

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
June 28, 2010 –10:00 A. M.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Monday, June 28 at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted.

Present: William W. Brown - President, Jefferson
Patrick Smith - Pittsburg
Stan Wyatt - Daingerfield
Uvalde Stoermer - Lone Star
Jack Salmon, Jr. -Avinger
Joseph W. Weir, III -Ore City
Carol H. Leftwich -Hughes Springs

Staff: Walt Sears, Jr.
Pete Wright
Lou Richards
Christal Skinner

Others: Steven Adams -Specialized Public Finance, Inc.
Paul Jasin -Specialized Public Finance, Inc.

President William W. Brown called the meeting to order and welcomed everyone to the meeting. President Brown recognized the guests in attendance. Invocation was given by Jack Salmon, Jr.

President Brown opened the floor for nominations for officers for the next twelve months starting July 2010. Carol H. Leftwich nominated Jack Salmon, Jr. for President. Joseph W. Weir, III seconded the motion. Motion carried by acclamation. Stan Wyatt nominated Carol Leftwich for Vice President. The motion was seconded by Joseph Weir. Motion carried by acclamation. Joseph Weir nominated Patrick Smith for Secretary/Treasurer. Stan Wyatt seconded the motion. Motion carried by acclamation.

Patrick Smith made a motion to approve the minutes of the May 24, 2010 meeting. Jack Salmon seconded the motion. Motion carried, all voting aye.

Jack Salmon made a motion to approve the financial reports and investment report on all current accounts and funds. Patrick Smith seconded the motion. Motion carried, all voting aye.

Steven Adams with Specialized Public Finance, Inc. presented financial information to the Board regarding the Water System Revenue Refunding Bonds, Series 2010 for \$3,110,000. Mr. Adams stated that the District received 4 bids on June 9, 2010 via the internet. Mr. Adams informed the Board that more interest was created in the District because of the Standard and Poor's rating upgrade from BBB+ to A- and the ability of the District to pay down the bonds by a million dollars. Mr. Adams told the Board that SAMCO Capital Markets was the successful bidder at 2.564% and the closing date for the bonds was scheduled for July 7, 2010. Mr. Adams also stated that they considered this transaction to be very successful and the savings to the District would be \$630,348 and would ultimately shorten the debt by three years. Mr. Salmon applauded the efforts of Mr. Adams, Mr. Jasin and Walt Sears for their foresight and for overseeing the refinancing.

Walt Sears gave the Southside report. He informed the Board that a meeting was scheduled for July 15, 2010 with David Simpson at the Judson Community Center for the NETMWD Board of Directors and representatives from Tryon Road SUD and Diana SUD.

Patrick Smith made a motion to approve the amendment to the contract between Harleton Water Supply and the District for Harleton to have more water under contract to meet TCEQ guidelines. Stan Wyatt seconded the motion. Motion carried, all voting aye.

Joseph Weir made a motion to continue negotiations with U.S. Steel for a contract amendment. Stan Wyatt seconded the motion. Motion carried, all voting aye.

The Board discussed the upcoming budget. Several topics were mentioned during the discussion. After review of the draft, Patrick Smith made a motion to send the draft budget for 2010 – 2011 to the member cities. Jack Salmon seconded the motion. Motion carried, all voting aye.

Upon a recommendation by Jack Salmon, a sub committee was appointed to develop, review and recommend insurance proposals to the Board for property and workman's compensation coverage beginning in October 2010. Mr. Salmon recommended the committee consist of Stan Wyatt, Carol Leftwich and Joseph Weir, with Mr. Wyatt being chair of the committee.

The following items were addressed during the General Managers' report given by Walt Sears: a history of water rates to the member cities, a history of the City of Pittsburg's water consumption, and possible legislative topics for the next session of the Texas Legislature.

Pete Wright gave the Operations Report. Mr. Wright informed the Board that Diana #4 sustained two lightning strikes in June and that repairs were being made and an insurance claim would be filed. Mr. Wright also told the Board that a physical drawdown was complete for the City of Avinger and the results were that the flow meter was reading high by 23.4%. Joseph Weir made a motion to issue the City of Avinger a check in the amount of \$1,613.88 for the overpayment due to the meter error. Stan Wyatt seconded the motion. Motion carried, all voting aye.

Joseph Weir made a motion to set the next regular meeting date for July 26, 2010. Jack Salmon seconded the motion. Motion carried, all voting aye.

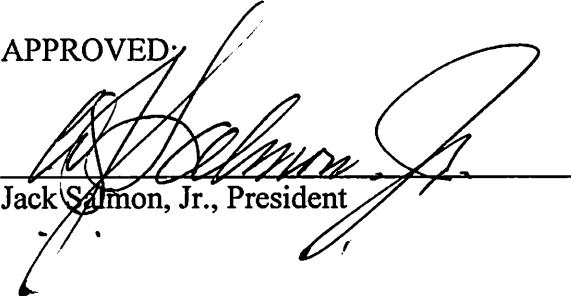
Patrick Smith made a motion to adjourn. The motion was seconded by Joseph Weir. Motion carried, all voting aye.

ATTEST:



Patrick Smith, Secretary/Treasurer

APPROVED:



Jack Salmon, Jr., President