

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday, June 28, 2017**

The Regular Meeting of the Utility Board of Trustees was conducted on the 28th day of June, 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  
                                         Curtis Bonner, Trustee

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  
                                         Joyce Lamon, Customer Service Director  
                                         Randy Reichle, Environmental Compliance Director  
                                         Elizabeth Soto, HR Director

City Staff Present:                Gabriel Gonzalez, 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: APPROVAL OF MINUTES**

**a) Regular Board Meeting of May 31, 2017.**

With no corrections made, a motion to approve the Regular Board Minutes for May 31, 2017 was made.

Motion:    Curtis Bonner  
Second:    Kevin Campbell

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

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**AGENDA ITEM NO. 3: REPORTS AND PRESENTATIONS**

**a) Report and Presentation regarding NELAC Audit Report.**

Tim Skoglund introduced Randy Reichle, Environmental Compliance Director, to present the report regarding the recent NELAC Audit and see some of the functions the lab performs. Randy Reichle thanked the Board for the opportunity to present the NELAC Audit results. Mr. Reichle gave a presentation with a brief introduction of the lab facilities and personnel. Mr. Reichle explained detailed assignments for each lab section and its processes to generate the annual Certificate of Compliance Report. Mr. Reichle reported the lab was also going to be instrumental in monitoring a water distribution system burn out process scheduled later this year. Mr. Reichle explained that NELAC is an acronym for the National Environmental Laboratory Accreditation Committee and noted that audits have been performed every 2 years since 2009. Mr. Reichle explained the audit was thorough including a few negative correction actions that were addressed immediately. On a positive note, Mr. Reichle reported that lab staff were all NELAC certified and that the NELAC audit praised the lab's housekeeping and record keeping system. Discussion by the Board ensued.

**b) Discussion regarding Surplus Equipment.**

Tim Skoglund advised the Board that a couple of items in the Administration Building serve no useful purpose related to the Waterworks' business. One item was an old refurbished cotton bale scale and the other an old Coca Cola machine. Discussion by the Board ensued how these items became a part of the System and whether or not the Waterworks had made any monetary investment in them. It was suggested that Staff contact Heritage Museum to determine interest in receiving the scale as a donation provided the Museum take responsibility for moving it from the building. A suggestion was made to auction the Coca Cola machine on E-Bay.

**c) Report and Presentation on Pipe Bursting Project on New Hampshire.**

Tim Skoglund briefed the Board on the first pipe bursting project the Waterworks was implementing as a substitute for traditional open-cut construction methods. Jim Vallely, Wastewater Operations Director, gave a presentation showing actual live footage of the pipe busting project on New Hampshire Street. Discussion by the Board ensued.

**d) Discussion of FY17-18 Budget Workshop/Approval Calendar.**

Tim Skoglund asked the Board about preferences for scheduling of future budget workshops or special meetings to discuss the FY17-18 Budget. Discussion by the Board ensued concluding with a preference to discuss and consider a budget resolution at the next regular Board meeting.

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

Tim Skoglund briefed the Board regarding the delinquent accounts. There were 2 more additions and one subtraction to the inactive delinquent accounts. Discussion by the Board ensued.

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**AGENDA ITEM NO. 4: FINANCIALS**

**a) Monthly Financial report for month ending May 31, 2017.**

Tim Skoglund briefed the Board that the hot and dry weather had resulted in revenues favorable to budget. Gabriel Gonzalez, Assistant City Manager, informed the Board of a January 2018 change in electric energy prices negotiated between an energy provider and a coalition of municipalities including Harlingen. Mr. Gonzalez reported the energy unit price would be less than the current price, lowering the projected cost of energy bills. Discussion by the Board ensued.

**AGENDA ITEM NO. 5: RESOLUTIONS**

**a) Resolution No. R1617-36: Resolution to approve or reject Change Order #2 for Cornett Construction for Spur 54 Project.**

Tim Skoglund briefed the Board regarding Change Order #1 which was previously approved administratively. Mr. Skoglund explained Change Order #2 involved adjusting the location of a line without any extra length involved. Mr. Skoglund reported the sum of the previous and proposed change orders exceeded the \$50,000 threshold for administrative approval, thus needing Board approval. Jim Valley, Wastewater Services Director, gave a presentation including maps explaining the changes at the site. Mr. Valley reported there was additional concrete, blacktop, labor and traffic control to complete the project. Mr. Valley informed the Board there would be a Change Order #3, anticipated to be presented at the July Board Meeting. Mr. Valley explained Change Order #3 would include price deducts because of reductions in the final line item quantities in the original contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-36 – to approve or reject Change Order #2 for Cornett Construction for Spur 54 Project.

Motion: Michael Garza  
Second: Kevin Campbell

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

**b) Resolution No. R1617-37: Resolution to appoint as a Representative to the City of Harlingen Audit Committee.**

Tim Skoglund briefed the Board concerning the annual appointment of a HWWS Trustee as a representative to the City of Harlingen Audit Committee. Josh Fields, who had been serving for the last few years, graciously agreed to continue serving as the

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Waterworks' representative on the City of Harlingen Audit Committee during the 2017-2018 term.

A motion was made to approve Resolution No. R1617-37 – to appoint Josh Fields as a Representative to the City of Harlingen Audit Committee.

Motion: Curtis Bonner  
Second: Michael Garza

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

**c) Resolution No. R1617-38: Resolution to approve or reject price extension for twelve (12) month supply contract for 50% Hydrogen Peroxide.**

Tim Skoglund briefed the Board that the original contract allowed two (2) one-year extensions for a maximum three-year term. The proposed extension would be the last one possible under the current contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-38 – to approve or reject price extension for twelve (12) month supply contract for 50% Hydrogen Peroxide.

Motion: Curtis Bonner  
Second: Michael Garza

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

**d) Resolution No. R1617-39: Resolution to approve or reject price extension for twelve (12) month contract for comprehensive HVAC Maintenance.**

Tim Skoglund explained to the Board that the current HVAC service contract with Pro-Tech allowed two (2) one-year extensions for a maximum three-year term. The proposed extension would be the last one possible under the current contract and would also include service of four additional pieces of equipment not in the original scope at no extra cost. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1617-39 – to approve or reject 12 month contract for comprehensive HVAC Maintenance.

Motion: Curtis Bonner  
Second: Kevin Campbell

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

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- e) **Resolution No. R1617-40: Resolution to approve or reject bid/proposal for the purchase and installation of Variable Frequency Drive for pumps at M.F. Runnion.**

Tim Skoglund briefed the Board regarding bids received for VFDs and recommended rejecting the bids because of concerns over lack of competitiveness associated with a limited number of approved VFD manufacturers in the solicitation specifications. Mr. Skoglund indicated that Staff would revise the specifications to include a greater number of approved manufacturers and re-solicit the project using the Request for Competitive Sealed Bid process. Discussion by the Board ensued.

A motion was made to reject Resolution No. R1617-40 – to **REJECT** bid/proposal for the purchase and installation of Variable Frequency Drive for pumps at M.F. Runnion.

Motion: Curtis Bonner  
Second: Kevin Campbell

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

**AGENDA ITEM NO. 6: MANGER'S REPORTS**

Tim Skoglund 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.

**AGENDA ITEM NO.8: ADJOURN**

There being no further business to discuss, the meeting adjourned at 3:58 P.M.

Motion: Curtis Bonner  
Second: Michael Garza

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

Attest: \_\_\_\_\_

Nilda Sanchez, Board Secretary

