

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, April 26, 2017

The Regular Meeting of the Utility Board of Trustees was conducted on the 26th day of April, 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.

Board Members Present: Josh Fields, Chairman
 Michael Garza, Vice Chair
 Kevin Campbell, Trustee
 Michael Murphy, Trustee
 Curtis Bonner, Trustee – entered at 3:33 P.M.
 Mayor Chris Boswell, Ex-Officio

Staff Present: Tim Skoglund, General Manager
 Darrell Gunn, System Consultant
 Jim Vallely, Wastewater Services Director
 David Sanchez, Water Services Director
 Kathern Davidson, Finance & Revenue Director
 Elizabeth Soto, HR Director
 Joyce Lamon, Customer Service Director
 Danielle Bates, Purchasing Agent

City Staff Present Carlos Sanchez, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Fields called the meeting to order at 3:01 P.M. and asked if the Agenda was posted in accordance with the law, Nilda Sanchez responded yes.

Mr. Fields welcomed Tim Skoglund, new General Manager to his first official Board Meeting for the Waterworks.

AGENDA ITEM NO. 2: CONSENT AGENDA: APPROVAL OF MINUTES

- a) **Regular Board Meeting of February 22, 2017.**
Approved.
- b) **Special Board Meeting of March 14, 2017.**
Kevin Campbell, Trustee requested a change to the minutes, Item 2 (a) page 8, change Boswell to Bonner for the motion to recess. (Noted and changed for approved minutes.)
- c) **Regular Board Meeting of March 29, 2017.**
Michael Garza, Vice Chairman requested a change of language, Item 2 (c) page 11, replace the word forced to required. (Noted and changed for approved minutes.)

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A motion was made to approve Board Minutes, Consent Agenda, with corrections to reflect approved minutes.

Motion: Kevin Campbell
Michael Garza

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

AGENDA ITEM NO. 3: REPORTS AND PRESENTATIONS

- a) Report and Presentation regarding the rehabilitation of the gravity sewer line on New Hampshire Street.

Darrell Gunn showed a power point presentation with discussion to later present a proposed resolution regarding the reconstruction/replacement of sewer lines on New Hampshire Street. Mr. Gunn explained the failing sewer line in that area needed to be replaced. Mr. Gunn briefed the Board on a technology called pipe bursting, which eliminated excavation of lines by pulling a new pipe through the old pipeline. Mr. Gunn advised the Board this project would be within the monetary means of the proposed Capital Improvement budget for this project, with the capability to replace double the sewer line length than the conventional way of excavating and replacing sewer lines by open cut. Mr. Gunn informed the Board this service was on the Buy Board, allowing the Waterworks to exercise the use its membership. Discussion by the Board ensued.

- b) Report and Discussion regarding a Sewer Utility Cost Sharing Agreement with Ace Valley Development, LLC.

Darrell Gunn briefed the Board regarding Adam's Crossing Phase IV. Mr. Gunn reported the area did not have existing sewer lines and the current growth for that subdivision needed sewer line installation. Mr. Gunn explained installing the sewer line in that area would be beneficial for the Waterworks as the surrounding area anticipated future development. Discussion by the Board and ensued. Mr. Gunn informed the Board the agreement was a standard Cost Sharing Agreement, and would be presented later in the meeting for the resolution approval.

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

Darrell Gunn reported the Active Delinquent Account with East Rio Hondo Water Supply was waiting on a response from a demand letter HWWS System Attorney Bill Hubbard had sent them to bring their account up to date. Josh Fields, Chairman, explained ERHWS was working on getting this issue resolved. Discussion by the Board ensued.

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AGENDA ITEM NO. 4: FINANCIALS

a) Monthly Financial report for month ending March 31, 2017

Darrell Gunn reported this was a routine report. Mr. Gunn reported sales were up due to a dry and rainless season. Discussion by the Board ensued.

b) Quarterly Investment Report, quarter ending March 31, 2017

Mr. Gunn explained this quarterly report was prepared by the System's consulting firm: Valley View Consulting, LLC. Mr. Gunn reported the Waterworks continued to take an ultra-conservative perspective in its investments. Discussion by the Board ensued.

AGENDA ITEM NO. 5: RESOLUTIONS

***** CURTIS BONNER, TRUSTEE, ENTERED AT 3:33 P.M.**

a) Resolution No. R1617-28: Resolution authorizing management to enter into an Engineering Agreement with ETHOS Engineering for Water Treatment Plant Power Conditioning Solution.

Darrell Gunn briefed the Board about last week's Work Session for the purpose of understanding details of the proposed ETHOS Engineering Agreement for Water Treatment Plant Power Conditioning Solution. Mr. Gunn reported that a draft of the contract in the agenda packet had an insurance clause regarding reimbursement to the consultant for insurance. This clause was not intended since the insurance must be furnished by the consultant. Mr. Gunn reported that amendment and subrogation clause were approved and corrected by the System's legal counsel, Bill Hubbard. Mr. Gunn explained the information did not make the Board Packet, so the information was handed out during the meeting. Discussion by the Board ensued regarding the assessment of the contract, deliberating an actual time frame the research evaluation would take to find the best alternative for the Waterworks. Discussion about the power suppliers and what was the best alternative to prevent system failure continued. Discussion of transferring to a Variable Frequency Drive-ready system and how this was the best alternative to handle "dirty" power, which was common for this area. Discussion ensued regarding Phase 1, out of the 4 Phases of the contract, was to conduct the study. It was decided to obtain the study report before moving forward. Discussion continued about getting our power lines tested by AEP and review what their evaluations could find in regards to glitches in their system which may be the cause of "dirty" power and possibly the culprit of consistent pump failures at M.F. Rynnion Water Plant. As more discussion continued, a decision to table this item was decided since there were too many unknowns about the clarity of the contract with ETHOS Engineering.

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A motion was made to **TABLE** Resolution No. R1617-28 – to bring a more detailed and clarified definition of services before entering into an Engineering Agreement with ETHOS Engineering for Water Treatment Plant Power Conditioning Solution.

Motion: Michael Garza
Second: Curtis Bonner

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

b) Resolution No. R1617-29: A resolution to approve or reject an agreement between HWWS and Wireless CCTV, LTD., for the installation of a comprehensive Security/Process Monitoring System.

Darrell Gunn briefed the Board about last week's Work Session for the purpose of understanding details of the proposed agreement with Wireless CCTV, LTD. A need exists to install security cameras at the Water Plants for the implementation of full time security and operations monitoring. Mr. Gunn explained there were two different proposals, including the Buy Board and GSA. Discussion by the Board ensued and questions unfolded regarding price comparison for similar equipment. Continued discussion entailed finding the best place to purchase this system through the best vendor/manufacture. Suggestions to look for a security system as a whole was also discussed. After much deliberation, a decision to look into other possibilities for security cameras was made.

A motion was made to **TABLE** Resolution No. R1617-29 – to bring a more detailed and clarified definition of products and other competitor's services before entering into an agreement with Wireless CCTV, LTD. for the installation of a comprehensive Security/Process Monitoring System.

Motion: Curtis Bonner
Second: Michael Garza

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

c) Resolution No. R1617-30: Resolution to approve or reject upgrade of 15" Sewer Line at New Hampshire St.

Darrell Gunn briefed the Board that the detailed information for this resolution was presented earlier in the meeting via power point presentation and discussion, Item 3 (a). Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-30 – to approve upgrade of a 15" Sewer Line on New Hampshire Street.

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Motion: Michael Garza
Second: Michael Murphy

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

d) Resolution No. R1617-31: Resolution to approve or reject contract for M.F. Runnion (Dixieland) Water Treatment Plant Clarifier Rehabilitation.

Darrell Gunn briefed the Board regarding the rehabilitation of M.F. Runnion Water Plant. Mr. Gunn reported this plant had been under rehabilitation in recent years and this was the last stage to complete the plant's rehab project. Mr. Gunn informed the Board that the plant's clarifier mechanical equipment which is well beyond its service life and in need of replacement. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-31 – to approve a contract for M.F Runnion Water Treatment Plant Clarifier Rehabilitation.

Motion: Curtis Bonner
Second: Michael Garza

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

e) Resolution No. R1617-32: Resolution to approve or reject the Sewer Utility Cost Sharing Agreement with Ace Valley Development, LLC.

Darrell Gunn briefed the Board the detailed information for this resolution was presented earlier in the meeting via power point presentation and discussion, Item 3 (b).

A motion was made to approve Resolution No. R1617-32 – to approve a Sewer Utility Cost Sharing Agreement with Ace Valley Development, LLC.

Motion: Kevin Campbell
Second: Michael Garza

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

AGENDA ITEM NO. 6: MANGER'S REPORTS

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

AGENDA ITEM NO. 7: PUBLIC COMMENTS

No public Comments.

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AGENDA ITEM NO.8: ADJOURN

There being no further business to discuss, the meeting adjourned at 4:09 P.M.

Motion: Michael Garza
Second: Kevin Campbell

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

Attest: _____


Nilda Sanchez, Board Secretary