

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
May 24, 2010 –10:00 A. M.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Monday, May 24 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 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: Joncie Young -KSA Engineers
 Steven Adams -Specialized Public Finance, Inc.

Vice President Jack Salmon, Jr. called the meeting to order and welcomed everyone to the meeting. Invocation was given by Carol H. Leftwich.

Stan Wyatt made a motion to approve the minutes of the April 28, 2010 meeting. Carol Leftwich seconded the motion. Motion carried, all voting aye.

Joseph W. Weir, III made a motion to approve the financial reports and investment report on all current accounts and funds. Carol Leftwich seconded the motion. Motion carried, all voting aye.

Walt Sears gave an update on the Lake O' the Pines Southside Committee meeting. Mr. Sears stated that Tryon Road's usage was increasing. Mr. Stoermer and Mr. Sears noted that having Tryon Road SUD and Diana SUD was a mutual benefit for both the District and these entities.

Steven Adams with Specialized Public Finance, Inc. presented financial information to the Board regarding the possible refunding of bonds issued in 2000 by the District. Mr. Adams informed the Board that Standard and Poor reviewed the District's financial status and upgraded the District to an A- status. On motion by Joseph Weir and a second by Stan Wyatt, the Board voted to authorize a contract between the Northeast Texas Municipal Water District and Specialized Public Finance for services related to the refunding of bonds issued in 2000 by the District. Motion carried, all voting aye. Mr. Adams informed the Board the proposal included a one million dollar pay down and once approved the bonds could possibly go out for bids on June 8 2010. Mr. Adams stated that the bids would be an internet process and given approval, Walt Sears would have the authority to accept or reject the bids. Mr. Adams also told the Board that the refunding of the bonds could possibly save the District approximately \$562,911 in debt service and reduce the debt by 3 years. Joseph Weir made a motion to approve the resolution authorizing the issuance of Northeast Texas Municipal Water District Water System Revenue Refunding Bonds, Series 2010 with the million dollar pay down from unrestricted Capital Reserves. Carol Leftwich seconded the motion. Motion carried, all voting aye.

Patrick Smith made a motion to change the 2011 Plan Provision for TCDRS from the Current Plan Matching Rate of 100% to 120% for Past and Future Deposits and leave the Employee Deposit Rate at 7%. Joseph Weir seconded the motion. Motion carried, all voting aye.

Mr. Sears presented the following items in the Manager's Report: (a) 2010 – 2011 Budget. Mr. Sears addressed the concerns and shortfalls for the draft budget that will be presented at the next Board meeting. Mr. Sears sought guidance from the Board for the next budget cycle for the U.S.

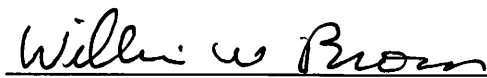
Army Corp of Engineers payment for maintaining or improving Lake O' the Pines and the City of Pittsburg's water consumption decline over the last year, (b) U.S. Steel's request to amend the contract with NETMWD, (c) Noted the annual appreciation dinner to be held June 24, 2010 at Catfish Village in Ore City, and (d) Noted the Red River Valley Association Conference in Texarkana June 3, 2010.

Pete Wright gave the Operations Report. Mr. Wright informed the committee that Todd York was returning to the RWSS workforce as an Operator. Mr. Wright asked the Board to accept the bid from International Diving Service for tank inspections for the member cities. Joseph Weir made a motion to accept the bid. Patrick Smith seconded the motion. Motion carried, all voting aye.

Stan Wyatt made a motion to set the next regular meeting date for June 28, 2010. Carol Leftwich seconded the motion. Motion carried, all voting aye.


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

APPROVED:



William W. Brown, President

ATTEST:



Patrick Smith, Secretary/Treasurer