

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

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 25th day of October, 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: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Darrell Gunn, System Consultant
Jim Vallely, Wastewater Services Director
David Sanchez, Water Services Director
Kathern Davidson, Finance & Revenue Director
Joyce Lamon, Customer Service Director
Elizabeth Soto, Human Resource Director

City Staff Present: Dan Serna, City Manager
Carlos Sanchez, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Fields called the meeting to order at 3:03 P.M. and asked if the Agenda had been posted in accordance with the law; Nilda Sanchez responded affirmatively.

AGENDA ITEM NO. 2: APPROVAL OF MINUTES

a) Regular Board Meeting of September 27, 2017

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of September 27, 2017 was made.

Motion: Michael Garza
Second: Kevin Campbell

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

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AGENDA ITEM NO. 3: REPORTS AND PRESENTATIONS

a) Discussion on 24/7 operation in the Distribution Maintenance Department

Tim Skoglund reported on operational challenges that had developed in the distribution maintenance department. A change of operation from an 8-5 weekday schedule to a 24/7 schedule was implemented in October 2016 in response to concerns the Board had expressed regarding overtime costs incurred for emergency repairs outside the weekday schedule. Since the change was made, several problems developed involving retention and recruiting, supervision of after-hours crews, productivity, work quality, and night-time noise. Staff proposed reverting to the former 8-5 weekday schedule. Several improved management strategies were also discussed as part of the reversion to constrain overtime costs. Discussion by the Board ensued concluding with no objections being made the proposed reversion to an 8-5 regular schedule for the department.

b) Report on temporary change in water treatment

Tim Skoglund reported the month-long change in water treatment using chlorine as the sole disinfectant had gone well and would be ending November 1. There had not been an overwhelming number of calls or complaints. Discussion by the Board ensued, and a suggestion was made that customer notification of such periodic maintenance events in the future be omitted or limited to language inserted on the regular monthly bills.

c) Discussion on administrative approval threshold for purchases for in-house CIP projects

Tim Skoglund briefed the Board on the Waterworks' policies and price thresholds for competitive bidding related to in-house capital improvement projects. Waterworks normal policy defines \$25,000 as the threshold above which purchases must be competitively bid. Resolution No. R1011-25 adopted in 2011 increased the threshold to the State of Texas' statutory limit of \$50,000 for purchases for in-house CIP projects. Mr. Skoglund reported that purchases for upcoming in-house CIP projects were anticipated to fall within the \$25,000 to \$50,000 range. Discussion by the Board ensued concluding with a consensus for Staff to continue following the increased limit for in-house CIP purchases authorized under the 2011 resolution.

d) Report on Delinquent Accounts in excess of \$500 per account

Tim Skoglund reported the status of delinquent accounts stayed the same as last month's report. Discussion by the Board ensued with direction to Staff to develop thresholds for taking legal action to recover amounts owed the Waterworks.

AGENDA ITEM NO. 4: FINANCIALS

a) Monthly Financial report for month ending September 30, 2017

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Tim Skoglund advised the Board that this month's report reflected the close of fiscal year 2017. Kathern Davidson, Revenue & Finance Director, discussed the monthly reports noting that budget projections were exceeded because of favorable weather and the full elimination of water allotted under the base fee. Discussion by the Board ensued.

b) Presentation of quarterly investment report, ending September 30, 2017

Kathern Davidson discussed information in the quarterly investment report. Discussion by the Board ensued.

AGENDA ITEM NO. 5: RESOLUTIONS

a) R1718-01: Resolution amending the Harlingen Waterworks System Investment Policy

Kathern Davidson, Finance and Revenue Director, reported that the Public Funds Investment Act requires annual approval of the Waterworks' Investment Policy. Ms. Davidson explained the revised policy incorporates changes made by the State Legislature during the 2017 session. Waterworks has complied with the required language amendments as noted in the red-lined revisions of Investment Policy included in the agenda packet. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-01 – amending the Harlingen Waterworks System investment policy.

Motion: Michael Garza
Second: Kevin Campbell

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

b) R1718-02: Resolution to ratify the price of chemical on the contract for a twelve month supply of Polymer

Tim Skoglund reported that Resolution No. R1617-43 approved in July 2017 contained an error in the unit price for polymer, and that Board action was needed approve the corrected price. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-02 – to ratify the price of chemical on the contract for a twelve month supply of Polymer.

Motion: Kevin Campbell
Second: Michael Garza

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

c) R1718-03: Resolution to approve the award of a wheeled backhoe/loader

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Tim Skoglund reported that cooperative pricing had been solicited for the replacement of a wheeled backhoe/loader purchased in 1997. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-03 – to approve the award of a wheeled backhoe/loader.

Motion: Michael Garza
Second: Kevin Campbell

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

d) R1818-04: Resolution awarding contracts for machine shop services specializing in repair and manufacturing

Tim Skoglund informed the Board on the importance of having contracts for machine shop services in place. Staff recommended contracting with all three respondent bidders to give Staff options in the event that the low bidder's shop is unable to meet the schedule or performance requirements. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-04 – to award contracts for machine shop services specializing in repair and manufacturing.

Motion: Michael Garza
Second: Kevin Campbell

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

AGENDA ITEM NO. 6: MANGER'S REPORTS

Tim Skoglund discussed information in the Manager's Report. Discussion by the Board ensued.

AGENDA ITEM NO. 7: PUBLIC COMMENTS

No Public Comments

AGENDA ITEM NO. 8: EXECUTIVE SESSION

The Board convened in Executive Session pursuant to § 551.072, Texas Government Code, Deliberation Regarding Real Property, to discuss lease agreements for office space in the Harlingen Waterworks main office building.

A motion was made to enter into Executive Session.

MOTION: Garza SECOND: Campbell

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MOTION TO APPROVE: 3 YEAS 0 NAYS

Entered into Executive Session at: 4:02 PM

Exited Executive Session at: 4:33 PM

Action Taken: NO

Meeting was called back to order at 4:33 PM

AGENDA ITEM NO. 9: ADJOURN

There being no further business to discuss, Chairman Fields called for a motion to adjourn the meeting at 4:33 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