invesco Govt & Agy Inst MMF	3.63%	07/01/26	2,616	24	–	2,640	2,616	24	2,640
First National Bank ICS	3.84%	07/01/26	20,228,713	194,689	–	20,423,402	20,228,713	194,689	20,423,402
Veritex Bank MMA Escrow	3.30%	07/01/26	86,301	–	(30,680)	55,621	86,301	(30,680)	55,621
NexBank ICS	3.75%	07/01/26	16,874,306	5,966,615	–	22,840,921	16,874,306	5,966,615	22,840,921
NexBank ICS Escrow	3.75%	07/01/26	2,046,692	–	(361,556)	1,685,136	2,046,692	(361,556)	1,685,136
NexBank Sherman 25	3.75%	07/01/26	4,986,022	44,561	–	5,030,582	4,986,022	44,561	5,030,582
TexPool	3.65%	07/01/26	27,324	249	–	27,573	27,324	249	27,573
TexSTAR	3.62%	07/01/26	79,744,354	25,797,691	–	105,542,045	79,744,354	25,797,691	105,542,045
BOK Financial CDARS	4.74%	04/02/26	3,015,732	–	(3,015,732)	–	3,015,732	(3,015,732)	–
BOK Financial CDARS	4.74%	04/09/26	54,783	–	(54,783)	–	54,783	(54,783)	–
East West Bank CD	3.89%	04/10/26	1,731,058	–	(1,731,058)	–	1,731,058	(1,731,058)	–
East West Bank CD	3.96%	04/13/26	760,199	–	(760,199)	–	760,199	(760,199)	–
East West Bank CD	3.96%	04/13/26	1,034,370	–	(1,034,370)	–	1,034,370	(1,034,370)	–
Texas Bank & Trust CD	4.13%	05/06/26	4,809,016	–	(4,809,016)	–	4,809,016	(4,809,016)	–
East West Bank CD	4.17%	05/12/26	618,656	–	(618,656)	–	618,656	(618,656)	–
East West Bank CD	3.70%	05/12/26	507,263	–	(507,263)	–	507,263	(507,263)	–
East West Bank CD	4.29%	05/19/26	726,004	–	(726,004)	–	726,004	(726,004)	–
Texas Heritage Nat'l Bank CD	4.00%	05/25/26	37,420,892	–	(37,420,892)	–	37,420,892	(37,420,892)	–
East West Bank CD	3.68%	06/22/26	1,211,943	–	(1,211,943)	–	1,211,943	(1,211,943)	–
East West Bank CD	4.24%	06/24/26	8,902,685	–	(8,902,685)	–	8,902,685	(8,902,685)	–
East West Bank CD	4.24%	06/24/26	774,347	–	(774,347)	–	774,347	(774,347)	–
East West Bank CD	3.68%	06/24/26	605,852	–	(605,852)	–	605,852	(605,852)	–
East West Bank CD	4.24%	06/24/26	545,141	–	(545,141)	–	545,141	(545,141)	–
East West Bank CD	4.24%	06/24/26	1,858,434	–	(1,858,434)	–	1,858,434	(1,858,434)	–
East West Bank CD	3.68%	06/24/26	12,117,034	–	(12,117,034)	–	12,117,034	(12,117,034)	–
BOK Financial CDARS	4.30%	06/25/26	12,392,461	–	(12,392,461)	–	12,392,461	(12,392,461)	–
East West Bank CD	4.83%	07/10/26	–	1,714,420	–	1,714,420	–	1,714,420	1,714,420
East West Bank CD	4.20%	07/10/26	1,780,389	18,354	–	1,798,743	1,780,389	18,354	1,798,743
East West Bank CD	3.83%	07/13/26	–	758,144	–	758,144	–	758,144	758,144
East West Bank CD	3.83%	07/13/26	–	1,032,367	–	1,032,367	–	1,032,367	1,032,367
East West Bank CD	3.66%	07/13/26	503,850	4,530	–	508,380	503,850	4,530	508,380
East West Bank CD	4.20%	07/14/26	514,927	5,308	–	520,235	514,927	5,308	520,235
East West Bank CD	4.20%	07/14/26	2,884,310	29,734	–	2,914,044	2,884,310	29,734	2,914,044
East West Bank CD	4.20%	07/20/26	514,695	5,306	–	520,001	514,695	5,306	520,001
East West Bank CD	4.20%	07/20/26	514,695	5,306	–	520,001	514,695	5,306	520,001
East West Bank CD	3.91%	08/10/26	768,853	7,396	–	776,249	768,853	7,396	776,249
American National B&T CDARS	4.39%	08/20/26	6,370,677	68,660	–	6,439,337	6,370,677	68,660	6,439,337
American National B&T CDARS	4.39%	08/20/26	5,184,420	55,875	–	5,240,295	5,184,420	55,875	5,240,295
East West Bank CD	3.99%	09/02/26	716,001	7,014	–	723,015	716,001	7,014	723,015
East West Bank CD	3.99%	09/02/26	1,176,288	11,522	–	1,187,810	1,176,288	11,522	1,187,810
East West Bank CD	3.72%	09/11/26	923,466	8,441	–	931,907	923,466	8,441	931,907

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/26	Increases	Decreases	Book Value 06/30/26	Market Value 03/31/26	Change in Market Value	Market Value 06/30/26
East West Bank CD	3.72%	09/15/26	5,925,669	54,167	–	5,979,836	5,925,669	54,167	5,979,836
East West Bank CD	3.72%	09/15/26	208,079	1,902	–	209,981	208,079	1,902	209,981
East West Bank CD	3.69%	09/16/26	305,919	2,773	–	308,692	305,919	2,773	308,692
East West Bank CD	3.80%	09/16/26	5,719,343	53,432	–	5,772,776	5,719,343	53,432	5,772,776
East West Bank CD	3.90%	09/27/26	1,200,677	11,519	–	1,212,196	1,200,677	11,519	1,212,196
UBank CD	4.85%	10/08/26	1,771,257	21,020	–	1,792,277	1,771,257	21,020	1,792,277
East West Bank CD	3.72%	10/09/26	20,351,028	186,030	–	20,537,058	20,351,028	186,030	20,537,058
East West Bank CD	3.70%	11/12/26	507,010	4,609	–	511,619	507,010	4,609	511,619
East West Bank CD	3.70%	11/12/26	1,521,030	13,827	–	1,534,857	1,521,030	13,827	1,534,857
Texas Bank & Trust CD	3.80%	11/20/26	8,660,024	79,122	–	8,739,147	8,660,024	79,122	8,739,147
East West Bank CD	3.67%	11/24/26	2,628,207	24,157	–	2,652,364	2,628,207	24,157	2,652,364
East West Bank CD	3.74%	11/25/26	8,102,807	74,476	–	8,177,282	8,102,807	74,476	8,177,282
East West Bank CD	3.74%	11/25/26	8,102,807	74,476	–	8,177,282	8,102,807	74,476	8,177,282
East West Bank CD	3.74%	11/25/26	8,102,807	74,476	–	8,177,282	8,102,807	74,476	8,177,282
East West Bank CD	3.74%	11/25/26	8,102,807	74,476	–	8,177,282	8,102,807	74,476	8,177,282
Texas Heritage Nat'l Bank CD	3.90%	11/26/26	–	15,817,500	–	15,817,500	–	15,817,500	15,817,500
East West Bank CD	3.68%	12/12/26	1,010,954	9,152	–	1,020,106	1,010,954	9,152	1,020,106
East West Bank CD	3.68%	12/15/26	7,590,006	68,713	–	7,658,718	7,590,006	68,713	7,658,718
East West Bank CD	3.68%	12/17/26	1,010,453	9,148	–	1,019,601	1,010,453	9,148	1,019,601
East West Bank CD	4.08%	12/24/26	–	375,288	–	375,288	–	375,288	375,288
East West Bank CD	4.08%	12/24/26	–	528,405	–	528,405	–	528,405	528,405
East West Bank CD	4.08%	12/24/26	–	600,477	–	600,477	–	600,477	600,477
East West Bank CD	3.58%	12/24/26	5,794,503	51,073	–	5,845,576	5,794,503	51,073	5,845,576
East West Bank CD	3.61%	01/12/27	503,856	4,479	–	508,335	503,856	4,479	508,335
East West Bank CD	3.52%	02/10/27	753,584	6,566	–	760,150	753,584	6,566	760,150
East West Bank CD	3.61%	02/24/27	501,754	4,460	–	506,214	501,754	4,460	506,214
East West Bank CD	3.65%	03/03/27	1,153,285	10,368	–	1,163,653	1,153,285	10,368	1,163,653
East West Bank CD	3.65%	03/03/27	300,857	2,705	–	303,562	300,857	2,705	303,562
East West Bank CD	3.74%	03/16/27	13,080,526	120,228	–	13,200,754	13,080,526	120,228	13,200,754
WallisBank CDARS	3.77%	03/25/27	3,152,417	247	–	3,152,664	3,152,417	247	3,152,664
BOK Financial CDARS	3.75%	03/25/27	8,854,869	81,753	–	8,936,622	8,854,869	81,753	8,936,622
East West Bank CD	3.89%	03/27/27	1,000,563	9,574	–	1,010,137	1,000,563	9,574	1,010,137
East West Bank CD	3.89%	03/27/27	750,422	7,181	–	757,603	750,422	7,181	757,603
Wallis Bank CDARS	3.87%	04/01/27	–	6,973,567	–	6,973,567	–	6,973,567	6,973,567
East West Bank CD	3.85%	04/15/27	–	3,090,546	–	3,090,546	–	3,090,546	3,090,546
Texas Heritage Nat'l Bank CD	3.90%	05/06/27	–	4,835,000	–	4,835,000	–	4,835,000	4,835,000
East West Bank CD	3.90%	05/14/27	–	603,029	–	603,029	–	603,029	603,029
East West Bank CD	3.95%	05/19/27	–	703,199	–	703,199	–	703,199	703,199
East West Bank CD	4.18%	06/24/27	–	1,801,416	–	1,801,416	–	1,801,416	1,801,416
East West Bank CD	4.18%	06/28/27	–	20,360,363	–	20,360,363	–	20,360,363	20,360,363
TOTAL / AVERAGE	**3.76%**		**$ 381,245,773**	**$ 94,686,531**	**$ (90,831,701)**	**$ 385,100,603**	**$ 381,245,773**	**$ 3,854,830**	**$ 385,100,603**

Allocation by Fund
Book & Market Value

June 30, 2026

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve	Arbitrage Liability
BOT DDA (3)	07/01/26	$ 2,437,989	$ 2,437,989	$ –	$ –	$ –	$ –	$ –
BOT Escrow MMF	07/01/26	17,977,330	–	17,977,330	–	–	–	–
Invesco Govt & Agy Inst MMF	07/01/26	2,640	2,640	–	–	–	–	–
First National Bank ICS	07/01/26	20,423,402	–	20,423,402	–	–	–	–
Veritex Bank MMA Escrow	07/01/26	55,621	–	55,621	–	–	–	–
NexBank ICS	07/01/26	22,840,921	–	6,394,564	16,062,636	383,721	–	–
NexBank ICS Escrow	07/01/26	1,685,136	–	1,685,136	–	–	–	–
NexBank Sherman 25	07/01/25	5,030,582	–	5,030,582	–	–	–	–
TexPool	07/01/26	27,573	27,573	–	–	–	–	–
TexSTAR	07/01/26	105,542,045	148,653	70,828,058	11,222,329	21,442,599	1,518,855	381,550
East West Bank CD	07/10/26	1,714,420	–	1,714,420	–	–	–	–
East West Bank CD	07/10/26	1,798,743	–	1,798,743	–	–	–	–
East West Bank CD	07/13/26	758,144	–	758,144	–	–	–	–
East West Bank CD	07/13/26	1,032,367	–	1,032,367	–	–	–	–
East West Bank CD	07/13/26	508,380	–	508,380	–	–	–	–
East West Bank CD	07/14/26	520,235	–	520,235	–	–	–	–
East West Bank CD	07/14/26	2,914,044	–	–	–	915,354	288,857	1,709,834
East West Bank CD	07/20/26	520,001	–	520,001	–	–	–	–
East West Bank CD	07/20/26	520,001	–	520,001	–	–	–	–
East West Bank CD	08/10/26	776,249	–	776,249	–	–	–	–
American National B&T CDARS	08/20/26	6,439,337	–	6,439,337	–	–	–	–
American National B&T CDARS	08/20/26	5,240,295	–	5,240,295	–	–	–	–
East West Bank CD	09/02/26	723,015	–	723,015	–	–	–	–
East West Bank CD	09/02/26	1,187,810	–	1,187,810	–	–	–	–
East West Bank CD	09/11/26	931,907	–	–	–	–	931,907	–
East West Bank CD	09/15/26	5,979,836	–	5,979,836	–	–	–	–
East West Bank CD	09/15/26	209,981	–	209,981	–	–	–	–
East West Bank CD	09/16/26	308,692	–	308,692	–	–	–	–
East West Bank CD	09/16/26	5,772,776	–	5,772,776	–	–	–	–
East West Bank CD	09/27/26	1,212,196	–	1,212,196	–	–	–	–
UBank CD	10/08/26	1,792,277	–	–	–	–	–	1,792,277
East West Bank CD	10/09/26	20,537,058	–	20,537,058	–	–	–	–
East West Bank CD	11/12/26	511,619	–	511,619	–	–	–	–
East West Bank CD	11/12/26	1,534,857	–	1,534,857	–	–	–	–
Texas Bank & Trust CD	11/20/26	8,739,147	–	–	–	–	8,739,147	–
East West Bank CD	11/24/26	2,652,364	–	–	–	–	2,652,364	–

Allocation by Fund
Book & Market Value

June 30, 2026

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve	Arbitrage Liability
East West Bank CD	11/25/26	8,177,282	–	8,177,282	–	–	–	–
East West Bank CD	11/25/26	8,177,282	–	8,177,282	–	–	–	–
East West Bank CD	11/25/26	8,177,282	–	8,177,282	–	–	–	–
East West Bank CD	11/25/26	8,177,282	–	8,177,282	–	–	–	–
Texas Heritage Nat'l Bank CD	11/26/26	15,817,500	–	15,817,500	–	–	–	–
East West Bank CD	12/12/26	1,020,106	–	1,020,106	–	–	–	–
East West Bank CD	12/15/26	7,658,718	–	7,658,718	–	–	–	–
East West Bank CD	12/17/26	1,019,601	–	1,019,601	–	–	–	–
East West Bank CD	12/24/26	375,288	–	375,288	–	–	–	–
East West Bank CD	12/24/26	528,405	–	528,405	–	–	–	–
East West Bank CD	12/24/26	600,477	–	600,477	–	–	–	–
East West Bank CD	12/24/26	5,845,576	–	5,845,576	–	–	–	–
East West Bank CD	01/12/27	508,335	–	508,335	–	–	–	–
East West Bank CD	02/10/27	760,150	–	760,150	–	–	–	–
East West Bank CD	02/24/27	506,214	–	506,214	–	–	–	–
East West Bank CD	03/03/27	1,163,653	–	1,163,653	–	–	–	–
East West Bank CD	03/03/27	303,562	–	303,562	–	–	–	–
East West Bank CD	03/16/27	13,200,754	–	–	–	–	13,200,754	–
WallisBank CDARS	03/25/27	3,152,664	–	–	–	–	69,177	3,083,487
BOK Financial CDARS	03/25/27	8,936,622	–	–	–	2,891,612	2,005,493	4,039,517
East West Bank CD	03/27/27	1,010,137	–	1,010,137	–	–	–	–
East West Bank CD	03/27/27	757,603	–	757,603	–	–	–	–
Wallis Bank CDARS	04/01/27	6,973,567	–	–	–	424,460	3,805,002	2,744,104
East West Bank CD	04/15/27	3,090,546	–	–	–	268,130	2,822,416	–
Texas Heritage Nat'l Bank CD	05/06/27	4,835,000	–	–	–	145,000	4,660,000	30,000
East West Bank CD	05/14/27	603,029	–	603,029	–	–	–	–
East West Bank CD	05/19/27	703,199	–	703,199	–	–	–	–
East West Bank CD	06/24/27	1,801,416	–	1,801,416	–	–	–	–
East West Bank CD	06/28/27	20,360,363	–	–	–	500,281	19,860,082	–
Totals		**$ 385,100,603**	**$ 2,616,854**	**$ 253,892,803**	**$ 27,284,966**	**$ 26,971,157**	**$ 60,554,054**	**$ 13,780,769**

Allocation by Fund
Book & Market Value

March 31, 2026

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve	Arbitrage Liability
BOT DDA (3)	04/01/26	$ 3,791,585	$ 3,791,585	$ –	$ –	$ –	$ –	$ –
BOT Escrow MMF	04/01/26	15,851,907	–	15,851,907	–	–	–	–
Invesco Govt & Agy Inst MMF	04/01/26	2,616	2,616	–	–	–	–	–
First National Bank ICS	04/01/26	20,228,713	–	20,228,713	–	–	–	–
Veritex Bank MMA Escrow	04/01/26	86,301	–	86,301	–	–	–	–
NexBank ICS	04/01/26	16,874,306	–	11,216,296	5,277,688	380,322	–	–
NexBank ICS Escrow	04/01/26	2,046,692	–	2,046,692	–	–	–	–
NexBank Sherman 25	07/01/25	4,986,022	–	4,986,022	–	–	–	–
TexPool	04/01/26	27,324	27,324	–	–	–	–	–
TexSTAR	04/01/26	79,744,354	6,527,514	47,013,919	5,744,076	19,090,298	1,113,553	254,994
BOK Financial CDARS	04/02/26	3,015,732	–	–	–	–	3,015,732	–
BOK Financial CDARS	04/09/26	54,783	–	–	–	–	54,783	–
East West Bank CD	04/10/26	1,731,058	–	1,731,058	–	–	–	–
East West Bank CD	04/13/26	760,199	–	760,199	–	–	–	–
East West Bank CD	04/13/26	1,034,370	–	1,034,370	–	–	–	–
Texas Bank & Trust CD	05/06/26	4,809,016	–	–	–	–	4,809,016	–
East West Bank CD	05/12/26	618,656	–	618,656	–	–	–	–
East West Bank CD	05/12/26	507,263	–	507,263	–	–	–	–
East West Bank CD	05/19/26	726,004	–	726,004	–	–	–	–
Texas Heritage Nat'l Bank CD	05/25/26	37,420,892	–	37,420,892	–	–	–	–
East West Bank CD	06/22/26	1,211,943	–	1,211,943	–	–	–	–
East West Bank CD	06/24/26	8,902,685	–	–	–	–	8,902,685	–
East West Bank CD	06/24/26	774,347	–	774,347	–	–	–	–
East West Bank CD	06/24/26	605,852	–	605,852	–	–	–	–
East West Bank CD	06/24/26	545,141	–	545,141	–	–	–	–
East West Bank CD	06/24/26	1,858,434	–	1,858,434	–	–	–	–
East West Bank CD	06/24/26	12,117,034	–	12,117,034	–	–	–	–
BOK Financial CDARS	06/25/26	12,392,461	–	–	–	–	12,392,461	–
East West Bank CD	07/10/26	1,780,389	–	1,780,389	–	–	–	–
East West Bank CD	07/13/26	503,850	–	503,850	–	–	–	–
East West Bank CD	07/14/26	514,927	–	514,927	–	–	–	–
East West Bank CD	07/14/26	2,884,310	–	–	–	906,012	285,909	1,692,389
East West Bank CD	07/20/26	514,695	–	514,695	–	–	–	–
East West Bank CD	07/20/26	514,695	–	514,695	–	–	–	–
East West Bank CD	08/10/26	768,853	–	768,853	–	–	–	–
American National B&T CDARS	08/20/26	6,370,677	–	6,370,677	–	–	–	–
American National B&T CDARS	08/20/26	5,184,420	–	5,184,420	–	–	–	–

Allocation by Fund
Book & Market Value

March 31, 2026

	Maturity	Investment Total	General	Construction	Bond I&S	Revenue	Reserve	Arbitrage Liability
East West Bank CD	09/02/26	716,001	–	716,001	–	–	–	–
East West Bank CD	09/02/26	1,176,288	–	1,176,288	–	–	–	–
East West Bank CD	09/11/26	923,466	–	–	–	–	923,466	–
East West Bank CD	09/15/26	5,925,669	–	5,925,669	–	–	–	–
East West Bank CD	09/15/26	208,079	–	208,079	–	–	–	–
East West Bank CD	09/16/26	305,919	–	305,919	–	–	–	–
East West Bank CD	09/16/26	5,719,343	–	5,719,343	–	–	–	–
East West Bank CD	09/27/26	1,200,677	–	1,200,677	–	–	–	–
UBank CD	10/08/26	1,771,257	–	–	–	–	–	1,771,257
East West Bank CD	10/09/26	20,351,028	–	20,351,028	–	–	–	–
East West Bank CD	11/12/26	507,010	–	507,010	–	–	–	–
East West Bank CD	11/12/26	1,521,030	–	1,521,030	–	–	–	–
Texas Bank & Trust CD	11/20/26	8,660,024	–	–	–	–	8,660,024	–
East West Bank CD	11/24/26	2,628,207	–	–	–	–	2,628,207	–
East West Bank CD	11/25/26	8,102,807	–	8,102,807	–	–	–	–
East West Bank CD	11/25/26	8,102,807	–	8,102,807	–	–	–	–
East West Bank CD	11/25/26	8,102,807	–	8,102,807	–	–	–	–
East West Bank CD	11/25/26	8,102,807	–	8,102,807	–	–	–	–
East West Bank CD	12/12/26	1,010,954	–	1,010,954	–	–	–	–
East West Bank CD	12/15/26	7,590,006	–	7,590,006	–	–	–	–
East West Bank CD	12/17/26	1,010,453	–	1,010,453	–	–	–	–
East West Bank CD	12/24/26	5,794,503	–	5,794,503	–	–	–	–
East West Bank CD	01/12/27	503,856	–	503,856	–	–	–	–
East West Bank CD	02/10/27	753,584	–	753,584	–	–	–	–
East West Bank CD	02/24/27	501,754	–	501,754	–	–	–	–
East West Bank CD	03/03/27	1,153,285	–	1,153,285	–	–	–	–
East West Bank CD	03/03/27	300,857	–	300,857	–	–	–	–
East West Bank CD	03/16/27	13,080,526	–	–	–	–	13,080,526	–
WallisBank CDARS	03/25/27	3,152,417	–	–	–	–	68,542	3,083,875
BOK Financial CDARS	03/25/27	8,854,869	–	–	–	2,865,233	1,987,202	4,002,433
East West Bank CD	03/27/27	1,000,563	–	1,000,563	–	–	–	–
East West Bank CD	03/27/27	750,422	–	750,422	–	–	–	–
Totals		**$ 381,245,773**	**$ 10,349,040**	**$ 267,906,051**	**$ 11,021,764**	**$ 23,241,865**	**$ 57,922,105**	**$ 10,804,948**

AGENDA ITEM X

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: August 14, 2026

SUBJECT: AGENDA ITEM NO. X

PREPARED BY: Stacy Patrick, Sr. Project Manager
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON AN ENGAGEMENT LETTER FOR INDEPENDENT AUDIT SERVICES FOR FISCAL YEAR 2025-2026

ISSUE
Consideration of an engagement letter for independent audit services for FY 2025-2026

BACKGROUND
The Authority is mandated by its enabling legislation and the bondholders of issued securities to conduct an annual independent audit of its operations.

In 2022, the Authority Staff engaged in discussions regarding the audit solicitation process for selecting an auditing firm. Subsequently, an RFP was developed and distributed to six (6) auditing firms with which we have previously collaborated and/or which have ongoing projects with municipalities in the region. We received one (1) response from Patillo, Brown & Hill.

Patillo, Brown & Hill have demonstrated strong qualifications for the required work. During the May 2022 meeting, the Board approved the selection of Patillo, Brown & Hill as a qualified firm and requested that an engagement letter be prepared for consideration at the June 2022 meeting. The audit cost for FY 2024-2025 was $55,400. The Audit cost for FY 2025-2026 will be $55,900.

CONSIDERATIONS
The audit proposal encompasses a five-year term.

STAFF RECOMMENDATIONS
The Authority Staff recommends that the Board approve an engagement letter with Patillo, Brown & Hill for the execution of the Authority's Fiscal Year 2025-2026 Audit.

ATTACHMENTS
Engagement Letter

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

August 11, 2026

Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

To the Board of Directors and Management:

You have requested that we audit the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Greater Texoma Utility Authority (the "Authority"), as of September 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In addition, we will audit the Authority's compliance over major federal award programs for the period ended September 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Authority's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Authority complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis.

Supplementary information other than RSI will accompany the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and Individual Fund Financial Statements and Schedules
- Debt Service Requirements to Maturity
- Schedule of Insurance Coverage.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section.

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*).

As part of an audit of financial statements in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Management override of controls is considered an inherent risk according to GAAS.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America*.* Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to those charged with governance of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Authority's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the *Uniform Guidance*, and will include tests of accounting records, a determination of major programs in accordance with the *Uniform Guidance* and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The *Uniform Guidance* requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the *Uniform Guidance*.

Also, as required by the *Uniform Guidance*, we will obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Authority's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Authority's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received.

4. For maintaining records that adequately identify the source and application of funds for federally funded activities.

5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the *Uniform Guidance*.

6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the Authority is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

7. For identifying and ensuring that the Authority complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs.

8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award.

9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.

10. For taking prompt action when instances of noncompliance are identified.

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings.

12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings.

13. For submitting the reporting package and data collection form to the appropriate parties.

14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance.

15. To provide us with:

    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters.

    b. Additional information that we may request from management for the purpose of the audit.

    c. Unrestricted access to people within the Authority from whom we determine it necessary to obtain audit evidence.

    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report, if one is issued. This document would include more than an annual comprehensive financial report (ACFR) or annual financial report (AFR).

    e. If applicable, a final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;

17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work.

18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

19. For informing us of any known or suspected fraud affecting the Authority involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance.

20. For the accuracy and completeness of all information provided.

21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information.

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the *Uniform Guidance*, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proof or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Non-attest Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority in conformity with U.S. generally accepted accounting principles and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*) based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards,* and such services will not be conducted in accordance with *Government Auditing Standards.* These services are limited to preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority as previously outlined.

We will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities.

The Authority's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the engagement are limited to our preparation of the financial statements and related note disclosures and the schedule of expenditures of federal awards previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise with regard to financial reporting, but the Authority must make all decisions with regard to those matters.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	July 2026
Mail confirmations	October 2026
Perform year-end audit procedures	November – December 2026
Issue audit reports	January 2027.

Todd Pruitt is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $55,900. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges data over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records, and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You authorize us to disclose any and all information you furnish to us in connection with the services provided under this engagement, including audit procedures, to third-party service providers who assist us in fulfilling our professional responsibilities. These service providers may be located within or outside the United States. Such disclosures may include, but are not limited to, confidential financial or investment information necessary to complete assessments or verify valuations. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Authority's significant accounting practices.
- Significant difficulties, if any, encountered during the audit.
- Uncorrected misstatements, other than those we believe are trivial, if any.
- Disagreements with management, if any.
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Representations we requested from management.
- Management consultations with other accountants, if any.
- Significant issues, if any, that arise from the audit that were discussed or the subject of correspondence with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditor and look forward to working with you and your staff.

Respectfully,
Pattillo, Brown & Hill, L.L.P.

Todd Pruitt

Todd Pruitt, CPA
Waco, Texas

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Grater Texoma Utility Authority by:

Name: ____

Title: ____

Date: ____

Report on the Firm's System of Quality Control

December 12, 2025

To the Partners of Pattillo, Brown & Hill, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act; an audit of an employee benefit plan; and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Pattillo, Brown & Hill, LLP has received a peer review rating of *pass*.

Ericksen Krentel, LLP

Certified Public Accountants

AGENDA ITEM XI

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **August 7, 2026**

SUBJECT: **AGENDA ITEM NO. XI**

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2026 (GOBER MUNICIPAL UTILITY DISTRICT PROJECT)", INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY THE AUTHORITY.

ISSUE
Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.

BACKGROUND
The Gober MUD Board President, Jan Johnson, contacted the Authority General Manager requesting assistance in obtaining funding for improvements to the District's water system. These improvements include the replacement of two ground storage tanks, removal of two existing ground storage tanks, and new yard piping to deliver water to and from the new tanks.

The Texas Water Development Board ("TWDB") Texas Water Development Fund (DFund) was selected as the funding source for these improvements. The DFund is a state funded loan program with below market interest rates. Gober MUD's Board of Directors has requested assistance obtaining funding for the Replacement Tanks Project. After discussing the project with Gober MUD, Authority Staff has determined that funding through Texas Water Development Board's Texas Water Development Fund (DFund) meets the needs of Gober MUD.

CONSIDERATIONS
TWDB approved a commitment for this project at their May 11th Board meeting in the amount of $680,000, and Gober MUD and the Authority approved the signing of a financing agreement at their May Board meetings.

Gober MUD will consent to the issuance of the bonds at their Board Meeting on July 23, 2026. The Bonds are scheduled to close on September 11, 2026.

Kristen Savant, Authority's Bond Council will be present to answer any questions regarding the issuance.

STAFF RECOMMENDATIONS
Staff recommend the Board approve the issuance of the bonds for the Gober MUD Project.

ATTACHED
Bond Resolution will be provided at the meeting
Timetable will be provided at the meeting

BOND RESOLUTION

$680,000

GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2026
(GOBER MUNICIPAL UTILITY DISTRICT PROJECT)

Adopted: August 17, 2026

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)" for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the Gober Municipal Utility District; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; and resolving other matters incident and related to the issuance, sale, and delivery of said bonds

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that $680,000 in principal amount of bonds should be issued at this time to provide funding for the Series 2026 Project more fully described in Section 1 hereof; and

WHEREAS, the Board of Directors of the Authority has determined that the Bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (herein defined), including any amendment or supplement thereto;

(b) A consulting engineer has certified to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Series 2026 Project (herein defined);

(c) The District shall have approved the resolution authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the District, under and pursuant to the Contract;

(d) The Additional Bonds are made to mature on June 1 or December 1 or both in each of the years in which they are scheduled to mature;

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the Debt Service on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the Average Annual Debt Service requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds. For purposes of calculating the interest requirement on any Bonds Similarly Secured bearing interest at a variable rate, the interest rate shall be calculated at 5.00%.

(g) The Authority demonstrated to the Texas Water Development Board's Executive Administrator that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds and the Bonds.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the Authority shall be and are hereby authorized to be issued as a series in the aggregate principal amount of $680,000 to be designated and bear the title "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)," (hereinafter referred to as the "Bonds"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the Gober Municipal Utility District, and the payment of all costs incident and related to the construction, acquisition and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283.

SECTION 2: Interest Rates – Payment Dates – Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities. The Bonds shall be issued as fully registered obligations only, shall be dated August 15, 2026 (the "Bond Date"), shall be in denominations of $5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on June 1 in each of the years and in principal installments (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

STATED MATURITY	PRINCIPAL AMOUNT ($)	INTEREST RATE (%)
2027	10,000	2.78
2028	10,000	2.81
2029	10,000	2.83
2030	10,000	2.98
2031	15,000	3.17
2032	15,000	3.34
2033	15,000	3.47
2034	15,000	3.64
2035	15,000	3.83
2036	20,000	4.11
2037	20,000	4.31
2038	20,000	4.48
2039	20,000	4.61
2040	20,000	4.73
2041	20,000	4.85
2042	25,000	4.95
2043	25,000	5.03
2044	25,000	5.09
2045	25,000	5.14
2046	25,000	5.18
2047	30,000	5.21
2048	30,000	5.24
2049	30,000	5.25
2050	30,000	5.26

2051	30,000	5.26
2052	30,000	5.27
2053	35,000	5.28
2054	35,000	5.28
2055	35,000	5.29
2056	35,000	5.32

The Bonds shall bear interest on the unpaid principal amounts from the date of delivery to the initial Purchaser (which date shall be the date noted in the Registration Certificate of the Paying Agent/Registrar appearing on the definitive Bonds delivered in exchange for the Initial Bond, and is anticipated to be September 11, 2026), and interest shall be calculated upon the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on June 1, 2027, and on each December 1 and June 1 thereafter until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders. A copy of the Security Register shall be maintained within the State of Texas at all times.

The selection and appointment of BOKF, NA, Houston, Texas, as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Authority agrees and covenants to cause to be kept and maintained at the Designated Payment/Transfer Office (identified below) of the Paying Agent/Registrar books and records (the "Security Register") for the registration, payment and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and Authority may prescribe; and the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the Authority are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Texas Water Development Board (the "Board") is the registered owner of the Bonds, payments on the

Bonds shall be made by wire transfer without expense to the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the 15th day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after June 1, 2037, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on December 1, 2036 or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) Selection of Bonds for Redemption. If fewer than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by $5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the single Initial Bond authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the single Initial Bond authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 30 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

The Authority agrees it will not discontinue its use of the DTC Book-Entry-Only System with respect to the Bonds without prior notice to and consent from the Texas Water Development Board while the Board is the Holder of any of the Bonds.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Notwithstanding the above and foregoing paragraph, the Initial Bonds authorized for delivery to the initial purchasers in Section 8 hereof shall have printed thereon both Certificates of Registration appearing in Section 9(c) and 9(d) hereof, and both such certifications shall be required to be manually executed in connection with the initial delivery of the Initial Bonds and both such certifications appearing on the Initial Bonds, duly signed, shall be conclusive evidence that such Initial Bonds have been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered Bond in the total principal amount of $680,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered Bonds, being one bond for each year of maturity in the applicable principal amount and numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association if available, and otherwise the reference to CUSIP NO. in the form of Bond may be omitted from the Bonds) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Bond.

REGISTERED
NO. _____ REGISTERED
$ __________

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2026
(Gober Municipal Utility District Project)

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO.
August 15, 2026	_______%	June 1, 20___	_________

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner of this Bond named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond to the initial Holder (which delivery date is anticipated to be September 11, 2026) or this Bond bears the originally executed Registration Certificate of the

Comptroller of Public Accounts, in which case it shall bear interest from such date) at the per annum rate of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on June 1, 2027, and on each December 1 and June 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity date or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the Registration Certificate hereon, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $680,000 (herein referred to as the "Bonds") pursuant to a Resolution adopted by the governing body of the Authority (herein referred to as the "Resolution"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the Gober Municipal Utility District, and the payment of all costs incident and related to the construction, acquisition and financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas.

The Bonds maturing on and after June 1, 2037, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on December 1, 2036, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the

Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Water Supply and Sewer Service Facilities Contract between the Authority and the Gober Municipal Utility District, dated as of November 19, 2020, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds, payable solely from and equally secured by a lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and being of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

____
Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	(	
OF PUBLIC ACCOUNTS	(	
	(	REGISTER NO. ______________
THE STATE OF TEXAS	(	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this ________________.

____
Acting Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Registration Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Register in St. Paul, Minnesota is the "Designated Payment/Transfer Office" for this Bond.

BOKF, NA, Houston, Texas,
as Paying Agent/Registrar

By: ____________________________________
Authorized Signature

Registration Date:

____

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): ____ (Social Security or other identifying number: __________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ______________________

Signature Guaranteed:

____

____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED NO. T-1	REGISTERED $680,000

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2026
(Gober Municipal Utility District Project)

Bond Date: August 15, 2026

Registered Owner: Texas Water Development Board

Principal Amount: SIX HUNDRED EIGHTY THOUSAND DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on June 1 in each of the years and in principal amounts in accordance with the following schedule:

STATED MATURITY	PRINCIPAL AMOUNT	INTEREST RATE

(Information to be inserted from schedule in Section 2 hereof.)

(or so much thereof as shall not have been paid upon prior prepayment) and to pay interest on the unpaid principal amount hereof from the date of delivery of this Bond to the initial purchasers (which delivery date is anticipated to be September 11, 2026) at the per annum rates of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on June 1, 2027, and on each December 1 and June 1 thereafter until maturity or prior prepayment. Principal of and premium, if any, on this Bond shall be payable at the Stated Maturities or the date(s) of prepayment thereof by BOKF, NA, Houston, Texas (the "Paying Agent/Registrar"), only upon presentation and surrender of this Bond to its designated offices in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)" authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Previously Issued Bonds, the Bonds and Additional Bonds.

(e) The term "Contract" or "Water Supply and Sewer Service Facilities Contract" shall mean that certain contract, dated as of November 19, 2020, by and between the Authority and the Gober Municipal Utility District, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a copy of such Contract being attached hereto as **Exhibit B** for the purposes of identification.

(f) The term "District" shall mean the Gober Municipal Utility District.

(g) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(h) The term “Debt Service” shall mean as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Authority as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of Bonds Similarly Secured without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have applied to such obligations (using the index or method for computing interest applicable to such obligations) during the twenty four (24) month period next preceding the date of computation; and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

(i) The term “Depository Bank” means, currently, BOKF, NA, Houston, Texas. The Authority reserves its right to change from time to time its depository bank to any other bank having trust powers. In the event of any change in the Authority’s depository bank, the Authority shall timely notify any parties affected by such change.

(j) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(k) The term "Government Obligations" as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(l) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(m) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds or Bonds Similarly Secured theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 29 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

(n) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01(a) of the Contract, less the fees and charges of any paying agent/registrar with respect to Bonds Similarly Secured; plus (ii) the amounts deposited into the Bond Fund referenced in Section 12(b) of this Resolution and the amounts described in Section 3.01(b) of the Contract and deposited into the Reserve Fund referenced in Section 12(c) of this Resolution; plus (iii) any amounts on deposit in the Construction Fund, created and established by Section 26 of this Resolution, pending the application of such money for the payment of the Cost of the Project.

(o) The term "Previously Issued Bonds" shall mean the Outstanding (1) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (Gober Municipal Utility District Project)", dated February 1, 2021, and (2) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2023 (Gober Municipal Utility District Project)", dated August 15, 2023, heretofore issued which are in every respect on a parity with the Bonds.

(p) The term "Project" shall mean, with respect to the Bonds, the Series 2026 Project, and, with respect to the Bonds Similarly Secured, collectively, the Projects described as such in the exhibits attached to the ordinances of the District that have from time to time approved the issuance of Bonds Similarly Secured by the Authority for the financing of such Projects.

(q) The term "Series 2026 Project" shall mean, with respect to the Bonds, the project described in Section 1 hereof.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the revenues granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, as amended, then in order to preserve to the Holders of the Bonds the perfection of the security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end the following special Funds (herein so called), are created and established by a resolution authorizing Previously Issued Bonds and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called "Revenue Fund". This Fund shall be kept in the Authority's Depository Bank.

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called "Bond Fund". This Fund shall be deposited with the Depository Bank of the Authority, or other authorized depository, as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called "Reserve Fund". This Fund shall be deposited with a depository of the Authority and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time when there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section 13.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;

2. Payments into the Reserve Fund, as provided by Section 15;

3. The curing of any deficiencies, as provided by Section 17;

4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and

5. Applied as provided in Section 18.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit into the Bond Fund amounts sufficient to pay the principal of and interest on the Outstanding Bonds Similarly Secured as the same become due. There shall be deposited in the Bond Fund, by reason of the issuance of the Bonds, the following amounts:

From the Pledged Revenue on deposit in the Revenue Fund there shall be deposited in the Bond Fund (i) beginning on or before the first (1st) day of the month next following delivery of the Bonds and on or before the first (1st) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the first (1st) day of the month next preceding the first interest payment date, and thereafter on the first (1st) day of each following month, an amount equal to not less than one sixth (1/6) of the next installment of interest; (ii) beginning on or before the first (1st) day of the month next following delivery of the Bonds, and on or before the first (1st) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the first (1st) day of the month preceding the first principal payment date, and thereafter on or before the first (1st) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

Except in compliance with the rules of the Texas Water Development Board, no bond proceeds will be deposited to the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured are no longer Outstanding.

SECTION 15: Reserve Fund. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the Average Annual Debt Service requirement of all Bonds Similarly Secured (the "Required Reserve Fund Amount"). For purposes of calculating the interest requirement on any Bonds Similarly Secured bearing interest at a variable rate, the interest rate shall be calculated at 5.00%. The Average Annual Debt Service requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, the average annual requirement shall also be calculated at the end of each Fiscal Year or upon the redemption or defeasance of any Bonds Similarly Secured. If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

Beginning on or before the first day of the first month following the delivery of the Bonds, and on or before the 1st day of each month thereafter, there shall be deposited in the Reserve Fund an amount equal to not less than one-sixtieth (1/60) of the Required Reserve Fund Amount, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the amount in such fund be reduced, after the Required Reserve Fund Amount has been accumulated, monthly deposits shall be resumed and continued to be made in an amount not less than one-twelfth (1/12) of the amount of the deficiency, on or before the 1st day of each month until the Required Reserve Fund Amount has been fully restored.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully fund or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

SECTION 16: Investments - Security of Funds. Money deposited to the credit of any Fund referenced in this Resolution may, at the option of the Authority, be invested in Authorized Investments; provided that all such investments shall be made in such a manner that the money required to be expended from said Funds will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value.

All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 15 hereof, be credited to and deposited in the Revenue Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

SECTION 17: Transfer of Funds - Deficiencies in Funds. (a) While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

(b) If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 18: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund referenced in this Resolution and used as a credit to the amount that would otherwise be required to be paid by the District under Section 3.01 of the Contract.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and the Previously Issued Bonds. Bonds Similarly Secured shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.

(c) The District shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the District, under and pursuant to the Contract.

(d) The Additional Bonds are made to mature on June 1 or December 1 or both in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the Debt Service on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the Average Annual Debt Service requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds. For purposes of calculating the interest requirement on any Bonds Similarly Secured bearing interest at a variable rate, the interest rate shall be calculated at 5.00%.

(g) The Authority will demonstrate to the Board's Executive Administrator that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds, the Bonds and the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest of the Authority, and if fewer than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this section but the certificate required in subparagraph (b) above shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker’s compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while the District or any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance. The Authority further covenants that such insurance with respect to the Project shall be in an amount sufficient to protect the Board’s interest in the Project.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within ninety (90) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

(a) A detailed statement of the receipts and disbursements from the Revenue Fund.

(b) A balance sheet as of the end of such Fiscal Year.

(c) The Accountant's comments regarding the manner in which the Authority and the District have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.

(d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

(e) A list of the securities that have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits referred to above are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, the Texas Water Development Board, Attention: Executive Administrator, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the District agrees (a) to provide the Texas Water Development Board with annual audit reports, to be submitted without charge, within one hundred twenty (120) days of the close of each fiscal year, (b) in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system and (c) to implement any water conservation program required by the Board until all financial obligations to the Board have been discharged.

<u>SECTION 22:</u> <u>Remedies in Event of Default</u>. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults (i) in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (ii) in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution or (b) the District defaults under the Contract, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, the Previously Issued Bonds and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the District sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues and the establishment of the special funds maintained for the payment and security of such obligations.

None of the special covenants herein appearing shall be construed in any manner which would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner that would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Texas Business and Commerce Code, Chapter 8, as amended.

SECTION 26: Construction Fund. The Authority hereby creates a construction fund account in a depository of the Authority, which is known as the "Construction Fund," into which shall be deposited all remaining proceeds derived from the sale of the Bonds in accordance with

Section 34 of this Resolution and this Section. To the extent of any conflict between this Section and Section 34, Section 34 controls. In this Section, when the term "Cost(s) of the Project" is used, the reference is to the Series 2026 Project.

Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the Engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by such Engineers and submitted to the Authority and the District's Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the District and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such balance shall be deposited in the Bond Fund or the Reserve Fund subject to tax law limitations.

All earnings realized from these investments shall be retained in the Construction Fund until completion of the Series 2026 Project and shall be treated in the same manner as other moneys in the Construction Fund are treated as pursuant to this Resolution.

SECTION 27: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered that the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 29: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit that would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section that is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 30: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 31: Sale of the Bonds. The sale of the Bonds to the Texas Water Development Board (herein referred to as the "Purchaser" and the "initial Holder") pursuant to a loan commitment received from said Board, at the price of par, is hereby confirmed and declared to be in the best interests of the Authority. Delivery of the Bonds to said Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 32: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial Purchaser against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on (1) any Bond issued hereunder or (2) any series of bonds or obligations issued or incurred by the Texas Water Development Board or the Texas Water Resources Finance Authority to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six (6) years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the Construction Fund, other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Elections. The Authority hereby directs and authorizes the President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(j) Nonpurpose Investments. No portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments which produce a yield materially higher than the yield on the

Board's bonds that were issued to provide financing for the Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(i) proceeds of the Board's Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of investment by the Board) until such proceeds are needed for the facilities to be financed;

(ii) amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the IRS Regulations; and

(iii) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds.

(k) Neither the Authority nor a related party will acquire any of the Source Series Bonds in an amount related to the amount of the Bonds to be acquired from the Authority by the Board.

SECTION 33: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby authorized and directed to furnish and execute such documents relating to the Authority and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Bonds by the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Authority's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for printing of the definitive Bonds and the delivery of the Initial Bond(s) to the initial Purchaser and the exchange thereof for definitive Bonds.

SECTION 34: Rules and Regulations of the Texas Water Development Board. In compliance with the published rules and regulations of the Texas Water Development Board (the "Board"), the Authority agrees and covenants as follows:

(a) To the extent there are unused funds remaining and enhancements to the Series 2026 Project are needed or desired to be paid with the proceeds of the Bonds, the Authority shall request such enhancements be authorized by the Executive Administrator, or

(b) If the Authority determines that no enhancements are needed or if no enhancements are authorized by the Executive Administrator, the Authority shall cause to be prepared and submitted to the Board (i) a final accounting of the total costs of the Series 2026 Project and the expenditure of funds therefor and (ii) a copy of the construction plans for the Series 2026 Project as built and completed. In addition to other information required by the Board, said final accounting shall identify (i) all funds utilized or represented to be available in the

Authority's application, from whatever source derived, and (ii) all Series 2026 Project costs contained and approved in the Authority's application to the Board or approved in subsequent change orders. If the total cost of the Series 2026 Project is less than the amount of the Series 2026 Project funds available, then the Authority may use such surplus proceeds remaining after completion of the Series 2026 Project for the following purposes as approved by the Executive Administrator: (1) to redeem Bonds, in inverse annual order of stated maturities, (2) to deposit into the Bond Fund for the payment of capitalized interest or principal on the Bonds, or (3) to deposit into the Reserve Fund within tax law limitations.

(c) Execution and delivery of an Escrow Agreement, substantially in the form attached hereto as **Exhibit C**, by the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, is hereby approved. The Construction Fund shall be held subject to the Escrow Agreement and moneys deposited therein shall be kept separate from other funds and accounts of the Authority. The Authority further covenants and agrees (i) that certain proceeds of sale of the Bonds shall be deposited in the Construction Fund created by Section 26 of this Resolution and established with a depository of the Authority, and (ii) all funds deposited in such Construction Fund shall be disbursed only for the Series 2026 Project the Bonds and, as is appropriate, in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code.

(d) The Authority further agrees and covenants as follows:

(i) to comply with all applicable laws of the State of Texas and all applicable rules and policies of the Board with respect to the acquisition and construction of the Series 2026 Project and the loan of funds to the Authority by the Board evidenced by the Bonds.

(ii) no bond proceeds will be used for sampling, testing, removing or disposing of contaminated soils and/or media at the project site and, to the extent permitted by law, to indemnify, hold harmless and protect the Board from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport and/or removal and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials and employees as a result of activities relating to the project.

(iii) all laborers and mechanics employed by contractors and subcontractors for the Series 2026 Project shall be paid wages at rates not less than prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The Authority, all contractors, and all subcontractors shall ensure that all Project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the Series 2026 Project shall include in full in any contract in excess of $2,000 the contracts clauses as provided by the Board.

(iv) the Authority will abide by all applicable construction contract requirements related to the use or iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code, § 17.183.

(v) the Contract shall not be amended or revised in a manner affecting the financial condition of the Authority and its ability to pay the Bonds without the prior written approval of the Board's Executive Administrator.

(vi) the Authority shall provide the Board with documentation that it has met all applicable state procurement requirements as well as all federal procurement requirements under the Disadvantaged Business Enterprises program.

(vii) the Authority shall provide the Board with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The Authority shall obtain a Data Universal Numbering System ("DUNS") Number and shall register the System for Award Management ("SAM"), and maintain current registration at all times while the Bonds are outstanding.

(viii) all proceeds of the Bonds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d) and the Authority will adhere to the approved project schedule.

(ix) the Board may exercise all remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the Board's full exercise of these remedies shall be of no force and effect.

(x) the Authority will comply with the requirements set forth in 33 U.S.C. § 1382 *et seq*. related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (GAAP).

(xi) neither the Authority nor a related party thereto will acquire any of the Board's bonds that were issued to provide financing for the Bonds in the amount of the Bonds to be acquired from the Authority by the Board.

(xii) prior to any action by the Authority to convey the project (including the related obligation to repay the Bonds) to another entity, the conveyance and assumption must be approved by the Board.

(xiii) the Authority must notify the Board's Executive Administrator prior to taking actions to alter the Authority's legal status in any manner, such as by conversion to a conversation and reclamation district or a sale-transfer-merger with another retail public utility.

(xiv) the proceeds of the Bonds shall be held in a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

(xv) to comply with the conditions set forth in the Board's environmental finding, when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(xvi) the Authority will immediately notify the Board in writing of any suit against it by the Attorney General of Texas under Texas Penal Code, § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).

(xvii) the Authority will refrain from using the proceeds of the Bonds or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of the issue of the Bonds in contravention of the requirements of Section 149(d) of the Code (relating to advance refundings).

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, concerning the validity of the Bonds, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the Purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds, or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 38: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 40 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange

Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six (6) months after the end of each Fiscal Year, financial information and operating data of the general type described in **Exhibit D** hereto and (2) if not provided as part of such financial information and operating data, audited financial statements of the Authority and the District, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type included in the final Application for Financial Assistance and described in **Exhibit D** by the required time and audited financial statements when and if such audited financial statements become available.

If the Authority changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the

tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of holders of the Bonds, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, and (b) the Authority intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an "obligated person".

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41: Reapproval of Contract. In all respects, the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 42: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors of the Authority contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 43: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar and the Holders.

SECTION 44: Inconsistent Provisions. All orders or resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 45: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 46: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 47: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page is intentionally blank]

PASSED AND ADOPTED, this August 17, 2026.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Paying Agent/Registrar Agreement

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of August 17, 2026 (this "Agreement"), by and between BOKF, NA, Houston, Texas, a banking association duly organized and existing under the laws of the United States of America, or its successors (the "Bank") and the Greater Texoma Utility Authority (the "Issuer").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its $680,000 "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)" (the "Securities"), dated August 15, 2026, such Securities scheduled to be delivered to the initial purchasers thereof on or about September 11, 2026; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Sections 2271.002(a)(2), 2274.002(a)(2) and 2276.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO
DEFINITIONS

Section 2.01 **Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Authorizing Document" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

"Bank Office" means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

"Responsible Officer", when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms "Bank", "Issuer", and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE
PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

BOKF, NA
Corporate Trust Services
2405 Grand Blvd., Suite 840
Kansas City, MO 64108

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR
REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 <u>Securities</u>. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 <u>Form of Security Register</u>. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 <u>List of Security Holders</u>. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 **<u>Return of Cancelled Securities</u>.** The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 **<u>Mutilated, Destroyed, Lost, or Stolen Securities</u>.** The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 **<u>Transaction Information to Issuer</u>.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE
THE BANK

Section 5.01 **<u>Duties of Bank</u>.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 **<u>Reliance on Documents, Etc.</u>**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 **Indemnification.** To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 **Interpleader.** The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 **DTC Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01 **Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 **Assignment**. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 **Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 **Effect of Headings.** The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 **Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on the following page of such officer's internet website:

https://comptroller.texas.gov/purchasing/publications/divestment.php

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Notwithstanding anything contained herein, the representations and covenants contained in this Section 6.12 shall survive the termination of this Agreement until the statute of limitations has run.

Section 6.13 **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BOKF, NA, Houston, Texas

By: ____________________________________

Title: __________________________________

Address: 1401 McKinney, Suite 1000
Houston, Texas 77010

GREATER TEXOMA UTILITY AUTHORITY

By: ___________________________________

President, Board of Directors

Address: 5100 Airport Drive
Denison, Texas 75020

ATTEST:

____
Secretary, Board of Directors

ANNEX A

PAYING AGENT/REGISTRAR

Schedule of Fees

<u>Closing Fee</u> WAIVED

For review, coordination of documents and setup of wires in preparation for closing. This fee is due at closing.

<u>Annual Administration Fee</u> *$600.00*

For ordinary administration services by Paying Agent /Registrar – includes daily routine account management and processing in accordance with the agreement. Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent's compensation. The Administration Fee will be invoiced semi-annually with the first debt service payment.

<u>Call or Redemption of Bonds</u> **At Cost**

Cost includes distribution to holders of record, redemption processing and notification through DTC. Any and all publication expenses including Bond Buyer, Regional and Financial Periodicals for the call notice will be billed to the Issuer at cost.

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided. Counsel fees, if ever retained as a result of a default, or other extraordinary occurrences on behalf of the bondholders or Bank of Texas, will be billed at cost.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges. Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

Tony Hongnoi
Corporate Trust Relationship Manager
Texas Paying Agency Manager
Phone: 972.892.9968
Thongnoi@bankoftexas.com or Thongnoi@bokf.com

Jose Gaytan
Corporate Trust Sales Consultant
Phone: 512.813.2002
Jgaytan@bankoftexas.com or Jgaytan@bokf.com

To learn more about BOK Financial:

BOK FINANCIAL
bokfinancial.com

EXHIBIT B

Water Supply and Sewer Service Facilities Contract

WATER SUPPLY AND SEWER SERVICE FACILITIES CONTRACT

THE STATE OF TEXAS §
§
THE COUNTY OF FANNIN §

THIS AGREEMENT is made and entered into as of November 19, 2020, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 8283 of the Texas Special District Local Laws Code, as amended, (the "Act") and the GOBER MUNICIPAL UTILITY DISTRICT a political subdivision in the County of Fannin, Texas (hereinafter referred to as the "District"), duly created and existing under the laws of the State of Texas:

W I T N E S E T H:

WHEREAS, the Authority, acting pursuant to the Act, has issued or proposes to issue, or both, its bonds for the purposes of providing (i) certain sewer collection and treatment facilities for use by the District, (ii) an additional supply of water to the District and/or (iii) certain water supply facilities in order to store and transport water to the District; and

WHEREAS, certain revenues to be received by the Authority from the District under this Contract are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities; and

WHEREAS, the Authority and the District, acting through their duly constituted governing bodies pursuant to authority granted by law, have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements, and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01: Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Contract and any contract amendatory or supplemental to this Contract, shall be construed or used and are intended to have meanings as follows:

(a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.

(b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.

(c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.

(d) "Bonds" shall mean any bonds to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues, or any bonds issued to refund same.

(e) "Contract" shall mean this Contract for Water Supply and Sewer Service Facilities Contract, including any and all Exhibits hereto and any and all amendments or supplements hereto that may be adopted from time to time as herein permitted. This Contract may also at times be referred to as this "Agreement."

(f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension, and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest, and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension, or repair of the Project and all legal fees, printing and other cost, fees, and expenses necessary for or incident to the issuance of the Bonds.

(g) "District" shall mean the Gober Municipal Utility District.

(h) "Engineer" shall mean a registered, professional engineer (who may be the District's Engineer or the Authority's Engineer). The District and Authority agree that the Engineer may be a different firm on different aspects of the Project; and that any Project will be acquired, constructed, improved, enlarged, extended, and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the District.

(i) "Fiscal Year" shall mean the twelve (12) month operating period (under this Contract) commencing October 1st of each year, provided such twelve (12) month period may be changed one time in any three (3) calendar year period by agreement of the Authority and the District (which agreement, if made, shall be attached hereto as an exhibit).

(j) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition that would otherwise impair the security of the Bonds. Such term shall not include depreciation.

(k) "Operator" shall mean the party to the Contract who is designated, from time to time, by the parties with respect to each Project and, in the absence of such designation, shall mean the District.

(l) "Project" shall mean, collectively, the Water Project and the Sewer Project.

(m) "Sewer Project" shall mean collectively, the sewer facilities which are to be (i) constructed, acquired, or improved in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the District under this Contract, or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each order or resolution of the District, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

(n) "Water Project" shall mean collectively the water supply, storage, and transmission facilities which are to be (i) constructed, acquired, or improved in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the District under this Contract or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each order or resolution of the District, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

ARTICLE II
REPRESENTATIONS AND AGREEMENTS

SECTION 2.01: The District's Representations and Agreements. In connection with its undertakings hereunder, the District represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly organized and created political subdivision of the State of Texas, it is empowered under applicable laws of Texas to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the services supplied by the Project.

(c) It will plan, construct, maintain, operate, and finance its own utility system and set retail rates to individual customers for utility service adequate to pay all District obligations secured by and made payable from the revenues derived from the operation of the District's utility system.

(d) It will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the District and agrees with the District as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XVI, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Act, the Interlocal Cooperation Act and the Texas Water Code, to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) It will finance all Costs of the Project not provided by the District and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project, and the Authority will enter into such contracts as are necessary to construct the Project. To this end, the Authority and the District agree that:

(a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.

(b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the District.

(c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.

(d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the District.

(e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money that shall be specified in said Bond Resolution(s). The Authority shall draw on and use the money in such Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging, and repairing the Project.

(f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements, and interest required to provide the Project, subject to the approval of the District and the Authority.

ARTICLE III
FISCAL MATTERS

SECTION 3.01:Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the District and any grant received, for the purpose of providing all or part of the Project; provided, however, proceeds from Bonds issued for refunding purposes may be used as provided in such Bond Resolution(s) authorizing such refunding Bonds. It is agreed that the District and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the District recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the District's obligations to make any and all payments specified in this Article and the ownership interest of the Authority in the Project will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the District to the Authority under this Contract, and the District agrees that it will make to the Authority the following payments:

(a) Monthly amortization payment — Such amounts, payable monthly on or before the 20th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

(b) Reserve Fund Payment — Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the District) under the Bond Resolution in order to establish, maintain, or replenish the Reserve Fund for the security and payment of Bonds similarly secured.

(c) Administrative Payment — An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports and the costs of all continuing disclosure undertakings.

(d) Extraordinary Expense Payment — Such amounts, as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between District and the Authority.

(e) Maintenance and Operation Costs of the Project--- Such amounts as are necessary to pay or reimburse the Authority for costs of Maintenance and Operation Expense of the Project (for which provision is made in Section 3.03), if the Authority is the Operator under that Section.

SECTION 3.02:Time for the Making of Payments. The District agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments – The District shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve (12) months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six (6) months prior to the first interest payment date for which moneys are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract and shall be adjusted by the District so as to provide for the accumulation of the full amount of debt service requirements (principal, interest, and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

(b) Reserve Fund Payment – The District shall commence making these payments on the 20th day of the following month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Bond Resolution(s) authorizing such Bonds.

(c) Administrative Payment – The District shall commence making the administrative payment on the 20th day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 20th day of each month thereafter throughout the term of this Contract.

(d) Extraordinary Expense Payment – The District shall make any extraordinary expense payment immediately upon receipt of the statement therefor.

(e) Maintenance and Operating Expenses: (i) If the District is designated as the Operator, such expenses shall be paid by the District as the same becomes due; or (ii) if the Authority is designated as the Operator, the District shall pay (up to the amount annually budgeted for such expenses) the amount that the Authority determines shall be required in such months, such payments to be made on or before the 20th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or, thereafter prior to the beginning of each fiscal year; the budget shall then be submitted to the District, which may indicate exceptions or suggestions, and any such exceptions or suggestions that are indicated by the District shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree that the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that additional payments shall be made or credit shall be given so that expenditures match receipts over the fiscal year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the District is the Operator under this Section, the District agrees, to the extent allowed by law, to indemnify and to save and hold harmless the Authority from any and all, exclusive of costs caused by or associated with the Authority's negligence, claims, damages, losses, costs, and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation, and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amounts that would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damages or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a Maintenance and Operation Expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The District covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unusable by reason of Force Majeure as such term is assigned meaning in Section 4.13 hereto. The District recognizes the fact that the Authority will use the payment received from the District hereunder to pay, secure, and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely upon the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the District.

SECTION 3.06: Late Payment Penalty. Should the District fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - District to Fix Adequate Rates.

(a) The District represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the District's Utility System.

(b) The District further agrees to fix and collect such rates and charges for utility services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its combined Utility System, including all payments, obligations, and indemnities contracted hereunder.

SECTION 3.08:Nature of Obligation of District. The payments required to be made by the District under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the District shall be and are separate and independent covenants, and the District shall have no rights of set off, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the District out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the District pursuant to this Contract are to be collected from the sources referenced herein, and from no other.

ARTICLE IV
MISCELLANEOUS PROVISIONS

SECTION 4.01:Contract Term. The obligation of the District to promptly make all prescribed payments shall commence with the effective date of this Contract and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02:Useful Life of Project. The District and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued to fund such Project

SECTION 4.03:Abandonment of Use of Project. Except as provided by this Contract, the District may not obtain services provided for in this Contract from a source other than a contracting party. It is specifically recognized by the parties hereto that the District may, during the term of this Contract, acquire other facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the District choose to discontinue the operation of all or part of the Project, the District shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the District, and any money realized from such salvage will serve as a reduction of such expense. The District shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the District to the Authority provided for by this Contract, and all payments provided for by this Contract shall remain obligations of the District of the same nature as provided for by this Contract.

SECTION 4.04:Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of the Authority and the District. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed, and settled. No such change or modification may be made that will affect adversely the payment when due of all moneys required to be paid by the District under the terms of this Contract, and no such change will be effective that affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the District may desire the construction of additional facilities over and above those now contemplated, and provided the same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the District and the Authority.

SECTION 4.05: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations, and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation, and maintenance of the Project, the amount of such taxes shall be treated as an operating expense of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this Contract shall be in the District.

SECTION 4.08. Notices. Any notice, request, demand, statement, or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority:	5100 Airport Drive Denison, Texas 75020 Attention: President, Board of Directors
To the District:	Gober Municipal Utility District P.O. Box 63 Gober, Texas 75443-0063 Attn: Jan Johnson, President, Board of Directors

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the District hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of District Default. The Authority and the District agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction, upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority, shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the District in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the District has heretofore issued, sold, and delivered revenue bonds that were payable from and secured by a lien on and pledge of the net revenue of its Utility System and to the extent such bonds so issued and delivered are outstanding, the District has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the District represents to the Authority:

(a) There is no provision in any ordinance of the District that prohibits the District from entering into and executing this Contract.

(b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of any contract by and between the District and any other person. The Project is in furtherance of governmental policy and not inconsistent with the existing contractual obligations of the District.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed, that after completion of the Project and during the term of this Contract, the Operator shall have the exclusive right to the use and utilization of the Project, for the benefit of the District; it is further agreed that the Operator without hindrance from the Authority or the District, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage, and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of the District to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied upon, the obligation of the party giving such notice, so far as it is affected by such "force majeure," shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the District to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason of force majeure shall relieve the District from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If the Operator's ability to operate the

Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as possible after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by the District that the Operator may be compelled to make necessary alterations, repairs, or extensions of new or additional facilities from time to time during the life of this Contract, and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on the part of the Operator, provided all reasonable effort is used by the Operator to provide the District with the service afforded by the Project in accordance with this Contract. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. The District agrees that the Authority may have such easements over any easements, right of way, or property held by the District so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the District.

(a) Prior to the issuance and delivery of any Bonds which are (i) payable as to principal, interest, or redemption premium out of the debt service payments; or (ii) to provide facilities or service or any item that is to be maintained by the Authority utilizing any part of the base monthly payments, the District shall approve the issuance thereof as provided in this Section.

(b) If the bonds are to be sold at a public sale, the governing body of the District shall, by order or resolution, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and (ii) the facilities to be constructed, or acquired, or improved; if the Bonds are to be negotiated or are refunding bonds, the governing body of the District shall, by order or resolution approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the refunding bonds.

(c) If the bonds are to be exchanged for property or services or are to be privately placed, the governing body of the District shall, by resolution, approve (i) the form of the resolution adopted or to be adopted by the governing body of the Authority that authorizes the issuance of such bonds and (ii) the facilities to be constructed, acquired, or improved, or the services to be provided.

(d) The District and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining to enforcement of this Contract.

SECTION 4.16: Severability. The parties hereto agree that if any of the provisions of this Contract contravene or is held invalid under the laws of the State, the same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

(Authority Seal)

GREATER TEXOMA UTILITY AUTHORITY

By: ______________________________
President, Board of Directors

ATTEST:

____
Assistant Secretary, Board of Directors

GOBER MUNICIPAL UTILITY DISTRICT

By: ______________________________
Title: ______________________________

ATTEST:

By: ______________________________
Title: ______________________________

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By:________________________________

President, Board of Directors

ATTEST:

____

Assistant Secretary, Board of Directors

GOBER MUNICIPAL UTILITY DISTRICT

By: Joe Johnson

Title: President

ATTEST:

By: M. Shane Wallace

Title: Secretary

<u>EXHIBIT C</u>

Escrow Agreement

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of August 17, 2026, made by and between the Greater Texoma Utility Authority, a political subdivision of the State of Texas in Collin, Cooke, Fannin and Grayson Counties (the "*Authority*"), acting by and through the President and Secretary of the Board of Directors and BOKF, NA, Houston, Texas, a banking association duly organized and existing under the laws of the United States of America, or its successors (the "*Bank*"), as Escrow Agent (the "*Escrow Agent*") together with any successor in such capacity:

W I TN E S S E T H:

WHEREAS, pursuant to a resolution (the "*Resolution*") finally adopted on August 17, 2026, the Authority authorized the issuance of $680,000 "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2026 (Gober Municipal Utility District Project)" (the "*Bonds"*) for the planning, design, construction, acquisition, rehabilitation and improvement of water system facilities and necessary appurtenances for use by the Gober Municipal Utility District, and the payment of all costs incident and related to the construction, acquisition, and financing thereof, as further described in the Resolution (the "*Project*"); and

WHEREAS, such Resolution also confirmed the sale of the Bonds to the Texas Water Development Board (the "*TWDB*"); and

WHEREAS, the Escrow Agent is a bank located in the State of Texas that is an insured depository institution with the Federal Deposit Insurance Corporation (the "*FDIC*") that has been designated a state depository institution by the Texas Office of the Comptroller and is otherwise qualified and empowered to enter into this Escrow Agreement, and hereby acknowledges its acceptance of the terms and provisions hereof; and

WHEREAS, a condition to the issuance of the Bonds by the TWDB is the deposit of the proceeds of sale of the Bonds (less amounts to pay costs of issuance) (the "*Proceeds*") in escrow subject to being withdrawn only with the approval of the Executive Administrator of the TWDB or another designated representative; provided, however, the Proceeds can be transferred to different investments so long as all parties hereto consent to such transfer;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and in consideration of the amount to be paid by the Authority to the Escrow Agent, as set forth on Exhibit A, the receipt of which is hereby acknowledged, and in order to secure the delivery of the Bonds, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives and successors, as follows:

SECTION 1: **ESCROW ACCOUNT**. In accordance with the closing memo signed by the Executive Administrator or an authorized representative and upon the delivery of the Bonds, the Proceeds identified under TWDB Commitment No. L1002348 shall be released to pay closing costs or deposited to the credit of a special escrow account or escrow subaccount (the "*Escrow Account*") by the Escrow Agent. The Escrow Account shall be maintained by the Escrow Agent on behalf of the Authority and the TWDB and shall not be commingled with any other accounts or with any other proceeds or funds. The Proceeds received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Authority, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

The Escrow Account shall be entitled "GTUA TWDB GOBER MUD L1002348 2026" and shall not be subject to warrants, drafts or checks drawn by the Authority but shall be disbursed or withdrawn to pay the costs of the project for which the Bonds were issued or other purposes in accordance with the Resolution and solely upon written authorization from the Executive Administrator, or his/her designated representative. The Bank shall distribute to the Authority and to the Executive Administrator's staff of the TWDB the Escrow Account's bank statements on a monthly basis.

SECTION 2: **COLLATERAL.** All cash deposited to the credit of such Escrow Account and any accrued interest in excess of the amounts insured by the FDIC and remaining uninvested under the terms of this Agreement shall be continuously secured by a valid pledge of direct obligations of the United States of America or other collateral meeting the requirements of the Public Funds Collateral Act, Chapter 2257, TEX. GOV'T CODE ANN., as amended.

SECTION 3: **INVESTMENTS.** While the Proceeds are held in escrow, the Bank shall only invest Proceeds in investments that are authorized by the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE ANN., as amended. It is the Authority's responsibility to direct the Escrow Agent to invest all public funds in a manner that is consistent not only with the Public Funds Investment Act but also with its own written investment policy.

SECTION 4: **DISBURSEMENTS.** The Bank shall not honor any disbursement from the Escrow Account, or any portion thereof, unless and until it has been supplied with written approval and consent by the Executive Administrator of the TWDB or another designated TWDB representative. However, no written approval and consent by the Executive Administrator shall be required if the disbursement involves transferring Proceeds from one investment to another provided that all such investments are consistent with the requirements of the Public Funds Investment Act.

SECTION 5: **UNEXPENDED FUNDS.** Any Proceeds remaining unexpended in the Escrow Account after completion of the Project and after the final accounting has been submitted to and approved by the TWDB shall be disposed of pursuant to the provisions of the Resolution. The Authority shall deliver a copy of such approval of the final accounting by the TWDB to the Escrow Agent together with instructions concerning the disbursement of unexpended Proceeds hereunder. The Escrow Agent shall have no obligation to ensure that such unexpended Proceeds are used as required by the provisions of the Resolution, that being the sole obligation of the Authority.

SECTION 6: **CERTIFICATIONS.** The Bank shall be authorized to accept and rely upon the certifications and documents furnished to the Bank by the Authority and shall not be liable for the payment of any funds made in reliance in good faith upon such certifications or other documents or approvals, as herein recited.

SECTION 7: **LIABILITY OF ESCROW AGENT**. To the extent permitted by law, the Escrow Agent shall not be liable for any act done or step taken or omitted by it or any mistake of fact or law, except for its negligence or default or failure in the performance of any obligation imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner for any proceedings in connection with the Bonds or any recitation contained in the Bonds.

SECTION 8: **RECORDS**. The Escrow Agent will keep complete and correct books of record and account relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Account, and investments of the Escrow Account and all proceeds thereof. The records shall be available for inspection at reasonable hours and under reasonable conditions by the Authority and the TWDB.

SECTION 9: **MERGER/CONSOLIDATION**. In the event that the Escrow Agent merges or consolidates with another bank or sells or transfers substantially all of its assets or corporate trust business, then the successor bank shall be the successor Escrow Agent without the necessity of further action as long as the successor bank is a state or national bank as well as an FDIC-insured depository institution. The Escrow Agent must provide the TWDB with written notification within 30 days of acceptance of the merger, consolidation, or transfer. If the merger, consolidation or other transfer has occurred between state banks, the newly-created entity shall forward the certificate of merger or exchange issued by the Texas Department of Banking as well as the statement filed with the pertinent chartering authority, if applicable, to the TWDB within a reasonable time of such merger, consolidation or exchange.

SECTION 10: **AMENDMENTS.** This Agreement may be amended from time to time as necessary with the written consent of the Authority and the TWDB, but no such amendments shall increase the liabilities or responsibilities or diminish the rights of the Bank without its consent.

SECTION 11: **TERMINATION**. In the event that this Agreement is terminated by either the Authority or by the Bank, the Escrow Agent must report said termination in writing to the TWDB within 5 business days of such termination. The Authority is responsible for ensuring that the following criteria are satisfied in selecting the successor escrow agent and notifying the TWDB of the change in escrow agents: (a) the successor escrow agent must be an FDIC-insured state or national bank designated by the Texas Comptroller as a state depository; (b) the successor escrow agent must be retained prior to or at the time of the termination; (c) an escrow agreement must be executed by and between the Authority and the successor escrow agent and must contain the same or substantially similar terms and conditions as are present in this Agreement; and (d) the Authority must forward a copy of the executed escrow agreement with the successor escrow agent within 5 business days of said termination. No funds shall be released by the TWDB until it has received, reviewed and approved the escrow agreement with the successor escrow agent. If the Authority has not appointed a successor escrow agent within thirty (30) days of the notice of termination, the Escrow Agent may petition any court of competent jurisdiction in Texas for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Authority. Whether appointed by the Authority or a court, the successor escrow agent and escrow agreement must be approved by the TWDB for the appointment to be effective. The Escrow Agent is responsible for performance under this Escrow Agreement until a successor has been approved by the TWDB and has signed an acceptable escrow agreement.

SECTION 12: **EXPIRATION**. This Agreement shall expire upon final transfer of the funds in the Escrow Account to the Authority.

SECTION 13: **POINT OF CONTACT**. The points of contact for the Escrow Agent and the TWDB are as follows:

BOKF, NA
1401 McKinney, Suite 1000
Houston, Texas 77010
Attention: Rachel Roy

Bryan McMath
Executive Administrator
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

SECTION 14: **CHOICE OF LAW**. This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: **ASSIGNABILITY.** This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: **ENTIRE AGREEMENT.** This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the Authority and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account. No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the Authority and consented to by the Escrow Agent and the TWDB.

SECTION 17: **VALIDITY OF PROVISIONS.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: **COMPENSATION FOR ESCROW SERVICES.** The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the Authority but may not be paid directly from the Escrow Account; provided, however, notwithstanding anything herein or in Exhibit A to the contrary, the aggregate value of this Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2), Section 2274.002(a)(2), and Section 2276.002(a)(2) of the Texas Government Code, as amended.

SECTION 19: **IRAN, SUDAN AND FOREIGN TERRORISTS ORGANIZATIONS**. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code.

The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such representation during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

By: ____________________________________
President, Board of Directors

Address: 5100 Airport Drive
Denison, Texas 75020

(Authority Seal)

____
Secretary, Board of Directors

BOKF, NA, Houston, Texas, as Escrow Agent

By ____

Title: ____

Address: 1401 McKinney, Suite 1000
Houston, Texas 77010

EXHIBIT A

BANK FEES

Texas Water Development Board

ESCROW AGENT

Schedule of Fees

Acceptance Fee: WAIVED

For review and coordination of documents and setup of accounts in preparation for closing.

Annual Escrow Account Setup/Administration Fee: $850.00

For ordinary administrative services by Escrow Agent – includes daily routine account management; cash transaction processing (including wire and check processing); disbursement of funds in accordance with the agreement; and online access to trust account statements. This fee is due at the time of Escrow Agreement funding/execution.

Fee is based on the following assumptions:

- Number of escrow accounts: As needed
- Number of Withdrawals from the Escrow accounts: As needed

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges based on a mutually agreed upon fee schedule.

Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

Absent written direction, the Escrow Agent shall invest funds into the Invesco Treasury Portfolio Fund (TRSXX) - CUSIP 825252208 as standing instructions. A copy of the prospectus is available at this link - Invesco Treasury Portfolio.

**If funds are invested outside of the money market funds offered by BOK Financial, a fee of up to $3,000.00 may be assessed on an annual basis to act as custodian.*

Tony Hongnoi, Vice President
Relationship Manager – Texas Paying Agency Manager
Phone: 972.892.9968
THongnoi@bankoftexas.com or THongnoi@bokf.com

Jose Gaytan, Senior Vice President
Corporate Trust & Escrow Sales Consultant
Phone: 512.813.2002
JGaytan@bankoftexas.com or JGaytan@bokf.com

BOK FINANCIAL
bokfinancial.com

To learn more about BOK Financial:

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data to be provided annually in accordance with such Section are the financial statements of the Authority and the financial statements of the District.

Accounting Principles

The accounting principles referred to in such Section are generally those described in the financial statements referenced above, as such principles may be changed from time to time to comply with state law or regulation.

AGENDA ITEM XII

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **August 5, 2026**

SUBJECT: **AGENDA ITEM NO. XII**

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul Sigle, General Manager

CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR CITY OF GAINESVILLE 16" CLEMENTS ST. WATERLINE PROJECT.

ISSUE

Consider and act upon the award of contract for City of Gainesville 16" Clements St. Waterline Project.

BACKGROUND

The City of Gainesville 16" Clements St. Waterline project consists of the installation of approximately 1,100 linear feet of C-900 DR-18 PVC water line by open cut. This includes all associated appurtenances, and miscellaneous surface restoration for successful project completion.

CONSIDERATIONS

GTUA/ City of Gainesville received 14 bids via CIVCAST for the 16" Clements St. Waterline Project on July 29, 2026. JBM Excavation, LLC. is the lowest responsive bidder with a base bid amount of $344,323.00. Kimley Horn and Associates Inc. have reviewed the qualifications and references. Kimley Horn and Associates Inc. recommend awarding the contract to JBM Excavation, LLC.

STAFF RECOMMENDATIONS

The Authority Staff recommend authorizing the General Manager to award a contract to JBM Excavation, LLC. in the amount of $344,323.00. This item is contingent upon the City of Gainesville's approval.

ATTACHMENTS

Recommendation Letter
Bid Tabulation

July 30, 2026

Mr. Allen McDonald
Public Works Director
City of Gainesville, Texas
104 W Hird St,
Gainesville, TX 76240

Re: Bid Results
Clements St. Water Line
KHA No. 061042077

Dear Mr. McDonald:

On July 29th, 2026, the City of Gainesville, Texas received bids for the Clements St. Water Line Project. A detailed bid tabulation is attached for your review and consideration. The City of Gainesville, Texas received a bid from the following contractors:

Contractor	**Total Bid**
JBM Excavation, LLC	$344,323.00
Iron Wolf Construction Company, LLC	$449,795.25
Hayes Construction, LLC	$462,238.20
A&M Construction, LLC	$468,650.00
L.G. Spades Construction, LLC	$475,000.00
Patcon Services, LLC	$479,521.53
Lynn Vessels Construction, LLC	$509,727.15
Vessels Construction	$515,094.49
ATKINS BROS.	$543,951.00
JWC Excavation	$545,232.00
FM Utilities, LLC	$550,117.04
Wilson Contractor Services, LLC	$607,350.12
Canary Construction, Inc.	$616,425.00
Mach Energy Services	$703,295.00

Kimley-Horn and Associates, Inc. has reviewed the qualifications and references of JBM Excavation, LLC. Kimley-Horn and Associates, Inc. has verified that the Contractor's bonding company is licensed in the State of Texas. Based on these reviews, it appears that JBM Excavation, LLC is the lowest responsible bidder. Kimley-Horn and Associates, Inc. recommends awarding the contract to JBM Excavation, LLC in the amount of $344,323.00.

Enclosed is a copy of the bid tabulation for your reference. Thank you for the opportunity to be of service to the City of Gainesville, Texas.

Should you have any questions or comments, please to not hesitate to contact me at 817-769-6758.

Sincerely,

Jack Earney, P.E.

Attachments

- Bid Tabulation

K:\FTW_Utilities\061042077-Gainesville Clements Water Line\BIDDING\Clements St Water Line Award Recommendation Letter.docx

CHECKED BY: Jack Earney

Jack Earney, PE 07/29/2026

Owner:	**City of Gainesville**
Job No.:	**06102077**
Project:	Clements St. Water Line
Date:	**July 29, 2026**

Item No.	Item Description	Quantity	Unit	BIDDER 1 JBM Excavation, LLC Unit Price	Item Cost	BIDDER 2 Iron Wolf Construction Company, LLC Unit Price	Item Cost	BIDDER 3 Hayes Construction, LLC Unit Price	Item Cost	BIDDER 4 A&M Construction and Utilities Unit Price	Item Cost
Base Bid											
1	MOBILIZATION	1	LS	$8,000.00	$8,000.00	$10,000.00	$10,000.00	$11,000.00	$11,000.00	$11,000.00	$11,000.00
2	BONDING AND INSURANCE	1	LS	$10,000.00	$10,000.00	$20,000.00	$20,000.00	$11,000.00	$11,000.00	$10,408.00	$10,408.00
3	TRAFFIC CONTROL	1	LS	$5,600.00	$5,600.00	$8,500.00	$8,500.00	$4,500.00	$4,500.00	$15,000.00	$15,000.00
4	MATERIAL TESTING AND INSPECTIONS	1	LS	$2,000.00	$2,000.00	$12,500.00	$12,500.00	$2,000.00	$2,000.00	$40,000.00	$40,000.00
5	EROSION CONTROL / SWPP	1	LS	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,000.00	$2,000.00	$10,000.00	$10,000.00
6	16-INCH AWWA C900 DR-18 PVC BY OPEN CUT	1,091	LF	$92.00	$100,372.00	$155.00	$169,105.00	$121.20	$132,229.20	$110.00	$120,010.00
7	16-INCH RESILIENT SEATED GATE VALVE AND BOX	2	EA	$13,500.00	$27,000.00	$14,890.00	$29,780.00	$24,302.00	$48,604.00	$12,000.00	$24,000.00
8	14-INCH CUT-IN VALVE AND BOX	1	EA	$16,500.00	$16,500.00	$25,000.00	$25,000.00	$26,964.00	$26,964.00	$16,100.00	$16,100.00
9	6-INCH AWWA C900 DR-18 PVC	14	LF	$80.00	$1,120.00	$80.00	$1,120.00	$110.00	$1,540.00	$175.00	$2,450.00
10	AIR RELEASE VALVE ASSEMBLY	1	EA	$15,500.00	$15,500.00	$20,200.00	$20,200.00	$24,042.00	$24,042.00	$29,500.00	$29,500.00
11	FIRE HYDRANT ASSEMBLY	2	EA	$8,600.00	$17,200.00	$10,320.00	$20,640.00	$12,070.00	$24,140.00	$7,800.00	$15,600.00
12	CONNECT TO EXISTING WATER LINE	4	EA	$2,400.00	$9,600.00	$2,850.00	$11,400.00	$9,000.00	$36,000.00	$6,000.00	$24,000.00
13	DUCTILE IRON FITTINGS	3.4	TONS	$7,600.00	$25,840.00	$8,000.00	$27,200.00	$12,940.00	$43,996.00	$9,000.00	$30,600.00
14	TRENCH SAFETY	1,091	LF	$1.00	$1,091.00	$2.75	$3,000.25	$3.00	$3,273.00	$2.00	$2,182.00
15	ABANDON EXISTING WATER LINE	1	LS	$1,000.00	$1,000.00	$6,500.00	$6,500.00	$1,500.00	$1,500.00	$6,000.00	$6,000.00
16	REMOVE EXISTING HYDRANT	1	EA	$500.00	$500.00	$500.00	$500.00	$800.00	$800.00	$2,000.00	$2,000.00
17	REMOVE AND REPLACE EXISTING SERVICE	1	EA	$2,200.00	$2,200.00	$1,500.00	$1,500.00	$1,900.00	$1,900.00	$2,300.00	$2,300.00
18	ASPHALT PAVEMENT REPAIR	210	SY	$140.00	$29,400.00	$85.00	$17,850.00	$95.00	$19,950.00	$185.00	$38,850.00
19	CONCRETE PAVEMENT REPAIR	25	SY	$160.00	$4,000.00	$200.00	$5,000.00	$200.00	$5,000.00	$210.00	$5,250.00
20	SIDEWALK REPLACEMENT	260	LF	$70.00	$18,200.00	$40.00	$10,400.00	$75.00	$19,500.00	$45.00	$11,700.00
21	CURB REPLACEMENT	260	LF	$65.00	$16,900.00	$35.00	$9,100.00	$45.00	$11,700.00	$45.00	$11,700.00
22	ADA SIDEWALK RAMP	2	EA	$2,400.00	$4,800.00	$6,500.00	$13,000.00	$2,800.00	$5,600.00	$7,500.00	$15,000.00
23	PROJECT ALLOWANCE	1	LS	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals					$344,323.00		$449,795.25		$462,238.20		$468,650.00

Item No.	BIDDER 5 L.G. Spades Construction, LLC Unit Price	Item Cost	BIDDER 6 Patcon Services, LLC Unit Price	Item Cost	BIDDER 7 Lynn Vessels Construction, LLC Unit Price	Item Cost	BIDDER 8 Vessels Construction Unit Price	Item Cost	BIDDER 9 ATKINS BROS. Unit Price	Item Cost
1	$29,109.00	$29,109.00	$17,493.41	$17,493.41	$21,511.04	$21,511.04	$21,386.43	$21,386.43	$5,000.00	$5,000.00
2	$28,750.00	$28,750.00	$19,275.30	$19,275.30	$15,128.00	$15,128.00	$30,130.27	$30,130.27	$4,000.00	$4,000.00
3	$25,875.00	$25,875.00	$14,851.98	$14,851.98	$6,551.40	$6,551.40	$6,973.80	$6,973.80	$1,000.00	$1,000.00
4	$11,617.00	$11,617.00	$12,673.15	$12,673.15	$9,628.24	$9,628.24	$7,080.00	$7,080.00	$1,000.00	$1,000.00
5	$5,750.00	$5,750.00	$6,319.44	$6,319.44	$2,318.00	$2,318.00	$3,292.20	$3,292.20	$2,100.00	$2,100.00
6	$94.00	$102,554.00	$128.71	$140,422.61	$193.73	$211,359.43	$124.90	$136,265.90	$300.00	$327,300.00
7	$12,641.00	$25,282.00	$15,743.82	$31,487.64	$13,677.03	$27,354.06	$23,743.37	$47,486.74	$15,000.00	$30,000.00
8	$13,119.50	$13,119.50	$17,741.84	$17,741.84	$12,934.44	$12,934.44	$26,672.73	$26,672.73	$14,000.00	$14,000.00
9	$63.00	$882.00	$59.60	$834.40	$84.18	$1,178.52	$72.03	$1,008.42	$300.00	$4,200.00
10	$20,915.00	$20,915.00	$20,446.17	$20,446.17	$18,864.25	$18,864.25	$22,775.19	$22,775.19	$7,000.00	$7,000.00
11	$10,564.00	$21,128.00	$11,384.99	$22,769.98	$7,973.92	$15,947.84	$11,401.36	$22,802.72	$8,000.00	$16,000.00
12	$4,718.00	$18,872.00	$5,836.85	$23,347.40	$5,032.50	$20,130.00	$6,300.62	$25,202.48	$5,000.00	$20,000.00
13	$11,662.21	$39,651.51	$8,264.51	$28,099.33	$14,760.21	$50,184.71	$10,090.39	$34,307.33	$1,500.00	$5,100.00
14	$1.00	$1,091.00	$4.42	$4,822.22	$1.22	$1,331.02	$0.87	$949.17	$1.00	$1,091.00
15	$53,882.00	$53,882.00	$9,617.66	$9,617.66	$5,002.00	$5,002.00	$1,934.03	$1,934.03	$1,000.00	$1,000.00
16	$1,473.00	$1,473.00	$553.42	$553.42	$610.00	$610.00	$1,414.85	$1,414.85	$500.00	$500.00
17	$2,768.99	$2,768.99	$3,284.23	$3,284.23	$2,690.10	$2,690.10	$3,202.53	$3,202.53	$2,000.00	$2,000.00
18	$42.00	$8,820.00	$246.93	$51,855.30	$120.66	$25,338.60	$223.74	$46,985.40	$175.00	$36,750.00
19	$152.00	$3,800.00	$286.35	$7,158.75	$135.30	$3,382.50	$321.34	$8,033.50	$50.00	$1,250.00
20	$56.00	$14,560.00	$32.13	$8,353.80	$54.74	$14,232.40	$63.89	$16,611.40	$31.00	$8,060.00
21	$35.00	$9,100.00	$39.08	$10,160.80	$55.91	$14,536.60	$75.69	$19,679.40	$60.00	$15,600.00
22	$5,500.00	$11,000.00	$1,476.35	$2,952.70	$2,257.00	$4,514.00	$2,950.00	$5,900.00	$8,000.00	$16,000.00
23	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals		$475,000.00		$479,521.53		$509,727.15		$515,094.49		$543,951.00

Item No.	BIDDER 10 Jwc Excavation, LLC Unit Price	Item Cost	BIDDER 11 FM Utilities, LLC Unit Price	Item Cost	BIDDER 12 Wilson Contractor Services, LLC Unit Price	Item Cost	BIDDER 13 Canary Construction, Inc. Unit Price	Item Cost	BIDDER 14 Mach Energy Services Unit Price	Item Cost
1	$26,500.00	$26,500.00	$14,901.00	$14,901.00	$26,490.00	$26,490.00	$8,000.00	$8,000.00	$50,000.00	$50,000.00
2	$14,500.00	$14,500.00	$13,759.00	$13,759.00	$13,375.00	$13,375.00	$8,000.00	$8,000.00	$20,000.00	$20,000.00
3	$17,758.00	$17,758.00	$21,748.00	$21,748.00	$5,700.00	$5,700.00	$4,000.00	$4,000.00	$15,000.00	$15,000.00
4	$39,181.00	$39,181.00	$13,335.00	$13,335.00	$8,300.00	$8,300.00	$3,500.00	$3,500.00	$15,000.00	$15,000.00
5	$8,591.00	$8,591.00	$11,037.00	$11,037.00	$9,965.00	$9,965.00	$2,500.00	$2,500.00	$10,000.00	$10,000.00
6	$174.00	$189,834.00	$140.44	$153,220.04	$250.32	$273,099.12	$200.00	$218,200.00	$230.00	$250,930.00
7	$13,775.00	$27,550.00	$17,980.00	$35,960.00	$11,525.00	$23,050.00	$15,000.00	$30,000.00	$12,500.00	$25,000.00
8	$19,331.00	$19,331.00	$18,058.00	$18,058.00	$15,375.00	$15,375.00	$22,000.00	$22,000.00	$12,500.00	$12,500.00
9	$108.00	$1,512.00	$170.94	$2,393.16	$120.00	$1,680.00	$85.00	$1,190.00	$600.00	$8,400.00
10	$16,020.00	$16,020.00	$26,962.00	$26,962.00	$30,388.00	$30,388.00	$20,000.00	$20,000.00	$15,000.00	$15,000.00
11	$7,510.00	$15,020.00	$9,814.00	$19,628.00	$6,735.00	$13,470.00	$12,000.00	$24,000.00	$12,500.00	$25,000.00
12	$7,525.00	$30,100.00	$8,179.00	$32,716.00	$7,600.00	$30,400.00	$6,500.00	$26,000.00	$5,000.00	$20,000.00
13	$10,750.00	$36,550.00	$12,181.00	$41,415.40	$15,297.65	$52,012.01	$20,200.00	$68,680.00	$18,000.00	$61,200.00
14	$5.00	$5,455.00	$2.84	$3,098.44	$2.19	$2,389.29	$5.00	$5,455.00	$15.00	$16,365.00
15	$8,462.00	$8,462.00	$11,212.00	$11,212.00	$3,950.00	$3,950.00	$20,000.00	$20,000.00	$4,000.00	$4,000.00
16	$938.00	$938.00	$2,500.00	$2,500.00	$950.00	$950.00	$1,000.00	$1,000.00	$2,000.00	$2,000.00
17	$2,000.00	$2,000.00	$3,459.00	$3,459.00	$2,800.00	$2,800.00	$4,000.00	$4,000.00	$3,000.00	$3,000.00
18	$83.00	$17,430.00	$194.00	$40,740.00	$205.89	$43,236.90	$260.00	$54,600.00	$280.00	$58,800.00
19	$288.00	$7,200.00	$359.00	$8,975.00	$234.00	$5,850.00	$300.00	$7,500.00	$300.00	$7,500.00
20	$67.00	$17,420.00	$80.00	$20,800.00	$26.76	$6,957.60	$80.00	$20,800.00	$125.00	$32,500.00
21	$38.00	$9,880.00	$71.00	$18,460.00	$31.97	$8,312.20	$150.00	$39,000.00	$85.00	$22,100.00
22	$4,500.00	$9,000.00	$5,370.00	$10,740.00	$2,300.00	$4,600.00	$1,500.00	$3,000.00	$2,000.00	$4,000.00
23	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals		$545,232.00		$550,117.04		$607,350.12		$616,425.00		$703,295.00

CHECKED BY:
Jack Earney, PE 07/29/2026

Owner: **City of Gainesville**
Job No.: **06102077**
Project: Clements St. Water Line
Date: **July 29, 2026**

Item No.	Item Description	Quantity	Unit	BIDDER 1 JBM Excavation, LLC Unit Price	BIDDER 1 Item Cost	BIDDER 2 Iron Wolf Construction Company, LLC Unit Price	BIDDER 2 Item Cost	BIDDER 3 Hayes Construction, LLC Unit Price	BIDDER 3 Item Cost	BIDDER 4 A&M Construction and Utilities Unit Price	BIDDER 4 Item Cost
Base Bid											
1	MOBILIZATION	1	LS	$8,000.00	$8,000.00	$10,000.00	$10,000.00	$11,000.00	$11,000.00	$11,000.00	$11,000.00
2	BONDING AND INSURANCE	1	LS	$10,000.00	$10,000.00	$20,000.00	$20,000.00	$11,000.00	$11,000.00	$10,408.00	$10,408.00
3	TRAFFIC CONTROL	1	LS	$5,600.00	$5,600.00	$8,500.00	$8,500.00	$4,500.00	$4,500.00	$15,000.00	$15,000.00
4	MATERIAL TESTING AND INSPECTIONS	1	LS	$2,000.00	$2,000.00	$12,500.00	$12,500.00	$2,000.00	$2,000.00	$40,000.00	$40,000.00
5	EROSION CONTROL / SWPP	1	LS	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,000.00	$2,000.00	$10,000.00	$10,000.00
6	16-INCH AWWA C900 DR-18 PVC BY OPEN CUT	1,091	LF	$92.00	$100,372.00	$155.00	$169,105.00	$121.20	$132,229.20	$110.00	$120,010.00
7	16-INCH RESILIENT SEATED GATE VALVE AND BOX	2	EA	$13,500.00	$27,000.00	$14,890.00	$29,780.00	$24,302.00	$48,604.00	$12,000.00	$24,000.00
8	14-INCH CUT-IN VALVE AND BOX	1	EA	$16,500.00	$16,500.00	$25,000.00	$25,000.00	$26,964.00	$26,964.00	$16,100.00	$16,100.00
9	6-INCH AWWA C900 DR-18 PVC	14	LF	$80.00	$1,120.00	$80.00	$1,120.00	$110.00	$1,540.00	$175.00	$2,450.00
10	AIR RELEASE VALVE ASSEMBLY	1	EA	$15,500.00	$15,500.00	$20,200.00	$20,200.00	$24,042.00	$24,042.00	$29,500.00	$29,500.00
11	FIRE HYDRANT ASSEMBLY	2	EA	$8,600.00	$17,200.00	$10,320.00	$20,640.00	$12,070.00	$24,140.00	$7,800.00	$15,600.00
12	CONNECT TO EXISTING WATER LINE	4	EA	$2,400.00	$9,600.00	$2,850.00	$11,400.00	$9,000.00	$36,000.00	$6,000.00	$24,000.00
13	DUCTILE IRON FITTINGS	3.4	TONS	$7,600.00	$25,840.00	$8,000.00	$27,200.00	$12,940.00	$43,996.00	$9,000.00	$30,600.00
14	TRENCH SAFETY	1,091	LF	$1.00	$1,091.00	$2.75	$3,000.25	$3.00	$3,273.00	$2.00	$2,182.00
15	ABANDON EXISTING WATER LINE	1	LS	$1,000.00	$1,000.00	$6,500.00	$6,500.00	$1,500.00	$1,500.00	$6,000.00	$6,000.00
16	REMOVE EXISTING HYDRANT	1	EA	$500.00	$500.00	$500.00	$500.00	$800.00	$800.00	$2,000.00	$2,000.00
17	REMOVE AND REPLACE EXISTING SERVICE	1	EA	$2,200.00	$2,200.00	$1,500.00	$1,500.00	$1,900.00	$1,900.00	$2,300.00	$2,300.00
18	ASPHALT PAVEMENT REPAIR	210	SY	$140.00	$29,400.00	$85.00	$17,850.00	$95.00	$19,950.00	$185.00	$38,850.00
19	CONCRETE PAVEMENT REPAIR	25	SY	$160.00	$4,000.00	$200.00	$5,000.00	$200.00	$5,000.00	$210.00	$5,250.00
20	SIDEWALK REPLACEMENT	260	LF	$70.00	$18,200.00	$40.00	$10,400.00	$75.00	$19,500.00	$45.00	$11,700.00
21	CURB REPLACEMENT	260	LF	$65.00	$16,900.00	$35.00	$9,100.00	$45.00	$11,700.00	$45.00	$11,700.00
22	ADA SIDEWALK RAMP	2	EA	$2,400.00	$4,800.00	$6,500.00	$13,000.00	$2,800.00	$5,600.00	$7,500.00	$15,000.00
23	PROJECT ALLOWANCE	1	LS	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals					$344,323.00		$449,795.25		$462,238.20		$468,650.00

Item No.	BIDDER 5 L.G. Spades Construction, LLC Unit Price	BIDDER 5 Item Cost	BIDDER 6 Patcon Services, LLC Unit Price	BIDDER 6 Item Cost	BIDDER 7 Lynn Vessels Construction, LLC Unit Price	BIDDER 7 Item Cost	BIDDER 8 Vessels Construction Unit Price	BIDDER 8 Item Cost	BIDDER 9 ATKINS BROS. Unit Price	BIDDER 9 Item Cost
1	$29,109.00	$29,109.00	$17,493.41	$17,493.41	$21,511.04	$21,511.04	$21,386.43	$21,386.43	$5,000.00	$5,000.00
2	$28,750.00	$28,750.00	$19,275.30	$19,275.30	$15,128.00	$15,128.00	$30,130.27	$30,130.27	$4,000.00	$4,000.00
3	$25,875.00	$25,875.00	$14,851.98	$14,851.98	$6,551.40	$6,551.40	$6,973.80	$6,973.80	$1,000.00	$1,000.00
4	$11,617.00	$11,617.00	$12,673.15	$12,673.15	$9,628.24	$9,628.24	$7,080.00	$7,080.00	$1,000.00	$1,000.00
5	$5,750.00	$5,750.00	$6,319.44	$6,319.44	$2,318.00	$2,318.00	$3,292.20	$3,292.20	$2,100.00	$2,100.00
6	$94.00	$102,554.00	$128.71	$140,422.61	$193.73	$211,359.43	$124.90	$136,265.90	$300.00	$327,300.00
7	$12,641.00	$25,282.00	$15,743.82	$31,487.64	$13,677.03	$27,354.06	$23,743.37	$47,486.74	$15,000.00	$30,000.00
8	$13,119.50	$13,119.50	$17,741.84	$17,741.84	$12,934.44	$12,934.44	$26,672.73	$26,672.73	$14,000.00	$14,000.00
9	$63.00	$882.00	$59.60	$834.40	$84.18	$1,178.52	$72.03	$1,008.42	$300.00	$4,200.00
10	$20,915.00	$20,915.00	$20,446.17	$20,446.17	$18,864.25	$18,864.25	$22,775.19	$22,775.19	$7,000.00	$7,000.00
11	$10,564.00	$21,128.00	$11,384.99	$22,769.98	$7,973.92	$15,947.84	$11,401.36	$22,802.72	$8,000.00	$16,000.00
12	$4,718.00	$18,872.00	$5,836.85	$23,347.40	$5,032.50	$20,130.00	$6,300.62	$25,202.48	$5,000.00	$20,000.00
13	$11,662.21	$39,651.51	$8,264.51	$28,099.33	$14,760.21	$50,184.71	$10,090.39	$34,307.33	$1,500.00	$5,100.00
14	$1.00	$1,091.00	$4.42	$4,822.22	$1.22	$1,331.02	$0.87	$949.17	$1.00	$1,091.00
15	$53,882.00	$53,882.00	$9,617.66	$9,617.66	$5,002.00	$5,002.00	$1,934.03	$1,934.03	$1,000.00	$1,000.00
16	$1,473.00	$1,473.00	$553.42	$553.42	$610.00	$610.00	$1,414.85	$1,414.85	$500.00	$500.00
17	$2,768.99	$2,768.99	$3,284.23	$3,284.23	$2,690.10	$2,690.10	$3,202.53	$3,202.53	$2,000.00	$2,000.00
18	$42.00	$8,820.00	$246.93	$51,855.30	$120.66	$25,338.60	$223.74	$46,985.40	$175.00	$36,750.00
19	$152.00	$3,800.00	$286.35	$7,158.75	$135.30	$3,382.50	$321.34	$8,033.50	$50.00	$1,250.00
20	$56.00	$14,560.00	$32.13	$8,353.80	$54.74	$14,232.40	$63.89	$16,611.40	$31.00	$8,060.00
21	$35.00	$9,100.00	$39.08	$10,160.80	$55.91	$14,536.60	$75.69	$19,679.40	$60.00	$15,600.00
22	$5,500.00	$11,000.00	$1,476.35	$2,952.70	$2,257.00	$4,514.00	$2,950.00	$5,900.00	$8,000.00	$16,000.00
23	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals		$475,000.00		$479,521.53		$509,727.15		$515,094.49		$543,951.00

Item No.	BIDDER 10 Jwc Excavation, LLC Unit Price	BIDDER 10 Item Cost	BIDDER 11 FM Utilities, LLC Unit Price	BIDDER 11 Item Cost	BIDDER 12 Wilson Contractor Services, LLC Unit Price	BIDDER 12 Item Cost	BIDDER 13 Canary Construction, Inc. Unit Price	BIDDER 13 Item Cost	BIDDER 14 Mach Energy Services Unit Price	BIDDER 14 Item Cost
1	$26,500.00	$26,500.00	$14,901.00	$14,901.00	$26,490.00	$26,490.00	$8,000.00	$8,000.00	$50,000.00	$50,000.00
2	$14,500.00	$14,500.00	$13,759.00	$13,759.00	$13,375.00	$13,375.00	$8,000.00	$8,000.00	$20,000.00	$20,000.00
3	$17,758.00	$17,758.00	$21,748.00	$21,748.00	$5,700.00	$5,700.00	$4,000.00	$4,000.00	$15,000.00	$15,000.00
4	$39,181.00	$39,181.00	$13,335.00	$13,335.00	$8,300.00	$8,300.00	$3,500.00	$3,500.00	$15,000.00	$15,000.00
5	$8,591.00	$8,591.00	$11,037.00	$11,037.00	$9,965.00	$9,965.00	$2,500.00	$2,500.00	$10,000.00	$10,000.00
6	$174.00	$189,834.00	$140.44	$153,220.04	$250.32	$273,099.12	$200.00	$218,200.00	$230.00	$250,930.00
7	$13,775.00	$27,550.00	$17,980.00	$35,960.00	$11,525.00	$23,050.00	$15,000.00	$30,000.00	$12,500.00	$25,000.00
8	$19,331.00	$19,331.00	$18,058.00	$18,058.00	$15,375.00	$15,375.00	$22,000.00	$22,000.00	$12,500.00	$12,500.00
9	$108.00	$1,512.00	$170.94	$2,393.16	$120.00	$1,680.00	$85.00	$1,190.00	$600.00	$8,400.00
10	$16,020.00	$16,020.00	$26,962.00	$26,962.00	$30,388.00	$30,388.00	$20,000.00	$20,000.00	$15,000.00	$15,000.00
11	$7,510.00	$15,020.00	$9,814.00	$19,628.00	$6,735.00	$13,470.00	$12,000.00	$24,000.00	$12,500.00	$25,000.00
12	$7,525.00	$30,100.00	$8,179.00	$32,716.00	$7,600.00	$30,400.00	$6,500.00	$26,000.00	$5,000.00	$20,000.00
13	$10,750.00	$36,550.00	$12,181.00	$41,415.40	$15,297.65	$52,012.01	$20,200.00	$68,680.00	$18,000.00	$61,200.00
14	$5.00	$5,455.00	$2.84	$3,098.44	$2.19	$2,389.29	$5.00	$5,455.00	$15.00	$16,365.00
15	$8,462.00	$8,462.00	$11,212.00	$11,212.00	$3,950.00	$3,950.00	$20,000.00	$20,000.00	$4,000.00	$4,000.00
16	$938.00	$938.00	$2,500.00	$2,500.00	$950.00	$950.00	$1,000.00	$1,000.00	$2,000.00	$2,000.00
17	$2,000.00	$2,000.00	$3,459.00	$3,459.00	$2,800.00	$2,800.00	$4,000.00	$4,000.00	$3,000.00	$3,000.00
18	$83.00	$17,430.00	$194.00	$40,740.00	$205.89	$43,236.90	$260.00	$54,600.00	$280.00	$58,800.00
19	$288.00	$7,200.00	$359.00	$8,975.00	$234.00	$5,850.00	$300.00	$7,500.00	$300.00	$7,500.00
20	$67.00	$17,420.00	$80.00	$20,800.00	$26.76	$6,957.60	$80.00	$20,800.00	$125.00	$32,500.00
21	$38.00	$9,880.00	$71.00	$18,460.00	$31.97	$8,312.20	$150.00	$39,000.00	$85.00	$22,100.00
22	$4,500.00	$9,000.00	$5,370.00	$10,740.00	$2,300.00	$4,600.00	$1,500.00	$3,000.00	$2,000.00	$4,000.00
23	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00	$25,000.00
Sub Totals		$545,232.00		$550,117.04		$607,350.12		$616,425.00		$703,295.00

AGENDA ITEM XIII

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **August 5, 2026**

SUBJECT: **AGENDA ITEM NO. XIII**

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON A RESOLUTION BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AURTHORITY ACCEPTING THE CONTRACT WITH RED RIVER CONSTRUCTION CO. FOR THE CITY OF SHERMAN WTP– FLOCCULATION AND SEDIMENTATION IMPROVEMENTS PROJECT AS COMPLETE AND AUTHORIZING CHANGE ORDER #2.

ISSUE
Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority accepting the contract with Red River Construction Co., for the City of Sherman WTP Flocculation and Sedimentation Improvements Project as complete and authorizing Change Order #2.

BACKGROUND
The 2024 open market bond issuance for the City of Sherman included funds for the Water Treatment Plant Flocculation and Sedimentation basin improvements. These improvements included but were not limited to, construction of the following: replacement of the flocculators and associated motors, installation of variable frequency drives for flocculator motors, replacement of baffle wall panels, and replacement of effluent throughs/weirs.

GTUA Board of Directors awarded the contract to Red River Construction Company in the amount of $1,822,700.00 in June of 2024. The Board of Directors approved Change Order 1 in February 2025 for an increase of $212,440.21 for a total project amount of $2,035,140.21.

Change Order 2 was received August 4, 2026. Change Order 2 is a decrease in the amount of $54,551.65 for a total project amount of $1,980,588.56.

STAFF RECOMMENDATIONS
The Authority Staff recommend accepting the contract with Red River Construction Company in the amount of $1,980,588.56 as complete and authorizing Change Order #2 contingent upon the City of Sherman's City Council Meeting on August 17, 2026

ATTACHED
Closeout Documents
Change Order #2

RESOLUTION NO. _____

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY ACCEPTING THE CONTRACT WITH RED RIVER CONSTRUCTION CO., AS COMPLETE FOR THE CITY OF SHERMAN WTP FLOCCULATION AND SEDIMENTATION IMPROVEMENTS PROJECT

WHEREAS, the Greater Texoma Utility Authority has entered into a Contract for Water Supply and Sewer Service with the City of Sherman and

WHEREAS, the Greater Texoma Utility Authority has entered into a contract with Red River Construction Co., for the City of Sherman WTP Flocculation and Sedimentation Improvements Project, and

WHEREAS representatives of the City of Sherman and the project engineer have inspected the City of Sherman WTP Flocculation and Sedimentation Improvements Project and found it to be complete.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY that the Authority hereby formally accepts the contract with Red River Construction Co., as complete.

Upon motion by ________________________, seconded by ________________________, the foregoing Resolution was passed and approved on this _______ day of _________________ 2026 by the following vote:

AYE: NAY: ABSTAIN:

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

____
President

ATTEST:

____
Secretary-Treasurer

CHANGE ORDER NO.: 2

Owner:	GTUA on behalf of City of Sherman	Owner's Project No.:	2024-16
Engineer:	Garver	Engineer's Project No.:	21W05325
Contractor:	Red River Construction Co.	Contractor's Project No.:	372
Project:	Sherman WTP Flocculation and Sedimentation Improvements		
Contract Name:			
Date Issued:	7/24/2026	Effective Date of Change Order:	7/24/2026

The Contract is modified as follows upon execution of this Change Order:

Description:

Deduct $54,551.65 from the Contract Price to zero out unused remainder of Contingency Allowance No. 1 for project closeout.

Attachments: **PCM #5 – Zero Out Contingency Allowance**

Change in Contract Price	Change in Contract Times
Original Contract Price: $ 1,822,700	Original Contract Times: Substantial Completion: 245 Days Ready for final payment: 275 Days
Increase from previously approved Change Order No. 1: $ $212,440.21	**[Increase] [Decrease]** from previously approved Change Orders No.1 to No. **[Number of previous Change Order]**: Substantial Completion: N/A Ready for final payment: N/A
Contract Price prior to this Change Order: $ $2,035,140.21	Contract Times prior to this Change Order: Substantial Completion: 245 Days Ready for final payment: 275 Days
Decrease this Change Order: $ 54,551.65	**[Increase] [Decrease]** this Change Order: Substantial Completion: 0 Days Ready for final payment: 0 Days
Contract Price incorporating this Change Order: $ $1,980,588.56	Contract Times with all approved Change Orders: Substantial Completion: 245 Days Ready for final payment: 275 Days

	Recommended by Engineer (if required)	Accepted by Contractor
By:	Lance Klement	Steven Summerhays
Title:	Project Manager	Senior Project Manager
Date:	7/31/2026	8/3/2026
	Authorized by Owner	**Approved by Funding Agency (if applicable)**
By:	James D. Parnell	
Title:	Civil Engineer	
Date:	2026-08-04	

DESCRIPTION OF PROPOSED CONTRACT MODIFICATION #5

Project: **Sherman WTP Flocculator & Sedimentation Improvements**
OWNER: **City of Sherman, Texas**
CONTRACTOR: **RED RIVER CONSTRUCTION CO.**
ENGINEER: **Garver**
REFERENCE: **Zero Out Contingency Allowance**

PROJECT NUMBER
372
21W05325
Jul. 22, 2026

The Contractor proposes to make the following additions, modifications, or deletions to the Work described in the Contract Documents:

This proposal is to credit back the owner the unused contingency allowance funds:

-1 LS	Contingency Allowance Credit	$54,551.65	-$54,551.65
		Subtotal:	**($54,551.65)**
0%	Contractors Fee		$0.00
0.0%	Bond Fee		$0.00
		TOTAL:	**($54,551.65)**

PCM Total: -$54,551.65
Additional Time Requested: 0 Calendar Days

Prepared by Red River Construction Co., Inc.

By: Steve Summerkamp
Steve Summerkamp, Senior Project Manager

By: [signature]
City of Sherman Representative

By:
Paul Sigle, GTUA General Manager

AFFIDAVIT OF TOTAL RELEASE AND CERTIFICATION OF ALL BILLS PAID

THE UNDERSIGNED hereby certifies that he (or she) has examined and is authorized and empowered to execute this Affidavit as the owner, partner, or office as the case may be, of the contractor named below ("the Contractor") employed in connection with the construction project ("the Project") mentioned below.

In consideration for the full and final payment to the Contractor for all services in connection with the Project, the Contractor hereby releases and waives all liens and claims to liens which the Contractor may have on or affecting the Project or Project property as a result of the Contractor's contract(s) for the Project or for performing labor and/or furnishing materials that are in any way connected with any construction of any building(s) or improvement(s) for the Project whether on the Project property or elsewhere. The Contractor further certifies and warrants that all subcontractors of labor and/or materials supplied to, for, through or at the direct or indirect request of the Contractor and/or subcontractor have been paid.

1. Red River Construction
(Print or type the firm or individual name of the Contractor)

2. 2804 Capital St., Wylie, TX. 75098
(Print or type the Contractor's address)

3. Steven Summerkamp
(Print or type the name of the person signing for the Contractor)

4. Senior Project Manager
(Print or type the position of the person signing for the Contractor)

5. Description of the Project (use an additional page, if necessary):

6. Date that the project was totally completed: April 6, 2026

The undersigned certifies that the foregoing information is true and correct and acknowledges that the owner of the Project has placed a material reliance on such information in directing final payment to the Contractor.

EXECUTED this Third day of August, 20 26.

Steven Summerkamp
(To be signed by the person shown in Item 3 above)

Subscribed and sworn before me this 3 day of AUGUST, 2026.

CHRISTOPHER CHAD STAFFELD
Notary ID #129818633
My Commission Expires
May 17, 2030

NOTARY PUBLIC STATE OF TEXAS

Notary Public: Chad Staffeld

My Commision Expires: MAY 17, 2030

END OF AFFIDAVIT

CONSENT OF SURETY COMPANY TO FINAL PAYMENT

Bond #PRF9453560

Project: Sherman WTP Flocculation and Sedimentation Improvements, Sherman, Texas

To (Owner):

GTUA on behalf of the City of Sherman
220 W Mulberry St.
Sherman, Texas 75090

Contract For: See above.

Contract Date: June 18, 2024

Contractor:

Red River Construction Co.
2804 Capital Street
Wylie, TX 75098

In accordance with the provision of the Contract between the Owner and the Contractor as defined above, the

Colonial American Casualty and Surety Company
And Fidelity and Deposit Company of Maryland
1299 Zurich Way, 5th Floor
Schaumburg, IL 60196-1056

, SURETY COMPANY,

on bond of

Red River Construction Co.
2804 Capital St.
Wylie, TX 75098

, CONTRACTOR

hereby approves of the final payment to the Contractor and agrees that final payment to the Contractor shall not relieve the Surety Company of any of its obligations to the

GTUA on behalf of the City of Sherman
220 W Mulberry St.
Sherman, Texas 75090

, OWNER

as set forth in the said Surety Company's bond.

IN WITNESS WHEREOF,
the Surety Company has hereunto set its hand this **24th** day of **July**, 2026.

Colonial American Casualty and Surety Company and Fidelity and Deposit Company of Maryland

Witness:

Brandi Heath

Tracy Tucker, Attorney-in-Fact

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by Christopher Nolan, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Tracy TUCKER, W. Lawrence BROWN, Kevin J. DUNN, Steven TUCKER, Roberta H. ERB and Bennett BROWN, all of Ft. Worth, Texas,** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings,** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND,** this 18th day of February A.D. 2025.

ATTEST:
ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Colonial American Casualty and Surety Company CORPORATE SEAL

ZURICH AMERICAN INSURANCE COMPANY CORPORATE SEAL 1912 NEW YORK

Fidelity and Deposit Company of Maryland CORPORATE SEAL 1890

By: Christopher Nolan
Vice President

By: Dawn E. Brown
Secretary

State of Maryland
County of Baltimore

On this 18th day of February A.D. 2025, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Christopher Nolan, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

GENEVIEVE M. MAISON NOTARY PUBLIC BALTIMORE COUNTY, MD

Genevieve M. Maison
Notary Public
My Commission Expire January 27, 2029

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify of revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 24th day of July , 2026 .

Colonial American Casualty and Surety Company CORPORATE SEAL

ZURICH AMERICAN INSURANCE COMPANY CORPORATE SEAL 1977 NEW YORK

Fidelity and Deposit Company of Maryland CORPORATE SEAL 1890

MJ Pethick

Mary Jean Pethick
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
reportsfclaims@zurichna.com
800-626-4577

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

CONTRACTOR'S CERTIFICATION AND GUARANTEE

Date: August 3, 2026

Project: Sherman WTP Flocculation & Sedimentation Improvements

Owner: GTUA on behalf of the City of Sherman

Contractor: Red River Construction

Date of Contract: July 30, 2022

Date of Project Completion: July 31, 2026

Final Contract Amount: $1,980,588.56

The CONTRACTOR certifies that (1) all payments received from OWNER on account of WORK done under the CONTRACT have been applied to discharge obligations of CONTRACTOR incurred in connection with WORK; and (2) title to all materials and equipment incorporated in said WORK will pass to OWNER at time of payment free and clear of all liens, claims, security interests and encumbrances.

The CONTRACTOR shall guarantee all materials and equipment furnished and WORK performed for a period of two (2) years from the date of completion as evidenced by the Engineer's Final Certificate. The CONTRACTOR warrants and guarantees for a period of two (2) years from the date of completion that all work under the CONTRACT is free from faulty materials in every particular and free from improper workmanship, and against injury from proper and usual wear, and agrees to replace or to re-execute without cost to the OWNER such work as may be found to be improper or imperfect and to make good all damages caused to the other work or materials, due to such required replacement or re-execution. The OWNER will give notice of observed defects with reasonable promptness. In the event that the CONTRACTOR should fail to make such repairs, adjustments, or other work that may be made necessary to such defects, the OWNER may do so and charge the CONTRACTOR the cost thereby incurred.

Contractor: Red River Construction

By: Steven Summerhays

Date: 8/3/2026

Attest: Chad Stauffer

State of: Texas

County of: Collin

FINAL WAIVER OF LIEN

TO WHOM IT MAY CONCERN:

WHEREAS, THE UNDERSIGNED Steven Summerkamp of Red River Construction, Co. has been employed by GTUA on behalf of the City of Sherman, Owner, for construction of the Sherman WTP Flocculator and Sedimentation Improvements.

NOW, THEREFORE, the undersigned, for and in consideration of the sum of One Million Nine Hundred Eighty Thousand Five Hundred Eighty-Eight and Fifty Six Cents ($1,980,588.56) and other good and valuable considerations, the receipt whereof is hereby acknowledged, does hereby waive and release any and all lien or claim or right of lien under the Statutes of the State of Texas, relating to Mechanics' Lien with respect to and on the above described facility and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the Agency on account of labor services, material, fixtures, apparatus or machinery heretofore furnished or which may be furnished at any time thereafter, by the undersigned for the above described facility.

Dated this 3 day of August, 2026.

(Affix Corporate Seal Here)

By Red River Construction, Co.
(Name of Corporation)

ITS Steven Summerkamp
(Signature of Authorized Representative)

PERIODIC ESTIMATE

ESTIMATE NO: **18** Sheet 1 of 4 Sheets

PROJECT DESCRIPTION: **Sherman WTP Flocculation and Sedimentation Improvements**

OWNER: **Greater Texoma Utility Authority on behalf of City of Sherman**

ADDRESS: 4080 N. McDonald
Mckinney, TX 75071

CONTRACTOR: **RED RIVER CONSTRUCTION COMPANY, INC.**

ADDRESS: 2804 Capital Street
Wylie, TX 75098

Original Contract Amount	$1,822,700.00
Total Additions	$157,888.56
Total Deductions	$0.00
Contract as Revised to Date	$1,980,588.56
Total Amount of Work Done to Date	$1,980,588.56
Materials on Hand	$0.00
Total Work and Materials	$1,980,588.56
Amount Retained (0) Percent	$0.00
Balance	$1,980,588.56
Less Previous Payments	$1,881,559.13
Amount Due This Application	$99,029.43

Date of Contract Time Commencement	July 30, 2024
Days Allowed in Contract	245
Date of Substantial Completion	April 1, 2025
Date of Final Completion	May 1, 2025

Contractor's Certification:

I, Steven Summerkamp, the undersigned upon oath do depose and say that I have full knowledge of the above and foregoing account, that the said account is just, correct, due, and according to law and that the amount claimed after allowing all just credits, is now due and wholly unpaid, and that I am authorized to make this affidavit.

CLAIMANT : **RED RIVER CONSTRUCTION CO.**

By: Steven Summerkamp

Subscribed and sworn to before me on: July 22, 2026

My commission expires: May 17, 2030

Notary Public: Chad Staffeld

CHRISTOPHER CHAD STAFFELD
Notary ID #129818633
My Commission Expires
May 17, 2030
NOTARY PUBLIC STATE OF TEXAS

ENGINEER's Recommendation:
This application (with accompanying documentation) meets the requirements of the Contract Documents and payment of the above **AMOUNT DUE THIS APPLICATION** is recommended.

Date: 8/3/2026 Garver
ENGINEER

By: Lance Klement

Date: 2026-08-04

Inspector

Date:

GTUA

Breakdown of Contractor's Application for Payment

Contractor: Red River Construction Company, Inc.
2804 Capital Street
Wylie, TX 75098

Project: Sherman WTP Flocculation and Sedimentation Improvements
Owner: Greater Texoma Utility Authority on behalf of City of Sherman

Application # 18
Period from: 2/1/2026
to: 7/31/2026

DESCRIPTION	QTY		UNIT	TOTAL	PREVIOUS		THIS MONTH		TOTAL	%	Balance
Bl#1 All work except Items below											
1.001 Bonds and Insurance	1	lt	33,300.00=	$33,300.00	1	$33,300.00		$0.00	$33,300.00	100%	$0.00
1.002 Demo flocculator drives	6	ea	800.00=	$4,800.00	6	$4,800.00		$0.00	$4,800.00	100%	$0.00
1.003 Demo flocculators sections	18	ea	1,500.00=	$27,000.00	18	$27,000.00		$0.00	$27,000.00	100%	$0.00
1.004 Demo effluent troughs	8	ea	2,700.00=	$21,600.00	8	$21,600.00		$0.00	$21,600.00	100%	$0.00
1.005 Demo baffle 4' wall panels	6	ea	7,000.00=	$42,000.00	6	$42,000.00		$0.00	$42,000.00	100%	$0.00
1.006 Demo baffle 14' wall panels	18	ea	2,200.00=	$39,600.00	18	$39,600.00		$0.00	$39,600.00	100%	$0.00
1.007 2x12 Redwood baffle panels 14'+- wide	18	ea	12,700.00=	$228,600.00	18	$228,600.00		$0.00	$228,600.00	100%	$0.00
1.008 Door in baffle walls	4	ea	2,000.00=	$8,000.00	4	$8,000.00		$0.00	$8,000.00	100%	$0.00
1.009 2x12 Redwood baffle panels 4' tall	6	ea	2,200.00=	$13,200.00	6	$13,200.00		$0.00	$13,200.00	100%	$0.00
1.010 Remove 6" butterfly valve	2	ea	400.00=	$800.00	2	$800.00		$0.00	$800.00	100%	$0.00
1.011 6" butterfly valve ss	2	ea	6,000.00=	$12,000.00	2	$12,000.00		$0.00	$12,000.00	100%	$0.00
1.012 SS effluent troughs 2'-0'x1'-4"x50'-0"	8	ea	38,800.00=	$310,400.00	8	$310,400.00		$0.00	$310,400.00	100%	$0.00
1.013 Adjust effluent weirs	800	lf	40.00=	$32,000.00	800	$32,000.00		$0.00	$32,000.00	100%	$0.00
1.014 Horizontal Flocculators	1	lt	481,800.00=	$481,800.00	100%	$481,800.00		$0.00	$481,800.00	100%	$0.00
1.015 Install flocculator sections	18	ea	4,000.00=	$72,000.00	18	$72,000.00		$0.00	$72,000.00	100%	$0.00
1.016 Install Flocculator drive mechanism	6	ea	3,500.00=	$21,000.00	6	$21,000.00		$0.00	$21,000.00	100%	$0.00
1.017 Coatings on Equipment Drives, etc.	1	lt	20,000.00=	$20,000.00	1	$20,000.00		$0.00	$20,000.00	100%	$0.00
1.018 Electrical Submittals	1	lt	4,400.00=	$4,400.00	1	$4,400.00		$0.00	$4,400.00	100%	$0.00
1.019 SCADA Submittal	1	lt	4,950.00=	$4,950.00	1	$4,950.00		$0.00	$4,950.00	100%	$0.00
1.020 Ductbanks	1	lt	7,150.00=	$7,150.00	1	$7,150.00		$0.00	$7,150.00	100%	$0.00
1.021 MCC Buckets	1	lt	15,400.00=	$15,400.00	1	$15,400.00		$0.00	$15,400.00	100%	$0.00
1.022 Demo Electrical	1	lt	8,250.00=	$8,250.00	1	$8,250.00		$0.00	$8,250.00	100%	$0.00
1.023 Exposed Conduit	1	lt	52,800.00=	$52,800.00	1	$52,800.00		$0.00	$52,800.00	100%	$0.00
1.024 Install VFD Panels	1	lt	39,600.00=	$39,600.00	1	$39,600.00		$0.00	$39,600.00	100%	$0.00
1.025 Wire & Cable	1	lt	91,300.00=	$91,300.00	1	$91,300.00		$0.00	$91,300.00	100%	$0.00
1.026 Termination Enclosures	1	lt	10,450.00=	$10,450.00	1	$10,450.00		$0.00	$10,450.00	100%	$0.00
1.027 Grounding	1	lt	5,500.00=	$5,500.00	1	$5,500.00		$0.00	$5,500.00	100%	$0.00
1.028 Cable Testing	1	lt	7,150.00=	$7,150.00	1	$7,150.00		$0.00	$7,150.00	100%	$0.00
1.029 Control Stations	1	lt	2,200.00=	$2,200.00	1	$2,200.00		$0.00	$2,200.00	100%	$0.00
1.030 Terminations and Programing	1	lt	39,600.00=	$39,600.00	1	$39,600.00		$0.00	$39,600.00	100%	$0.00
1.031 Startup & Testing	1	lt	4,950.00=	$4,950.00	1	$4,950.00		$0.00	$4,950.00	100%	$0.00
1.032 As Built Drawings	1	lt	1,100.00=	$1,100.00	1	$1,100.00		$0.00	$1,100.00	100%	$0.00
Bl#2 Mobilization and Demobilization											
2.001 Move-In	1	lt	40,000.00=	$40,000.00	1	$40,000.00		$0.00	$40,000.00	100%	$0.00
2.002 Move-out	1	lt	19,800.00=	$19,800.00	1	$19,800.00		$0.00	$19,800.00	100%	$0.00
Bl#3 Contingency Allowance											
3.001 Contingency Allowance	1	ls	100,000.00=	$100,000.00	0.45	$45,448.35	0.55	$54,551.65	$100,000.00	100%	$0.00
3.002	1	ls	0.00=	$0.00		$0.00		$0.00	$0.00	0%	$0.00
3.003	1	ls	0.00=	$0.00		$0.00		$0.00	$0.00	0%	$0.00
3.004	1	ls	0.00=	$0.00		$0.00		$0.00	$0.00	0%	$0.00
3.005	1	ls	0.00=	$0.00		$0.00		$0.00	$0.00	0%	$0.00
TOTAL BID:				$1,822,700.00		$1,768,148.35		$54,551.65	$1,822,700.00	100%	$0.00

Breakdown of Contractor's Application for Payment

Contractor: **Red River Construction Company, Inc.**
2804 Capital Street
Wylie, TX 75098

Project: **Sherman WTP Flocculation and Sedimentation Improvements**

Owner: **Greater Texoma Utility Authority on behalf of City of Sherman**

Application # 18
Period from: 2/1/2026
to: 7/31/2026

DESCRIPTION	QTY	UNIT	TOTAL	PREVIOUS		THIS MONTH		TOTAL	%	Balance
CHANGE ORDER #1:										
1.1 Control Panel Relocation	1 ls	212,440.21=	$212,440.21	100%	$212,440.21		$0.00	$212,440.21	100%	$0.00
1.2	1 ls		$0.00		$0.00		$0.00	$0.00	0%	$0.00
SUBTOTAL CHANGE ORDER #1:			**$212,440.21**		**$212,440.21**		**$0.00**	**$212,440.21**	**100%**	**$0.00**
CHANGE ORDER #2:										
2.1 Contingency Allowance Credit	1 ls	-54,551.65=	($54,551.65)		$0.00	100%	($54,551.65)	($54,551.65)	100%	$0.00
2.2	1 ls		$0.00		$0.00		$0.00	$0.00	0%	$0.00
SUBTOTAL CHANGE ORDER #2:			**($54,551.65)**		**$0.00**		**($54,551.65)**	**($54,551.65)**	**100%**	**$0.00**
CHANGE ORDER #3:										
3.1	1 ls		$0.00		$0.00		$0.00	$0.00	0%	$0.00
SUBTOTAL CHANGE ORDER #3:			**$0.00**		**$0.00**		**$0.00**	**$0.00**	**0%**	**$0.00**
CHANGE ORDER #4:										
4.1	1 ls		$0.00		$0.00		$0.00	$0.00	0%	$0.00
SUBTOTAL CHANGE ORDER #4:			**$0.00**		**$0.00**		**$0.00**	**$0.00**	**0%**	**$0.00**
TOTAL CHANGE ORDERS:			**$157,888.56**		**$212,440.21**		**($54,551.65)**	**$157,888.56**		**$0.00**
Total Amount of Work Done to Date			**$1,980,588.56**		**$1,980,588.56**		**$0.00**	**$1,980,588.56**		**$0.00**

Materials on Hand

RED RIVER CONSTUCTION COMPANY, INC.
2804 Capital Street
Wylie, TX 75098
Project: **Sherman WTP Flocculation and Sedimentation Improvements**

Pay Estimate Number: **18**
Estimate Period From: **2/1/2026**
To: **7/31/2026**
Project No: **372**

Invoice No.	Manufacturer & Description of Stored Materials	Item No.	On Hand Last Estimate	Received This Estimate	Installed This Estimate	On Hand This Estimate
2424501	**Seguin Fabricators - Baffle Wall Angles**	1.007	0.00	0.00	0.00	0.00
859309	**Lee Roy Jordan - Redwood Construction Heart Grade**	1.007, 1.008	0.00	0.00	0.00	0.00
W019757	**Core & Main - Valve Extensions and Stem Guides**	1.011	0.00	0.00	0.00	0.00
802377671	**Grainger - SS316 Baffle Door Hardware**	1.008	0.00	0.00	0.00	0.00
AR151001720	**MRI - SS Effluent Troughs**	1.012	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
	TOTALS:		$0.00	$0.00	$0.00	$0.00

Sherman WTP - Flocculators					
Contingency Draws					
PCM #	Price	Billed This Period	Previously Billed	Total Billed	% Complete
1	$7,236.95		$7,236.95	$7,236.95	100%
3A	$38,211.40		$38,211.40	$38,211.40	100%

Total of Current Contingency Approvals:	**$45,448.35**	
Total Contingency Allowance:	**$100,000.00**	
% Contingency Allowance Used:	**45.45%**	
PR #11 Draw:	**$19,236.95**	19.24%
PR #12 Draw:	**$12,455.30**	12.46%
PR #13 Draw:	**$10,000.00**	10.00%
PR #14 Draw:	**$3,756.10**	3.76%
Total Contingency Billed To Date:	**$45,448.35**	

CLASSIC TOWN. BROAD HORIZON.

Engineering Department

August 4th, 2026

Sherman WTP Flocculation and Sedimentation Improvements
ATTN: Red River Construction Company
2804 Capital Street
Wylie, Texas 75098

Re: Final Completion Letter
Sherman WTP Flocculation and Sedimentation Improvements, COS #1472-U, GTUA #22-005

Mr. Summerkamp:

The work associated with the contract has been inspected by authorized representatives of the Owner, Contractor, and Engineer, and found to be wholly complete per the contract documents. The date of Final Completion for the project is established as **July 31st, 2026.**

If you have any questions, please feel free to contact me at your convenience.

Sincerely,
City of Sherman

Jacob Pannell, P.E.
Project Manager

CERTIFICATE OF PROJECT COMPLETION

Project: Sherman WTP Flocculation and Sedimentation Improvements

Date of Issuance: 8/3/2026

Owner: City of Sherman

Contractor: Red River Construction

Engineer: Garver

This Certificate of Project Completion applies to all Work under Contract Documents or to the following specified parts thereof:

All specified work

To: Greater Texoma Utility Authority/City of Sherman
OWNER

And to Red River Construction
CONTRACTOR

The Work to which this Certificate applies has been inspected by authorized representatives of OWNER, CONTRACTOR and ENGINEER, and that the Work has been constructed in accordance with the approved Plans and Specifications and sound engineering principals and construction practices.

7/31/2026
Date of Completion

From the date of Completion, the responsibilities between OWNER and CONTRACTOR for security, operation, safety, maintenance, heat, utilities, insurance and warranties and guarantees shall be as follows:

RESPONSIBILTIES:

OWNER: Owner assumes ownership of the improvements

CONTRACTOR: Contractor's Warranty Statement (from the date of completion),

---

The following documents are attached to and made a part of this Certificate:

Contractors Affidavit of All Bills Paid, Contractor's Warranty Statement, Contractors Consent of Surety, Final Pay Estimate

---

This certificate does not constitute an acceptance of work not in accordance with the Contract Documents nor is it a release of CONTRACTOR'S obligations to complete the Work in accordance with the Contract Documents.

Executed by ENGINEER on August 3rd, 2026 .

Lance Klement, PE - Garver
ENGINEER

By: Lance Klement

AGENDA ITEM XIV

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: July 27, 2026

SUBJECT: AGENDA ITEM NO. XIV

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul Sigle, General Manager

CONSIDER AND ACT UPON THE AWARD OF CONTRACT FOR THE CITY OF BELLS TANK REHABILITATION PROJECT.

ISSUE
Consider and act upon the award of contract for the City of Bells Tank Rehabilitation Project.

BACKGROUND
The project involves the rehabilitation of the tanks at well site 1 and well site 5.

CONSIDERATIONS
The City received one bid on July 16, 2026, at 10:00 AM. Viking Painting, LLC submitted the bid in the amount of $376,650.00. Tallulah Tshisau of Antero Group has reviewed the bid documents and references for Viking Painting, LLC and has determined that the bid is complete and acceptable.

STAFF RECOMMENDATIONS
Staff recommend authorizing the General Manager to award a contract to Viking Painting, LLC in the amount of $376,650.00. Approval of this item is contingent upon action by the City of Bells at their board meeting scheduled for August 17, 2026.

FINANCIAL CONSIDERATION
The project is funded through a 2022 Texas Water Development Board DFUND bond issuance.

ATTACHMENTS
Recommendation Letter
Bid Tabulation

101 N. Elm Street
Suite 200
Denton, TX 76201

July 22, 2026

Joe Paul Smith
Mayor
City of Bells
203 S Broadway Street
Bells, TX 75414

RE: Recommendation for GTUA/City of Bells Tank Rehabilitation Project

Dear Mr. Smith:

Antero Group has tabulated the bids received for the GTUA/City of Bells Water Mains Installation Project. The City has received one (1) bid. Summary of the bid:

- Viking Painting, LLC **$ 376,650.00**

As there was only one bidder, Viking Painting is considered the lowest bidder. After evaluating their bid and receiving the necessary support documents, Antero Group has no outstanding reservations in recommending that the City select Viking Painting. Enclosed are the Bid Tabulations.

If you have any questions or comments about this recommendation, do not hesitate to contact me at 940-465-7909, mschimtz@anterogroup.com.

Sincerely,

Michael Schmitz
Title
Antero Group

Encl. Bid Tabulations

BID TABULATION
Bid ID BL-0526

GTUA/City of Bells Tank Rehabilitation

Bid Form Items				Viking Painting, LLC	
Item		**Units**	**Quantity**	**Unit Price**	**Total Amount**
1	Mobilization And Insurance	LS	1	$ 13,700.00	$ 13,700.00
2	Tank Inspection and Preparation	LS	1	$ 10,700.00	$ 10,700.00
3	Spot Floor Plate Coating Repair	LS	1	$ 31,900.00	$ 31,900.00
4	Tank Inspection and Preparation	LS	1	$ 9,300.00	$ 9,300.00
5	Interior Abrasive Blasting (Sandblasting)	LS	1	$ 7,000.00	$ 7,000.00
6	Interior Coating System	LS	1	$ 31,150.00	$ 31,150.00
7	Replace Internal Ladder	LS	1	$ 4,500.00	$ 4,500.00
8	Replace Roof Vent	LS	1	$ 6,400.00	$ 6,400.00
9	Replace Water Access Hatch	LS	1	$ 5,500.00	$ 5,500.00
10	Replace Roof Rafters	LS	1	$ 250,000.00	$ 250,000.00
11	Install Fall Protection System	LS	1	$ 5,600.00	$ 5,600.00
12	Tank Disinfection and Reconnection to Service	LS	1	$ 900.00	$ 900.00
				Total	$ 376,650.00

GREATER TEXOMA UTILITY AUTHORITY

City of Bells-Tank Rehab CID #9

BID TABULATION-BIDS RECEIVED AT 10:00 A.M. July 16, 2026

CONTRACTOR NAME	BID RECIEVED	BID SIGNED	BID BOND/CHECK	ADDENDA AKNOWLEGED	TOTAL BID AMOUNT
1. Viking Painting LLC	✓	✓	✓	✓	376,450
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					

AGENDA ITEM XVI

GREATER TEXOMA UTILITY AUTHORITY
AGENDA COMMUNICATION

DATE: **July 27, 2026**

SUBJECT: **AGENDA ITEM NO. XVI**

PREPARED BY: Stacy Patrick, Project Manager
SUBMITTED BY: Paul M. Sigle, General Manager

CONSIDER AND ACT UPON RESOLUTION OF APPRECIATION FOR STANLEY THOMAS

ISSUE
Consider and act upon a Resolution of Appreciation for Stanley Thomas for service on the GTUA Board of Directors from February 2018 to August 2026.

BACKGROUND
Stanley Thomas was chosen as a representative by the City of Denison to serve on the GTUA Board of Directors from February 2018 to August 2026.

STAFF RECOMMENDATIONS
The staff recommends the Board approve a Resolution of Appreciation for his service and present him with a plaque.

ATTACHMENTS
Appreciation Resolution

RESOLUTION NO. _______

GREATER TEXOMA UTILITY AUTHORITY

A RESOLUTION BY THE GREATER TEXOMA UTILITY AUTHORITY RECOGNIZING

Stanley Thomas

WHEREAS, the Greater Texoma Utility Authority wishes to recognize

Stanley Thomas

for contributing toward furthering economic development of this area and for helping to promote effective planning and utilization of water and other resources by faithfully participating in the activities of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER TEXOMA UTILITY AUTHORITY THAT: the Authority conveys its sincere appreciation and gratitude to

Stanley Thomas

for leadership provided to the Authority and its member cities.

On motion of _____________________________, seconded by _____________________________, the foregoing Resolution was passed and approved on this the _________ day of _____________________, 2026, by the following vote:

AYE: NAY: ABSTAIN:

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

____
President

ATTEST:

____
Secretary-Treasurer

ADJOURN