

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday, August 29, 2018**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 29th day of August, 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: Michael Garza, Vice Chairman  
Michael Murphy, Trustee  
Curtis Bonner, Trustee  
Kevin Campbell, 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**

Vice Chairman, Michael Garza, 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:**

Tim Skoglund recognized Curtis Bonner's re-appointment to the HWWS Board of Trustees. Mike Garza, Vice Chair, along with other Trustees, welcomed and congratulated Mr. Bonner for his second consecutive term as Trustee for the Waterworks.

**AGENDA ITEM NO. 3: APPROVAL OF MINUTES**

**a) Regular Board Meeting of July 25, 2018**

Tim Skoglund requested some minor grammatical corrections to the minutes.

With no other corrections requested, a motion to approve the amended Board Minutes for the Regular Board Meeting of July 25, 2018 was made.

Motion: Curtis Bonner  
Second: Kevin Campbell

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

**b) Special Board Meeting of August 8, 2018**

Tim Skoglund noted a correction to be made on Item 3b, Resolutions.

With no further corrections requested, a motion to approve the amended Board Minutes for the Special Board Meeting of August 8, 2018 was made.

Motion: Curtis Bonner  
Second: Michael Garza

Motion to approve was carried by a vote of the Board (2-0).

\*Campbell and Murphy were not present at the Special Board Meeting, August 8, 2018, therefore; unable to vote.

**AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS**

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

Gene McCullough, System Attorney, made reference of four more accounts that were being processed for collections. Discussion by the Board ensued.

**AGENDA ITEM NO. 5: FINANCIALS**

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

Tim Skoglund highlighted information presented in the monthly financial reports. Board discussion ensued.

**AGENDA ITEM NO. 6: RESOLUTIONS**

Tim Skoglund explained the memorandum prefacing the first four resolutions involving contract extensions for supply of chemicals. Most often, extensions that are allowed under the terms of typical supply contracts are offered by vendors at same price; however, the first four resolutions involved extensions at a price increase. Staff had undertaken a survey of other area utilities to compare recent bid prices against the proposed renewal pricing, and included a chart of the survey results in the Board packet. Mr. Skoglund discussed various conditions associated with each of the proposed extensions. Board discussion ensued.

**a) R1718-41: Approving a contract extension for supply of chlorine**

Mr. Skoglund informed the Board he recently discussed with members of the South Texas Water Utilities Managers Association the concept of bidding chlorine cooperatively to entice an additional bidder to the area. In recent years, only one vendor has been supplying chlorine in the Rio Grande Valley, and another known prospective supplier would need the enticement of a larger volume of sales to consider competing for chlorine supply contracts.

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Mr. Skoglund noted the difficulty associated with evaluating surveys of local bid pricing. With the exception of sole-source supply, he stated Staff's intent going forward to re-bid whenever a price increase is proposed for a contract extension.

Because the current vendor for chlorine is the only supplier operating in the area, Mr. Skoglund recommended accepting the proposed price increase as there would be no reason to expect better pricing through a re-bid. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-41 – approving a contract extension for supply of chlorine.

Motion: Kevin Campbell  
Second: Michael Murphy

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

**b) R1718-42: Approving a contract extension for supply of liquid aluminum sulfate**

Tim Skoglund explained this contract extension was the coagulant for water treatment. The price extension reflected a slight increase.

A motion was made to approve Resolution No. R1718-42 – a contract extension for supply of liquid aluminum sulfate.

Motion: Michael Murphy  
Second: Kevin Campbell

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

**c) R1718-43: Approving a contract extension for supply of liquid ammonium sulfate**

Tim Skoglund reported this contract extension reflected an increase at a price slightly higher than some of the reference bids received by area municipalities. With the cost of bidding and staff time to process factored in, it was suggested the most cost-effective strategy was to accept the proposed price increase and re-bid next year. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-43 – approving a contract extension for supply of liquid ammonium sulfate

Motion: Kevin Campbell  
Second: Michael Murphy

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

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**d) R1718-44: Approving a contract extension for supply of polymer for the ACTIFLO process**

Tim Skoglund informed the Board that the Waterworks is the only local utility using the ACTIFLO water treatment process. The process requires specific types of polymer that other local utilities do not use. The current vendor is a sole source supplier. The proposed contract extension reflected a price increase.

A motion was made to approve Resolution No. R1718-44 – approving a contract extension for supply of polymer for the ACTIFLO process

Motion: Curtis Bonner  
Second: Kevin Campbell

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

**e) R1718-45: Approving a contract extension for supply of sulfur dioxide**

Tim Skoglund reported this current contract extension was honoring their original contract price. Mr. Skoglund informed the Board that many chemicals were scheduled for extension approvals between the months of June through September. He asked if the Board would prefer that Staff administratively approve same-price contract extensions instead of bringing them to the Board for approval. Curtis Bonner, Trustee, stated he would like to see them brought to the Board for approval.

A motion was made to approve Resolution No. R1718-45 – approving a contract extension for supply of sulfur dioxide

Motion: Michael Murphy  
Second: Kevin Campbell

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

**f) R1718-46: Awarding a contract for supply of 50% hydrogen peroxide**

Tim Skoglund reported there were two bidders for this contract and noted bid prices came in at a considerable decrease compared to the current contract. As typical for most of the Waterworks' supply contracts, the proposed contract allows two (2) additional one-year extension options.

A motion was made to approve Resolution No. R1718-46 – awarding a contract for supply of 50% hydrogen peroxide

Motion: Curtis Bonner  
Second: Michael Murphy

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

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**g) R1718-47: Awarding a contract for supply of 50% liquid sodium hydroxide**

Tim Skoglund reported bid prices received were much higher than the current contract price. He informed the Board that a recent change in EPA regulations limiting the amount of mercury allowed in sodium hydroxide had eliminated most foreign suppliers. Because US suppliers have limited production capacity, reduced supply was believed to be the cause for the sharp price increase.

A motion was made to approve Resolution No. R1718-47 – Awarding a contract for supply of 50% liquid sodium hydroxide. This contract allows two (2) additional one-year extension options.

Motion: Curtis Bonner  
Second: Kevin Campbell

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

**AGENDA ITEM NO. 7: MANGER'S REPORTS**

Tim Skoglund highlighted information in the Manager's Reports. The Board asked questions and discussed the information as it was presented.

**AGENDA ITEM NO. 8: PUBLIC COMMENTS**

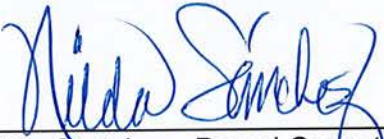
Yolanda Shoffeit apologized to Curtis Bonner about an incorrect statement she made regarding his re-appointment to the Board at the prior month's Board Meeting. She also stated her belief that the Waterworks' retirement plan should stay as is.

**AGENDA ITEM NO. 9: ADJOURN**

There being no further business to discuss, Vice Chairman Garza called for a motion to adjourn the meeting at 3:44 P.M.

Motion: Kevin Campbell  
Second: Michael Murphy

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

Attest:   
Nilda Sanchez, Board Secretary