

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Thursday, January 30, 2014

The Regular Meeting of the Utility Board of Trustees was conducted on the 30th day of January, 2014 at 9:00 A.M. in the Harlingen Waterworks System's Board Room located on the second floor at 134 East Van Buren Avenue, in the City of Harlingen, Texas.

City Commissioners: Chino Sanchez, District 4

Board Members Present: Rick De Los Santos, Chairman
Richard Uribe, Vice Chairman
Mike Garza, Trustee
Kevin Campbell, Trustee
Carlos Yerena, Ex- Officio

Staff Present: Darrell Gunn, General Manager
Bill Hubbard System Attorney
Kathern Davidson, Finance and Revenue Director
Jim Vallely, Wastewater Services Director

City Staff: Dan Serna, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman De Los Santos called the meeting to order at 9:09 A.M. and asked if the Agenda was posted in accordance with the law, Nilda Sanchez responded yes.

AGENDA ITEM NO. 2: PUBLIC COMMENTS

Yolanda Shoffeit, a customer, commented on a couple of things. Ms. Shoffeit said she didn't think that Waterworks employees should get paid for volunteering at community outreach events. Ms. Shoffeit also commented that she believed the Waterworks did not send its customers any past due reminders when the meter cut offs were scheduled. Lastly, Ms. Shoffeit commented that the Waterworks should not be providing water to Rio Hondo, which in turn would provide water to Arroyo City and eventually provide water to South Padre Island, she stated this was her theory.

AGENDA ITEM NO. 3: APPROVAL OF MINUTES

a) From the Regular Board Meeting of December 19, 2013.

With no corrections made, a motion to approve the minutes from the Regular Board Meeting of December 19, 2013 was made.

Motion: Richard Uribe
Second: Michael Garza

Motion to approve was carried by a vote of the Board (4-0).

b) From the Special Board Meeting of January 15, 2014.

With no corrections made, a motion to approve the minutes from the Special Board Meeting of January 15, 2014 was made.

Motion: Richard Uribe
Second: Michael Garza

Motion to approve was carried by a vote of the Board (4-0).

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

a) Report and Presentation from State Representative Eddie Lucio III regarding participation in the Regional Water Priorities Project.

Representative Lucio introduced himself and reported to the Board that he was representing the Regional Water Priorities Project. Mr. Lucio reported the opportunities this project could provide HWWS as far as acting as a special water counsel to brief the Waterworks on current happenings within the Water Development Board. Other perks included a monthly newsletter providing the latest news regarding the water debt issue between Mexico and the United States and other current events. Mr. Lucio then fielded questions from the Board.

b) Discussion to consider establishing a classification of accounts for special consideration prior to termination notice.

Darrell Gunn briefed the Board on a recent controversy concerning a local business that was cut off for non-payment and asked for special consideration for not paying their bill on time. Mr. Gunn informed the Board that the Waterworks did not have a non-cut off list; every account was accountable for payment in order to avoid a service cut-off. Mr. Gunn explained the procedures before an account was cut off: a late notice, a cut off notice, and finally a phone call to the telephone number that was on file. Discussion by the Board ensued and a decision to continue the current policy regarding delinquent accounts was to stay effective, no discrimination.

c) Report and discussion regarding the current financial ability to address current and future Fiscal Year Capital Improvement Projects.

Darrell Gunn showed a power point presentation discussing the different options of how to implement a rate increase for the Waterworks. Mr. Gunn reported that in order to stay within budget and keep the Waterworks in operation with much needed implementation of Capital Improvement Projects, a rate increase was the answer. Mr. Gunn explained how a rate study was done in 2010, but the suggested rate increase of \$4.00 every month for each water and sewer base charges were never implemented. Mr. Gunn showed different scenarios of how to initiate this change, as many options were provided for discussion. Discussion by the Board ensued and it was agreed to have further financial analysis researched and brought back for further discussion.

c) Report on Delinquent Accounts in excess of \$500 per account.

Darrell Gunn informed the Board this was a fairly routine report. Discussion by the Board ensued.

***** RICHARD URIBE REQUESTED THAT THE RESOLUTIONS BE MOVED UP ON THE AGENDA:**

AGENDA ITEM NO. 6: APPROVAL OF RESOLUTIONS

a) Resolution No. R1314-10: A resolution to confirm and approve prior agreement for the purchase of water rights.

Darrell Gunn reported that in 2007, the Waterworks had approved the purchase of 2000 acre feet of water rights with what was considered a very low and feasible price. At the time, 1700 acre feet were purchased, leaving 300 acre feet pending for purchase. Mr. Gunn explained that though Harlingen Irrigation District did have other buyers at this time, Wayne Halbert, General Manager for the Harlingen Irrigation District wanted to honor the 2007 contract and allow the Waterworks to purchase the already approved 300 acre feet of water rights. Discussion by the Board ensued and a decision was made to purchase the approved water rights.

A motion was made to approve Resolution No. R1314-10– to confirm and approve prior agreement for the purchase of water rights.

Motion: Kevin Campbell
Richard Uribe

Motion to approve was carried by a vote of the Board (4-0).

AGENDA ITEM NO. 8: EXECUTIVE SESSION

The Board entered into Executive Session at 10:23 A.M.

The Board convened in Executive Session pursuant to § 551.074, Texas Government Code, to discuss personnel action regarding the System Attorney.

The Board exited Executive Session at 10:29 A.M.

NO ACTION WAS TAKEN

***** THE AGENDA WAS RESUMED BACK TO ORDER AND TO FINANCIALS:**

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly Financial Report for month ending December 31, 2013.

Darrell Gunn gave a brief explanation on the updated Financial Reports. Mr. Gunn reported that revenue was down and we were still working under budget. This was still due to the heavy rains in September. Sales were down due to winter averaging. Discussion by the Board ensued.

b) Quarterly Investment report for quarter ending December 31, 2013.

Darrell Gunn gave a brief explanation regarding the Quarterly Investment report. Discussion by the Board ensued

AGENDA ITEM NO.7: MANAGER'S REPORT

Darrel Gunn gave a brief explanation of the information included in the Manager's Report. Discussion by the Board ensued.

AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, the meeting adjourned at 10:44 A.M.

Motion: Kevin Campbell
Second: Richard Uribe

Motion to approve was carried by a vote of the Board (4-0).

Attest 
Nilda Sanchez, Board Secretary