

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Thursday, March 31, 2016

The Regular Meeting of the Utility Board of Trustees was conducted on the 31st day of March, 2016 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.

Board Members Present: Josh Fields, Chairman
 Michael Garza, Vice Chair
 Kevin Campbell, Trustee
 Curtis Bonner, Trustee
 Richard Uribe, Trustee
 Dan Serna, City Manager, Ex-Officio

Staff Present: Darrell Gunn, General Manager
 Bill Hubbard, System Attorney
 Kathern Davidson, Finance & Revenue Director
 Jim Vallely, Wastewater Services Director
 Juan Morales, Water Services Assistant
 Joyce Lamon, Customer Service Director

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Fields called the meeting to order at 9:00 A.M. and asked if the Agenda was posted in accordance with the law, Nilda Sanchez responded yes.

AGENDA ITEM NO. 2: PUBLIC COMMENTS

No public comments.

AGENDA ITEM NO. 3: APPROVAL OF MINUTES

a) From the Regular Board Meeting of February 25, 2016.

With no corrections made, a motion to approve the minutes from the Regular Board Meeting of February 25, 2016 was made.

Motion: Curtis Bonner
 Kevin Campbell

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

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AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

a) Presentation by the System's External Auditor, Long Chilton, LLC, regarding Fiscal Year 2014-2015 Audit Report.

Quentin Anderson, representative of Long Chilton, LLC presented the results of the audit for the fiscal year ended September 30, 2015. Mr. Anderson advised the Board the annual financial statements fairly represent the financial position of the Waterworks. He explained the changes in the Waterworks' net position for the fiscal year. The most significant change in the financial report, in comparison to previous years, was due to the implementation of a new Governmental Accounting Standards Board pronouncement requiring local governments to include their net pension liability in their financial statements. An upcoming pronouncement will similarly require the retiree health care benefit obligation to be included in future financial statements. Mr. Anderson told the Board the audit resulted in several advisory comments to management; however, the comments were not matters of significance. A brief discussion by the Board ensued.

***** Trustee Richard Uribe entered the meeting at 9:08 A.M.**

b) Report on Residential Winter Averaging.

Darrell Gunn informed the Board regarding this year's winter averaging. Mr. Gunn reported a slight increase in consumption and expected some high proposed revenue with the stats, however; at this point, most customers would come in and apply for a non-domestic meter to cut their costs. Discussion by the Board ensued.

c) Report on status of Wholesale Contracts.

Darrell Gunn reported the current status on the Wholesale contracts. Mr. Gunn informed the Board the new contracts with Palm Valley and Primera were in effect. The Town of Combes was still undergoing contract adjustments for final agreement. Mr. Gunn reported East Rio Hondo Water Supply was not in effect yet, the proposed booster station was not complete, but mentioned all the lines were in place. Mr. Gunn reported the next Wholesale contract to be updated would be Military Highway Supply. Mr. Gunn did note these new contracts were on a take or pay agreement. Discussion by the Board ensued.

d) Report on status of Water Rights.

Darrell Gunn reported a recent issue regarding water rights. Mr. Gunn explained a recent transfer of water rights was put in the wrong slot, thus, not properly documenting the true identification of the water rights and its properties. Mr. Gunn briefed the Board a

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consultant was hired to take care of this invalid certificate. Discussion by the Board ensued.

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

Darrell Gunn briefed the Board on current delinquent accounts. Bill Hubbard, System Attorney reported he was having some difficulty finding some accounts for citations and would continue to search for the delinquent account holders. Discussion by the Board ensued.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly financial report for month ending February 29, 2016.

Darrell Gunn gave a brief explanation this was a routine report. Mr. Gunn reported revenue was down, following a consistent pattern. Discussion by the Board ensued.

AGENDA ITEM NO. 6: RESOLUTIONS

a) Resolution No. R1516-18: A resolution to approve or reject the award of a 12 month contract for Reagents and other Water Analysis Supplies.

Darrell Gunn reported this was a good bid and was recommended the contract to USA Bluebook for approval. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1516-18 – to approve the 12 month contract for Reagents and other Water Analysis Supplies.

Motion: Richard Uribe
Kevin Campbell

Motion to approve was carried by a vote of the Board (5-0).

b) Resolution No. R1516-19: A resolution to approve or reject the award of Stainless Steel Pipe and Fittings.

Mr. Gunn reported there were only two bids for this item and recommended the lowest bidder, Aguaworks. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1516-19 – to approve the award of Stainless Steel Pipe and Fittings.

Motion: Curtis Bonner

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Second Kevin Campbell

Motion to approve was carried by a vote of the Board (5-0).

c) Resolution No. R1516-20: A resolution to approve or reject the award of Submersible Non-Clog Pumps.

Darrell Gunn reported the bid winner, Xylem Water Solutions, was highly reputable in this industry and the current bid was lower than last years. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1516-20 – to approve the award of Submersible Non-Clog Pumps.

Motion: Kevin Campbell
Curtis Bonner

Motion to approve was carried by a vote of the Board (5-0).

d) Resolution No. R1516-21: A resolution to approve or reject an extension of the current Water Meter Contract until October 1, 2016.

Darrell Gunn reported Badger Meters would honor the current contract price for a ¾" meter until a new bidding process was established. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1516-21 – to approve an extension of the current Water Meter Contract until October 1, 2016.

Motion: Curtis Bonner
Richard Uribe

Motion to approve was carried by a vote of the Board (5-0).

e) Resolution No. R1516-22: A resolution to accept an extension of Banking Services with BBVA Compass Bank until March 31, 2017.

Darrell Gunn reported the current contract with BBVA included a three year contract, with three - one year extensions for the term of the contract. This extension would be the first of the three possible future extensions. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1516-22 – to accept an extension of Banking Services with BBVA Compass Bank until March 31, 2017.

Motion: Curtis Bonner

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Kevin Campbell

Motion to approve was carried by a vote of the Board (5-0).

AGENDA ITEM NO.7: MANAGERS 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: TOUR AND INSPECTION OF WASTEWATER TREATMENT PLANT PROJECT.

Mr. Gunn reported due to conflicting schedules, the tour of the Wastewater Plant would be rescheduled at a later date.

AGENDA ITEM NO 9:

There being no further business to discuss, the meeting adjourned at 10:04 A.M.

Motion: Kevin Campbell
Second: Curtis Bonner

Motion to approve was carried by a vote of the Board (5-0).

Attest: 
Nilda Sanchez, Board Secretary