

CITY OF HARLINGEN WATERWORKS SYSTEM
Special Board Meeting Minutes
Thursday July 17, 2014

The Special Board Meeting of the Utility Board of Trustees was conducted on the 17th day of July, 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 Commission: Chino Sanchez, District 4

Board Members Present: Richard Uribe, Vice Chairman
Josh Fields, Trustee
Michael Garza, Trustee
Kevin Campbell, Trustee
Carlos Yerena, Ex-Officio

Staff Present: Darrell Gunn, General Manager
Kathern Davidson, Finance and Revenue Director
David Sanchez, Water Operations Director
Jim Vallely, Wastewater Operations Director

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Vice Chairman Uribe called the meeting to order at 9:04 A.M. and asked if the Agenda was posted in accordance with the law, Nilda Sanchez responded yes.

AGENDA ITEM NO. 2: PUBLIC COMMENTS

There were no public comments.

AGENDA ITEM NO. 3: RESOLUTIONS

- a) **Resolution No. R1314-21: A resolution to consider recommendation to amend the Water and Sewer Ordinance of the City of Harlingen, to provide revenue to fund Capital Improvement Program, to the Harlingen City Commission.**

Darrell Gunn reported that since the last two previous Joint Work Sessions with the HWWS Board of Trustees and the Harlingen City Commission, discussion about an Ordinance amendment was now ready for final assessment to be presented to the City Commission for final approval. Mr. Gunn reiterated that the Ordinance Amendment was specifically implemented to continue Capital Improvement Projects for the Waterworks. A detailed discussion included a monthly 10¢ increase on the sewer base rate with options of applying it to a 60

month plan vs. a 40 month plan. Mr. Gunn did report that this increase amount was recommended about 5 years when a National Consultant recommended the increase amount of \$4.00. Without this amendment, the Waterworks would not be able to continue its Capital Improvement Projects and would not be able to prepare for the future growth of Harlingen. Mr. Gunn explained how the Waterworks was currently working on 10 a year Comprehensive Capital Improvement Projects Program and would present that to the City Commission upon completion. Mr. Gunn discussed that even with the increase; Harlingen would still be among the lowest priced base rates in the valley. Discussion by the Board continued and a decision was made to present the 40 month plan, for a total of a \$4.00 base rate increase, within 40 months, to the City Commission for final approval.

A motion was made to approve Resolution No. R1314-26– to consider recommendation to amend the Water and Sewer Ordinance of the City of Harlingen, to provide revenue to fund Capital Improvement Program, to the Harlingen City Commission.

Motion: Mike Garza
Kevin Campbell

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

b) Resolution No. R1314-27: A resolution to consider the approval of a Water Supply Agreement with East Rio Hondo Water Supply Corporation subject to the approval of the Harlingen City Commission and authorize the HWWS General Manager to execute the agreement.

Darrell Gunn gave a brief discussion regarding the current wholesale water contracts within the Waterworks System. Mr. Gunn explained that in reviewing the City Charter, all wholesale contracts were to be approved by the City Commission. Mr. Gunn informed the Board that East Rio Hondo Water Supply had approached the Waterworks to purchase water from the Waterworks because they needed to help supply their system. The contract agrees to a take/pay agreement, which includes 100,000 gallons per day. Mr. Gunn reported that this would be a good renewal template for the current wholesale water contracts which were agreed upon before the City Charter was approved in 1978. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1314-27– to consider approval of a Water Supply Agreement with East Rio Hondo Water Supply Corporation subject to the

approval of the Harlingen City Commission and authorize the HWWS' General Manager to execute the agreement.

Motion: Kevin Campbell
Josh Fields

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

AGENDA ITEM NO. 4: ADJOURN

There being no further business to discuss, the meeting adjourned at 9:40 A.M.

Motion: Michael Garza
Second: Kevin Campbell

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

Attest: _____



Nilda Sanchez, Board Secretary