

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, October 26, 2016

The Regular Meeting of the Utility Board of Trustees was conducted on the 26th day of October, 2016 at 3:00 P.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 Present: Victor Leal, District 5

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

Staff Present: Darrell Gunn, General Manager
Jim Vallely, Wastewater Services Director
David Sanchez, Water Services Director
Joyce Lamon, Customer Service Director
Danielle Bates, Purchasing Agent

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Fields called the meeting to order at 3:00 P.M. and asked if the Agenda was posted in accordance with the law, Nilda Sanchez responded yes.

AGENDA ITEM NO. 2: PUBLIC COMMENTS FOR HWWS CUSTOMERS AND CITY OF HARLINGEN RESIDENTS

No Public Comments

AGENDA ITEM NO. 3: APPROVAL OF MINUTES

a) From the Regular Board Meeting of September 28, 2016.

With no corrections made, a motion to approve the Regular Board Minutes for September 28, 2016 was made.

Motion: Kevin Campbell
Curtis Bonner

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

b) From the Special Board Meeting of October 6, 2016

With no corrections made, a motion to approve the Special Board Minutes for October 06, 2016 was made.

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Motion: Kevin Campbell
Curtis Bonner

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

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

a) Report and Discussion regarding end of Fiscal Year Activity Report.

Darrell Gunn informed the Board the Activity Report in this month's Board Packet represented the entire Fiscal Year of 2015-2016's report. Mr. Gunn reported the implementation of the water and sewer base rate adjustment was well underway, with 5 months left for the water rate to be billed for all consumption used and 18 months left for the sewer base increase of 10 cents a month. Mr. Gunn thanked the Board and City Commission for taking this path, as the slight increase was generating increased revenue. Discussion by the Board ensued.

b) Report and Discussion regarding Non-Revenue Water Loss.

Mr. Gunn showed a power point presentation including a table and charted trends regarding non-revenue water loss. Mr. Gunn explained the history of water loss, reporting industry standard was about 11% - 12%. The Waterworks had been reporting this calculated loss for a few years but the percentage increased within the last couple of years with a record breaking 22% ending Fiscal Year 2015-2016. Mr. Gunn explained there was currently an in-house plan of action in progress to help find other sources of water loss, which could be illegal connections or other schemes used by customers manipulated at the meter. Discussion by the Board ensued.

c) Report and Discussion regarding Water Meters.

Darrell Gunn showed a power point presentation displaying some photos and a video clip demonstrating a huge magnet on a water meter, showing how the magnet, when held at the right angle, stopped the motion on leak detector arrow. Mr. Gunn reported these were the kinds of incidents that could be causing increased non-revenue water. Discussion by the Board ensued and a continued look at the power point presentation showed other culprits could be contractors who straight connect to the meter for the construction of new homes. Continued discussion from the Board brought several ideas: file criminal charges against violators, pad lock every meter, (which would be costly) or adopt an ordinance, demanding a water meter must be required to obtain a building permit. Mr. Gunn reported the current in-house plan of action was to continue, in hopes to begin investigating variables causing water loss within our system.

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d) Report and Discussion Purchasing Water Treatment Chemicals from the Buy Board.

Darrell Gunn briefed the Board regarding a recent Board request concerning purchasing water treatment chemicals from the Buy Board. Mr. Gunn introduced our current purchasing agent, Danielle Bates, who then explained the process concerning purchasing water treatment chemicals from the buy board. Mrs. Bates concluded retailers registered on the buy board list eventually purchased directly from the manufacturer, which was the process we have used to purchase our chemicals in the past. Discussion by the Board ensued.

e) Presentations of recent Community Outreach Events.

Darrell Gunn reported the Waterworks had participated in two Community Outreach Events. Mr. Gunn showed a power point presentation showing photos for the Harlingen Police Departments Run with the Hero's 5k Run/Walk and Valley Baptist's Fall Fest event for their employees. Discussion by the Board ensued.

f) Report on Delinquent Accounts in Excess of \$500 per Account,

Darrell Gunn briefed the Board this was a routine monthly report. Mr. Gunn reported the Inactive Delinquent Accounts was the lowest in had ever been. Mr. Gunn informed the current application process to provide multiple identification records had made a positive impact on collections. Discussion by the Board ensued.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly financial report for month ending September 30, 2016.

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

AGENDA ITEM NO. 6: RESOLUTIONS

a) Resolution No. R1617-02: A resolution to approve or reject a twelve (12) month contract for Fill Sand.

Darrell Gunn reported this was an annual bid for Fill Sand. Mr. Gunn explained the two bidders bid the exact same price. Mr. Gunn reported the Waterworks was going to accept both bids and utilize the most responsive vendor at the time of need. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-02– to approve the twelve (12) month contract for Fill Sand.

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Motion: Curtis Bonner
Kevin Campbell

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

b) Resolution No. R1617-03: A resolution to approve or reject a twelve (12) month price extension for Caliche.

Darrell Gunn reported this was an extension to an annual contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-03 – to approve a twelve (12) month price extension for Caliche.

Motion: Kevin Campbell
Second Curtis Bonner

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

c) Resolution No. R1617-04: A resolution to approve or reject the purchase of Cargo Vans (Buy Board).

Darrell Gunn informed the Board this was the first time buying Cargo Vans from the Buy Board. Mr. Gunn reported this was a good price with great 5 year/100,000 mile warranty. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-04 – to approve the purchase of Cargo Vans (Buy Board).

Motion: Curtis Bonner
Second Kevin Campbell

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

d) Resolution No. R1617-05: A resolution to approve or reject Engineering Services Agreement for 20" Transmission Main on Roosevelt Rd. to Loop 499.

Darrell Gunn briefed the Board this project had been on the Capital Improvements Plan for quite some time. Mr. Gunn showed a map of the area and explained though this project would be challenging, this would complete the connection of the entire distribution system. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R1617-05 – to approve Engineering Services Agreement for 20” Transmission Main on Roosevelt Rd. to Loop 499.

Motion: Kevin Campbell
Second Curtis Bonner

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

- e) Resolution No. R1617-06: A resolution to approve or reject an increase in the existing purchase order from \$25,000 (the bid/purchasing threshold) to \$50,000 for the purchase of Alum-Polymer Blend for water treatment from Brenntag Southwest to complete the current trial period.**

Darrell Gunn briefed the Board we were currently under a trial period of Alum-Polymer Blend and in order to complete the trial, a request to increase the existing purchase order from \$25,000 to \$50,000 was needed. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-06 – to approve an increase in the existing purchase order from \$25,000 (the bid/purchasing threshold) to \$50,000 for the purchase of Alum-Polymer Blend for water treatment from Brenntag Southwest to complete the current trial period.

Motion: Michael Garza
Second Curtis Bonner

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

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.

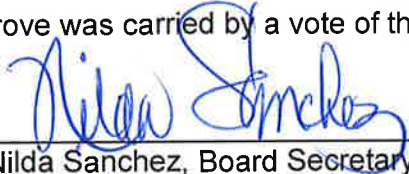
AGENDA ITEM NO 8: ADJOURN:

There being no further business to discuss, the meeting adjourned at 4:10 P.M.

Motion: Curtis Bonner
Second: Kevin Campbell

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

Attest: _____


Nilda Sanchez, Board Secretary