

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, December 20, 2017

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 20th day of December, 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
 Kevin Campbell, Trustee
 Michael Murphy, Trustee

Staff Present: Tim Skoglund, General Manager
 Gene McCullough, System Attorney
 Darrell Gunn, System Consultant
 Jon Hedegard, Wastewater Services Asst. Director
 David Sanchez, Water Services Director
 Juan Morales, Water Services Asst. Director
 Kathern Davidson, Finance & Revenue Director
 Joyce Lamon, Customer Service Director
 Elizabeth Soto, Human Resource Director
 Samantha Folsom, Purchasing Manager
 John McKenna, IT Director

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 November 29, 2017

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of November 29, 2017 was made.

Motion: Kevin Campbell
Second: Michael Murphy

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) Presentation on water loss auditing

Tim Skoglund reported water loss has been averaging approximately 15% including both real losses from physical leakage and apparent losses arising from underreporting meters and unauthorized connections. Reducing loss would cut cost of production and increase revenue. Mr. Skoglund stated that JBS is a recognized expert in the water loss industry who has assisted clients internationally and in the U.S. including several Rio Grande Valley cities. JBS presented its approach and the factors to be evaluated in a water loss audit. Discussion by the Board ensued.

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

Tim Skoglund reported the status of delinquent accounts; two new accounts had been added to the list of inactive, delinquent accounts. Gene McCullough, System Attorney, reported that his firm had created a template for filing suits in J.P. court for collection of amounts owed. Board discussion ensued. Mr. McCullough also stated that an evaluation was still in process to determine whether or not it would be more cost effective for Waterworks Staff to file the suits in-house. Staff would still want to have the System Attorney review suit documents before filing. A delinquent, inactive account with \$700 balance had been identified as a test case that would be pursued in an effort to determine the threshold amount for which suit filing would be cost effective.

AGENDA ITEM NO. 4: FINANCIALS

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

Kathern Davidson, Revenue & Finance Director, discussed the monthly reports for the month of October. Discussion by the Board ensued.

AGENDA ITEM NO. 5: RESOLUTIONS

a) R1718-13: Resolution approving the purchase of combination sewer truck

Mr. Skoglund reported that the Board had previously awarded a contract for purchase of a combination sewer truck to the equipment manufacturer's representative. Staff subsequently learned that the State of Texas requires purchase of a new motor vehicles be made from a licensed dealer, not an equipment manufacturer/representative who adds equipment to a motor vehicle chassis. Consequently a new resolution would be needed to rescind the prior award and award the purchase contract for the same truck instead to the licensed motor vehicle dealer. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-13 – approving the purchase of a combination sewer truck.

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Motion: Kevin Campbell
Second: Michael Murphy

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

b) R1718-14: Resolution approving purchase of a computer system for the Main Office Building.

John McKenna, IT Director, reported the Main Office central computer system was worn out and in need of replacement. A new computer system was proposed for purchase that would meet the Waterworks' growing computer needs. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-14 – to approve the purchase of a computer system for the Main Office Building.

Motion: Michael Murphy
Second: Kevin Campbell

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

c) R1718-15: Resolution authorizing the GM to execute water rights transaction documents associated with purchase of water rights.

Tim Skoglund recalled recent water rights purchases from the Harlingen Irrigation District and Adam's Garden's Irrigation District. Board authorization would be needed for the General Manager to execute TCEQ forms and documents related to the sale and applications for converting the associated agricultural water rights to municipal rights. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-15 – to authorize the GM to execute water rights transaction documents associated with purchase of water rights.

Motion: Michael Murphy
Second: Kevin Campbell

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

d) R1818-16: Resolution awarding a contract for Comprehensive Water Distribution & Meter Management Analysis.

Tim Skoglund recalled the previous discussion and presentation on water loss auditing under 3(a) and the need to contract an experienced consultant to conduct a comprehensive water loss analysis for the Waterworks. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-16 – to award a contract for Comprehensive Water Distribution & Meter Management Analysis.

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Motion: Kevin Campbell
Second: Michael Murphy

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: ADJOURN

There being no further business to discuss, Chairman Fields called for a motion to adjourn the meeting at 3:48 P.M.

Motion: Kevin Campbell
Second: Michael Murphy

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

Attest:



Nilda Sanchez, Board Secretary