

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 26, 2018

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 26th day of September, 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 Commissioner's Present:	Richard Uribe, District 1 Victor Leal, District 5
Board Members Present:	Josh Fields, Chairman 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 Vallely, Wastewater Services 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
City Staff Present:	Carlos Sanchez, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman, Josh Fields, called the meeting to order at 3:02 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 August 29, 2018

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of August 29, 2018 was made.

Motion: Michael Garza
Second: Kevin Campbell

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

***Josh Fields did not attend last month's Board meeting, therefore; unable to vote.

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AGENDA ITEM NO. 3: REPORTS AND PRESENTATIONS

a) Presentation on internal audit of work order and inventory management including staff responses.

Tim Skoglund noted the final audit report had been completed, including staff's responses to audit report recommendations. Danny Coyle, Internal City Auditor, gave an overview of the audit report. Mr. Coyle explained there were six questions used to guide the audit work and stated how diverse audit methodologies were employed. Overall, twelve audit recommendations were made of which Staff agreed completely with eight. The remaining four recommendations were considered partial agreements because anticipated implementation of new tools for work order inventory management would satisfy the purpose of the recommendations in a different way. Mr. Coyle concluded by explaining all audits recommend a follow up audit review one year from completion date. The next audit would be scheduled for December 2019. Mr. Skoglund stated that some of the recommendations had been or were in the process of being implemented. Discussion by the Board ensued.

b) Discussion on annual conversion to free chlorine for distribution system maintenance.

Tim Skoglund explained temporary conversion to free chlorine was implemented last year and was considered successful with few customer complaints. The same process will be implemented again this year from October 18 to November 17 and will likely be practiced as a yearly maintenance management program to help maintain the efficiency of the normal disinfection used within the water distribution system. All critical care facilities and wholesale customers had been notified of the conversion. Customers would be notified via HWWS website. Curtis Bonner, trustee, recommended an advertisement in the local newspaper be included to notify customers. Staff anticipated a successful conversion similar to last years' experience and would be prepared to handle any customer complaints that may arise.

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

Tim Skoglund briefly reported on delinquent accounts. Discussion by the Board ensued.

AGENDA ITEM NO. 4: FINANCIALS

a) Monthly Financial report for month ending August 31, 2018

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

AGENDA ITEM NO. 5: RESOLUTIONS

- a) R1718-48: Electing to discontinue participation in the Texas Municipal Retirement system as to persons employed or re-employed on or after October 1, 2018, authorized by Section 852.006 of Subtitle G, Title 8, Texas Government Code, as amended; and electing to participate in the City of Harlingen 401(a) Retirement Plan and Trust as to persons employed or re-**

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employed on or after October 1, 2018; prescribing the effective date of this resolution; appointing the General Manager as a trustee for the City of Harlingen 401(a) Retirement Plan and Trust on behalf of the Waterworks; and authorizing the General Manager to execute such documents as may be required to effectuate the same.

Mr. Skoglund informed the Board of receipt of a letter from the City Manager dated August 8, 2018 regarding the Waterworks' noncompliance with ordinance 07-55, adopted August 1, 2007, directing that all City departments discontinue participation in the Texas Municipal Retirement System (TMRS) for new employees; the letter also directed the Waterworks to begin participation in the City's 401(a) retirement plan for new employees effective October 1, 2018. The City Charter refers to the Waterworks as a department of the city and requires Waterworks to comply with the City's personnel policies. Mr. Skoglund reported that HWWS staff has been unsuccessful at finding any records explaining why the Waterworks remained in TMRS from the time the ordinance was adopted until the present. To comply with the ordinance, HWWS would need to discontinue participation in TMRS and begin participation in the City's 401(a) plan for hires who are newly employed or re-employed on or after October 1, 2018. Current HWWS employees would continue in TMRS at the current 1:1 employer matching rate. Discussion by the Board ensued, and a consensus was reached to comply with Ordinance 07-55, and to begin participation in the City's 401(a) retirement plan for new hires effective October 1, 2018.

A motion was made to approve Resolution No. R1718-48 – Electing to discontinue participation in the Texas Municipal Retirement system as to persons employed or re-employed on or after October 1, 2018, authorized by Section 852.006 of Subtitle G, Title 8, Texas Government Code, as amended; and electing to participate in the City of Harlingen 401(a) Retirement Plan and Trust as to persons employed or re-employed on or after October 1, 2018; prescribing the effective date of this resolution; appointing the General Manager as a trustee for the City of Harlingen 401(a) Retirement Plan and Trust on behalf of the Waterworks; and authorizing the General Manager to execute such documents as may be required to effectuate the same.

Motion: Curtis Bonner
Second: Michael Murphy

Motion to approve was carried by a vote of the Board (5-0).

b) R1718-49: Awarding a contract for manhole rehabilitation

Tim Skoglund reported on the need to rehabilitate manholes within the sewer collection system. A contract was awarded in April 2018 for rehabilitation of deteriorating manholes characterized as being in critical condition. Mr. Skoglund reported Staff has been pleased with the outcome of the rehabilitation work and proposed rehabilitation of an additional 110 manholes. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R1718-49 – awarding a contract for manhole rehabilitation.

Motion: Kevin Campbell
Second: Curtis Bonner

Motion to approve was carried by a vote of the Board (5-0).

c) R1718-50: Approving the disposition of obsolete inventory

Tim Skoglund explained there were non-compliant materials in the Waterworks possession that are in unusable condition. These items were proposed to be removed from the inventory records and disposed of accordingly as allowed by state statutes. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1718-50 – approving the disposition of obsolete inventory.

Motion: Michael Murphy
Second: Curtis Bonner

Motion to approve was carried by a vote of the Board (5-0).

d) R1718-51: Awarding a contract for supply of water treatment coagulant

Tim Skoglund informed the Board a two-stage solicitation had been made for water treatment coagulant. The first stage solicited vendors to provide sample coagulant blends for a full-scale trial at the MFR water treatment plant. The second stage solicited bids for pre-approved coagulant blends that performed successfully in full-scale trials. Four vendors expressed interest but only one qualified vendor met the requirements. Mr. Skoglund reported this was a sole source supplier. Additional effort would be made on future bids to encourage other vendors to submit a coagulant blend that best suits the water conditions in this area. Discussion by the Board ensued regarding concerns over supply from a sole source vendor in an emergency. David Sanchez, Water Services Director reported plants are kept well stocked, especially during hurricane season, to avoid supply shortfalls.

A motion was made to approve Resolution No. R1718-51 – awarding a contract for supply of water treatment coagulant.

Motion: Kevin Campbell
Second: Michael Murphy

Motion to approve was carried by a vote of the Board (5-0).

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AGENDA ITEM NO. 6: 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. 7: PUBLIC COMMENTS

No public comments at this time.

AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, Chairman Fields called for a motion to adjourn the meeting at 4:11 P.M.

Motion: Curtis Bonner
Second: Kevin Campbell

Motion to approve was carried by a vote of the Board (5-0).

Attest:



Nilda Sanchez, Board Secretary