

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday, March 28, 2018**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 28th day of March, 2018 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 Chairman  
   Michael Murphy, Trustee  
   Curtis Bonner, Trustee  
   Dan Serna, Ex-Officio

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  
   Kathern Davidson, Finance & Revenue Director  
   Joyce Lamon, Customer Service Director  
   Elizabeth Soto, Human Resource Director  
   John McKenna, IT Director  
   Frank Diaz, Lab Manager  
   Joe Sanchez, Pre-Treatment Coordinator

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 had been posted in accordance with the law; Nilda Sanchez responded affirmatively.

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

**a) Regular Board Meeting of December 20, 2017**

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of December 20, 2017 was made.

Motion: Michael Murphy  
Second: Josh Fields

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

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**b) Regular Board Meeting of February 26, 2018**

Michael Murphy, Trustee, pointed out a correction to page 8, Item 5, section C, Resolution No. R1718-19, to correct the motion name from Michael Murphy to Michael Garza. Michael Garza motioned to approve the minutes of February 26, 2018 with the said correction.

Motion: Michael Garza  
Second: Michael Murphy

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

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

**a) Presentation by Carr, Riggs & Ingram of FY 2016-2017 Annual Financial Audit and Financial Report**

Quentin Anderson, representative of Carr, Riggs & Ingram presented the results of the financial audit for the fiscal year ended September 30, 2017. Mr. Anderson advised the Board the annual financial statements present fairly, in all material respects, the financial position of the Waterworks. Quentin called the Board's attention to several items and sections of the Independent Auditors' Report, the Financial Statements, Notes to the Financial Statements, Management's Discussion and Analysis, and the Statement of Changes in Net Position. Mr. Anderson spent a brief period of time answering questions from Board members.

**\*\*\*BOARD MEMBER CURTIS BONNER ENTERED AT 3:08 P.M.**

**b) Report on Organization changes and pre-treatment operations**

Tim Skoglund reported on organizational changes and presented a chart reflecting the move of sub-departments of the Environmental Compliance Department under other primary departments of the Waterworks. Mr. Skoglund reported that the Pre-Treatment sub-department had been moved under the Wastewater Services Department, a common reporting structure used by other municipal utilities, and the remaining sub-departments, including the laboratory, had been moved under the Water Services Department. Mr. Skoglund introduced the new lab manager and explained that an Environmental Compliance Coordinator position had been created through re-classification of an existing lab supervisory position.

Mr. Skoglund notified the Board that an advertisement for a System Engineer had been posted with the intent that management of capital improvement projects be moved out of operations departments and into the Engineering Department under the System Engineer.

Mr. Skoglund advised the Board that the Pre-Treatment department would be stepping up inspection efforts to ensure compliance of restaurants with the City's grease trap and grease waste ordinance. Discussion by the Board ensued.

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**c) Discussion of consulting contract for Darrell Gunn**

Mr. Skoglund explained the current consulting contract for Darrell Gunn would be expiring at the end of the month. Mr. Skoglund informed the Board Mr. Gunn's knowledge and resources was very helpful in his transition as General Manager. Discussion by the Board ensued and a recommendation was made to consider renewal of Mr. Gunn's contract through formal resolution at the April 2018 Board Meeting.

**d) Report on delinquent accounts in excess of \$500 per account**

Tim Skoglund reported the status of delinquent accounts. A recent payment and removal of an inactive accounts was noted. Discussion by the Board ensued and a suggestion made that the deposit for travelling meters be increased.

**e) Discussion on rescheduling April's Board Meeting**

Tim Skoglund reported on an opportunity to attend a conference in San Antonio the week of April 23, 2018 and asked if the regularly scheduled Board Meeting of April 25, 2018 could be moved to the following week. Discussion by the Board ensued and agreement reached to reschedule April's Regular Board Meeting to April 30, 2018 at 3:00 p.m.

**AGENDA ITEM NO. 4: FINANCIALS**

**a) Monthly Financial report for month ending February 28, 2018**

Kathern Davidson, Revenue & Finance Director, asked if there were any questions regarding the monthly financial reports for the month of October. Given that the Waterworks' annual financial statements had been discussed in detail as part of the presentation on the Annual Financial Audit, no further discussion was held.

**AGENDA ITEM NO. 5: RESOLUTIONS**

**a) R1718-20: Awarding construction contract for 20-inch Transmission Main from Roosevelt Road to Loop 499**

Mr. Skoglund reported that eight bids had been received on February 15, 2018 for a 20-inch pipeline project that would correct circulation deficiencies on the north side of the City, but all were over budget because of material price increases and additional requirements that became effective after the cost estimate had been prepared. Based on the number and quality of some of the bidders, Staff believed the bid prices reflect the true price of the project. Mr. Skoglund noted the low bidder planned to subcontract all work to a subcontractor whose personnel had performed acceptably on prior projects with the Waterworks. Based on the reported strength of the low bidder's financial position, capability of the proposed general subcontractor and its specialty subcontractors, Staff concluded the low bid proposal offered the best option for completion of the project. Mr. Skoglund stated that Staff recommended award to the low bidder contingent on several additional, more-stringent stipulations including restrictions on materials on hand, requirements for working in specific easements, and the Waterworks' approval of any replacement subcontractors. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R1718-20 – awarding construction contract for 20-inch Transmission Main from Roosevelt Road to Loop 499.

Motion: Curtis Bonner  
Second: Michael Murphy

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

**b) R1718-21: Approving a one-year extension of banking services contract with BBVA Compass Bank.**

Kathern Davidson, Finance & Revenue Director, reported that the existing contract allowed one more annual extension to the original four-year contract with BBVA Compass Bank. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-21 – approving a one-year extension of banking services contract with BBVA Compass Bank.

Motion: Curtis Bonner  
Second: Michael Garza

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

**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. 9: ADJOURN**

There being no further business to discuss, Chairman Fields called for a motion to adjourn the meeting at 4:19 P.M.

Motion: Michael Garza  
Second: Curtis Bonner

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

Attest:

  
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Nilda Sanchez, Board Secretary