

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday, June 27, 2018**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 27th day of June, 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.

City Commission Present:        Ruben De La Rosa, District 4

Board Members Present:        Josh Fields, 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  
                                         Jim Valley, Wastewater Services Director  
                                         David Sanchez, Water Services Director  
                                         Kathern Davidson, Finance & Revenue Director  
                                         Joyce Lamon, Customer Service Director  
                                         Elizabeth Soto, Human Resource Director  
                                         Sanjuana Garcia, Purchasing Manager

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 May 30, 2018**

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of May 30, 2018 was made.

Motion:    Curtis Bonner  
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 JBS on Water Distribution & Meter Management Audit**

Tim Skoglund informed the Board JBS Associates had completed the water distribution

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and meter management audit and that the proposed FY 2019 budget would include costs to implement recommendations in the audit. Mr. Jim Smith of JBS gave a detailed presentation of the audit report's findings. Mr. Smith reported the project went well and thanked HWWS staff for their support during the audit. Discussion by the Board ensued.

**b) Presentation on proposed Water Distribution CIP and Facilities Projects**

David Sanchez, Water Services Director, gave a presentation on proposed Water Capital Improvement Projects for Fiscal Years 2018-2023 including proposed projects to be budgeted for FY 2019. Discussion by the Board ensued.

**c) Discussion of combined CIP forecast**

Tim Skoglund presented a summary of CIP costs anticipated over the next five years for water, wastewater, the main office building, and meter replacement and installation upgrades. Mr. Skoglund described repairs and upgrades needed for the main office building including repair of leaking windows, reconstruction of the south parking lot, reconfiguration of the lobby in customer service to improve safety for customer service staff, and reconfiguring office space to consolidate all customer service and payment functions in a one-stop location at the main office. Discussion by the Board ensued.

**d) Discussion on contribution levels for employee retirement benefits**

Tim Skoglund requested the Board's disposition on inclusion of an increase in retirement contributions within the upcoming FY 2019 budget proposal. Mr. Skoglund noted that HWWS contributes the least toward employee retirement of all RGV municipalities over 10,000 in population and explained the current retirement plan under TMRS. For 2019, the TMRS contribution would be 1.87% vs. the City of Harlingen's contribution rate of 8.17%. Mr. Skoglund suggested adding a supplemental defined contribution of 5% to bring the contribution rate closer to true 1:1 matching and to increase HWWS's competitiveness in the RGV recruiting marketplace. The ability to change the contribution level of the defined contribution supplement would serve as a safety valve to allow contribution levels to be capped with negligible risk of increasing unfunded liability. Most current directors are eligible for retirement, and it is anticipated most of their replacements will be external candidates from other RGV cities offering higher retirement contributions. Continued discussion by the Board ensued, and Josh Fields, Board Chairman, stated the matter would need to be considered by all the Trustees.

**e) Discussion on required ordinance for irrigation system installation standards**

Tim Skoglund informed the Board that State law requires municipalities of population over 20,000 to adopt an ordinance for irrigation system installation. Adopting an ordinance would bring HWWS into compliance and give Staff enforcement authority to issue fines for non-compliance. With the Board's agreement, staff would work with City staff to develop the ordinance into a format suitable for the City's Code of Ordinances, then bring the finalized draft back to the Board for approval and referral to the City Commission for adoption. Discussion by the Board ensued.

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

Tim Skoglund reported this was a routine report. Discussion by the Board ensued.

**AGENDA ITEM NO. 4: FINANCIALS**

**a) Monthly Financial report for month ending May 31, 2018**

Kathern Davidson briefed the Board this was a routine report. Discussion by the Board ensued.

**AGENDA ITEM NO. 5: RESOLUTIONS**

**a) R1718-27: Approving a one-year contract extension for supply of bagged cement**

Tim Skoglund explained this was the second and final extension of the contract for bagged cement.

A motion was made to approve Resolution No. R1718-27 – approving a one-year contract extension for supply of bagged cement.

Motion: Michael Murphy  
Second: Curtis Bonner

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

**b) R1718-28: Authorizing participation in the “North Texas Share” Interlocal purchasing program.**

Tim Skoglund explained this purchasing program was to provide actuarial services for the retiree health care plan. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-28 – authorizing participation in the “North Texas Share” Interlocal purchasing program.

Motion: Curtis Bonner  
Second: Michael Murphy

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

**c) R1718-29: Approving a Utility Cost Sharing Agreement with Snavely Ventures for off-site sewer improvements for the development of Antigua Estates Subdivision.**

Tim Skoglund reported a contract was need for HWWS to participate in the cost of oversizing the off-site sewer line proposed for the proposed Antigua Estates Subdivision. Oversizing and deepening the line would meet HWWS’s master planning objectives and offer an efficient way to accomplish desirable system extension. The fraction of HWWS’s participation would fall well under the 30% statutory limit on the basis of the projects’ total cost of public improvements. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R1718-29 – approving a Utility Cost Sharing Agreement with Snavely Ventures for off-site sewer improvements for the development of Antigua Estates Subdivision.

Motion: Michael Murphy  
Second: Curtis Bonner

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

**d) R1718-30: Approving one-year contract extensions for machine shop services.**

Tim Skoglund recommended a one-year contract extension with all three vendors. Contracting with multiple vendors provides alternatives in the event the lowest price vendor is unable to perform needed services. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-30 – approving one-year contract extensions for machine shop services.

Motion: Curtis Bonner  
Second: Michael Murphy

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

**e) R1718-31: Awarding a five-year lease agreement for multi-function copiers.**

Tim Skoglund reported that the current contract for multi-function copier machines had expired, and he described the process undertaken for evaluating five vendor proposals offering pricing through the BuyBoard and DIR purchasing cooperatives. On the basis of customer service, features, and competitive pricing, Toshiba had been determined to offer best value for the Waterworks. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-31 – awarding a five-year lease agreement for multi-function copiers.

Motion: Michael Murphy  
Second: Curtis Bonner

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

**f) R1718-32: Approving draft revisions to the sewer pretreatment ordinance related to determination of flow and referring such revisions to the Harlingen City Commission for adoption.**

Tim Skoglund reported this resolution could be considered after Executive Session. The meeting continued without further discussion on this item.

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**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**

- a) Consultation with System Attorney regarding sewer volume credit policy and ordinance, pursuant to Tex. Gov't Code §551.071.
  
- b) Consultation with System Attorney regarding policy exempting one-lot residential subdivisions from off-site sewer extension and connection requirements, pursuant to Tex. Gov't Code §551.071

A motion was made to enter into Executive Session.

Motion: Fields Second: Bonner

Motion to Approve: 3 Yeas 0 Nays

Entered into Executive Session at: 5:53 P.M.

Exited Executive Session at: 6:11 P.M.

Meeting was called back to order at 6:11 P.M.

Action Taken: NONE

**AGENDA ITEM NO. 8: ADJOURN**

There being no further business to discuss, Chairman Fields called for a motion to adjourn the meeting at 6:12 P.M.

Motion: Michael Murphy  
Second: Curtis Bonner

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

Attest:   
Nilda Sanchez, Board Secretary