

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

The Regular Meeting of the Utility Board of Trustees was conducted on the 25th day of January 25, 2017 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
Kevin Campbell, Trustee

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
John McKenna, IT Director

City Staff Present Carlos Sanchez, Assistant City Manager

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 January 4, 2017.

With no corrections made, a motion to approve the Regular Board Minutes for January 4, 2017 was made.

Motion: Michael Garza
Kevin Campbell

Motion to approve was carried by a vote of the Board (3-0).

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

a) Report and Discussion regarding H.B. 1803 and Purchase of Water Rights.

Darrell Gunn reported some history concerning the sale of water rights. He explained that historically, irrigation districts used to sell their water rights to help fund their operations and maintenance, because water rights were being sold outside of the valley. Mr. Gunn explained there was an outcry to keep water rights within the local area. The South Texas Utilities Manager's Association, also known as STUMA, was created with a number of local utilities to meet with the Association of the Irrigation Districts. Mr. Gunn explained once farm land was transferred from irrigated land, to developed land, the irrigation district deemed the water rights as theirs. Mr. Gunn explained legislation was adopted in 2007, so that every plat be accounted for, to help break down Ag water to municipal water and convert to acre feet, thus calculating a 68% purchasing rate for water rights. Mr. Gunn reported a ten year span had already lapsed since legislation H.B. 1803 passed and suggested it was time to go forward with an opportunity to acquire 432 acre feet available of water rights from Harlingen Irrigation District, thus, securing municipal water for the future growth of the City of Harlingen. Discussion by the Board ensued and Mr. Gunn explained how about 40% of the water was lost in transportation/evaporation, therefore; the true calculation of water rights in acre feet was not a true recording of the actual water transported to our system. Continued discussion by the Board ensued and Mr. Gunn suggested a budget item be implemented for future purchase of water rights

b) Report and Discussion concerning Offsite Development Agreement for Reyna Heights Subdivision.

Mr. Gunn briefed the Board with a history concerning under development of sewer infrastructure on the west side of town. Mr. Gunn reported the west side of town was once owned and operated by Stuart Place Water Supply Corporation, which was acquired by the Waterworks in 1983, and currently our service area, with limited infrastructure. Mr. Gunn reported the City's sewer system ended at Dixieland Road, which was the end of the service area, tapped out and with no intent for the city to ever service that area. Mr. Gunn explained that was why the city infrastructure ended at Dixieland road, with an exception of a sewer tap to a local business in the area. Mr. Gunn gave a brief history concerning a wastewater plant that was proposed for the area in 1985, its purpose was to provide sewer service to the west side of town, including Combes and Primera. Mr. Gunn explained the Waterworks designed, permitted and acquired land to build a waste water plant in the area. Mr. Gunn explained the implementation of a waste water plant in that area was so controversial at the time; the area has been left without any sewer services for the past 30 years. Mr. Gunn reported when Bass Pro Shop was to be constructed, it was understood to hook up Bass Pro Shop to the existing small sewer line, until something else could be done, because the

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

urgency to set up the new business was in high demand from the city. Mr. Gunn reported the line in that area was now failing due to system overload. Mr. Gunn explained that in order to bring some relief to that area, a regional lift station was already designed, approved and currently under construction. Mr. Gunn briefed the Board the next big project in the area was Sam's Club. Mr. Gunn explained there was a rush to sign a plat to get Sam's Club built, but the plat was still utilizing the same small lines in the area, which would have been fine to sustain Sam's Club, but not the entire subdivision. Mr. Gunn explained there was another signature rush to re-plat the subdivision, adding a hotel and convention center which would produce high flow usage with low system demand, still not feasible for the underdeveloped infrastructure in that area. Mr. Gunn explained there was a development agreement being proposed for that new development area as the Waterworks did not have the monies needed to extend new infrastructure in that area.. Mr. Gunn apologized for presenting this item without a full Board present since this matter was important, requiring the Board of Trustees to come up with discussion and come to a solution. Discussion by the Board ensued.

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

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

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly financial report for month ending December 31, 2016.

Darrell Gunn reported this was a routine report. Mr. Gunn briefed the Board plant pumpage was high, due to lack of rain. Discussion by the Board ensued.

b) Presentation of Quarterly Investment report, Quarter ending December 31, 2016.

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

AGENDA ITEM NO. 6: RESOLUTIONS

a) Resolution No. R1617-21: Resolution to approve or reject Offsite Development Reimbursement Agreement for Reyna Heights Subdivision.

Josh Fields, Chairman of the Board, presented an opportunity for discussion regarding previous discussion regarding Agenda Item 4b, in consideration of Offsite Development Reimbursement Agreement for Reyna Heights Subdivision. Discussion by the Board ensued and a decision to **reject** this resolution was made.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

A motion was made to reject Resolution No. R1617-21– to **reject** Offsite Development Reimbursement Agreement for Reyna Heights Subdivision.

Motion: Michael Garza
Kevin Campbell

Motion to reject was carried by a vote of the Board (3-0).

- b) Resolution No. R1617-19: A resolution to approve or reject the award of contract for the purchase of Servers and Virtualization Software for the Warehouse.**

Darrell Gunn reported this was a budgeted item to replace the current aged servers at the Warehouse. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-19 – to approve the award of contract for the purchase of Servers and Virtualization Software for the Warehouse.

Motion: Michael Garza
Second Kevin Campbell

Motion to approve was carried by a vote of the Board (3-0).

- c) Resolution No. R1617-20: A resolution to approve or reject a contract for Automation of Chemical Feed and Chlorine Dosing Equipment at the 3rd Street Water Treatment Plant.**

Darrell Gunn informed the Board this was a budgeted item. Mr. Gunn explained this was for an automation chemical feed and chlorine dosing equipment software, which would allow the plant to be monitored by technological visualization at all times. Discussion by the Board ensued and I. Kruger was the sole source provider of such software, because the water treatment plant had been running on Actiflo for the past 16 years, which was an I. Kruger product.

A motion was made to approve Resolution No. R1617-20 – to approve a contract for Automation of Chemical Feed and Chlorine Dosing Equipment at the 3rd Street Water Treatment Plant.

Motion: Kevin Campbell
Second Michael Garza

Motion to approve was carried by a vote of the Board (3-0)

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

d) Resolution No. R1617-22: A resolution to approve or reject a temporary Employment Contract with Darrell Gunn.

Darrell Gunn briefed the Board about his upcoming retirement and was presenting a temporary contract drafted by the HWWS system attorney, Bill Hubbard, for approval. Mr. Gunn's temporary contract included travel from his new residence in South Carolina to Harlingen, Texas for future Board Meetings. Discussion by the Board ensued with an amendment in the temporary contract to state "one round trip airline ticket per month" was to be granted to Mr. Gunn. Continued discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-22 – to approve a temporary employment contract with Darrell Gunn.

Motion: Kevin Campbell
Second Michael Garza

Motion to approve was carried by a vote of the Board (3-0).

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: EXECUTIVE SESSION

The Board will convened in Executive Session pursuant to § 551.074, Texas Government Code, to personnel matters related to the status of the New General Manager and New Assistant General Manager.

A motion was made to enter into Executive Session.

MOTION: Campbell SECOND: Garza

MOTION TO APPROVE: 3 YEAS 0 NAYS

Entered into Executive Session at: 4:03 PM

Exited Executive Session at: 4:41 PM

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, January 25, 2017

Action Taken: NO

Meeting was called back to order at 4:41 PM

AGENDA ITEM NO 9: TOUR OF FACILITIES

Darrell Gunn asked if anyone would be attending the tour of facilities for the new wastewater treatment plant and due to conflicting schedules, the tour was canceled.

AGENDA ITEM NO 10: ADJOURN:

There being no further business to discuss, the meeting adjourned at 4:43 P.M.

Motion: Michael Garza
Second: Kevin Campbell

Motion to approve was carried by a vote of the Board (3-0).

Attest: 

Nilda Sanchez, Board Secretary