

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, March 31, 2021

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 31st day of March 2021 at 3:00 P.M. by videoconference.

Board Members Present: Kevin Campbell, Chairman
Michael Murphy, Vice Chairman
Chris Bartnesky, Trustee
Enrique Del Angel, Trustee
Curtis Bonner, Trustee

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Darrell Gunn, System Consultant
Joyce Lamon, Director of Customer Service
David Sanchez, Director of Water Services
Jon Hedegard, Director of Wastewater Services
Elizabeth Soto, Director of Human Resources
Jose L Rodriguez, IT Cyber Security Analyst
Ron De La Garza, Director of Finance & Revenue
Gabriel Trevino, Jr., Assistant Utility Engineer
Emiliano Rosel, Assistant Utility Engineer

City of Staff: Carlos A. Sanchez, Assistant City Manger

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Kevin Campbell, Chairman, 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: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None

AGENDA ITEM NO. 3: APPROVAL OF MINUTES

a) Regular Board Meeting of February 24, 2021

Curtis Bonner, Trustee, noted duplication of the words "in customer." Tim Skoglund acknowledged the error and noted the correction would be made. A motion to approve the Board Minutes for the Regular Board Meeting of February 24, 2021 was made.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, March 31, 2021

A motion to approve the Board Minutes for the Regular Board Meeting of February 24, 2021

Motion: Curtis Bonner
Second: Chris Bartnesky

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

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

a) Presentation by Carr, Riggs & Ingram on FY 2020-2021 Annual Audit and Financial Report

Quentin Anderson of Carr, Riggs & Ingram presented the results of the financial audit for the fiscal year ended September 30, 2020. Mr. Anderson advised the Board the annual financial statements presented fairly, in all material respects, the financial position of the Waterworks. He called the Board's attention to several items and sections of the Independent Auditor's Report, the Financial Statements, Notes to the Financial Statements, Manager's Discussion and Analysis, and the Statement of Changes in Net Position. Discussion by the Board ensued.

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

Joyce Lamon, Director of Customer Service, gave an overview of the delinquent accounts that were pending. Discussion by the Board ensued.

c) Presentation and discussion on proposed customer service policy modifications: Water Service; Sewer Service

Joyce Lamon, Director of Customer Service, presented several proposed modifications to the Water Service and Sewer Service sections of the Customer Service Policy Manual. She noted that proposed revisions were being presented at several Board meetings in advance of a formal resolution for adoption of all revisions later in the year. Discussion by the Board ensued.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly Financial report for month ending February 28, 2021

Ron De La Garza, Finance & Revenue Director, gave an overview of the financial reports for January 2021. Discussion by the Board ensued.

AGENDA ITEM NO. 6: RESOLUTIONS

a) R2021-14 Awarding contracts for purchase of a tractor truck and 5,000-gallon tanker trailer

Tim Skoglund reported the Wastewater Department had need to replace a failing tanker truck used for various wastewater hauling operations. To reduce delivery of a replacement unit by five months, he conveyed staff's recommendation to award contracts to separate vendors for the truck and for the tanker trailer. The urgency for replacement of the existing tanker truck justified the higher price relative to proposals from the longer-lead time vendors who were able to offer the truck and tanker trailer under a single

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, March 31, 2021

proposal. He noted the combined price of the recommended options was within budget. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-14 – awarding contracts for purchase of a tractor truck and 5,000-gallon tanker trailer.

Motion: Curtis Bonner
Second: Michael Murphy

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

b) R2021-15: Approving a contract extension for banking services

Ron De La Garza, Finance & Revenue Director, reported the existing contract allowed three annual extensions to the original five-year contract with BBVA Compass Bank. The proposed extension was to be the first extension under the contract. A decision to extend the contract through March 31, 2022. Mr. De La Garza stated that because of BBVA's recent acquisition by PNC Bank, other banking options could be considered in lieu of a second extension in 2022.

A motion was made to approve Resolution No. R2021-15 – approving a contract extension for banking services.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

c) R2021-16: Approving a proposed Pretreatment Fees and Surcharges Ordinance to complement the City of Harlingen Pretreatment Ordinance and recommending the same to the Harlingen City Commission for adoption

Tim Skoglund reported that a replacement of the City's pretreatment ordinance had been approved at the previous month's Board Meeting. That ordinance strictly followed Environmental Protection Agency's streamlining model ordinance. Mr. Skoglund noted that regulators at the Texas Commission on Environmental Quality had directed that provisions of the City's existing ordinance that were not germane to EPA's streamlining rules should be omitted. The regulators recommended that omitted provisions of the existing ordinance necessary for the enforcement of other aspects of the Waterworks pretreatment program could be re-established through adoption of a separate ordinance.

Mr. Skoglund presented a proposed General Treatment Ordinance, outlining four ordinance categories necessary for the operation and enforcement of the Waterworks' wastewater pretreatment program: cost recovery from users, cleaning requirements for grease interceptors, permit requirements for liquid water transporters, and enforcement of the ordinance through fines and penalties. He presented the General Pretreatment Ordinance in detail.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, March 31, 2021

Mr. Skoglund asked that the proposed resolution be approved with the understanding that any non-substantive changes required to conform the document to City ordinance standards would be made subsequent to the Board's approval.

To avoid a lapse in the enforceability of the Waterworks' pretreatment program as authorized under the current ordinance, both the approved Industrial Pretreatment Ordinance and the proposed General Pretreatment Ordinance would be submitted for concurrent consideration by the City Commission for adoption.

A motion was made to approve Resolution No. R2021-16 – approving a proposed pretreatment fees and surcharges ordinance to complement the City of Harlingen pretreatment ordinance and recommending the same to the Harlingen City Commission for adoption.

Motion: Michael Murphy
Second: Curtis Bonner

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

AGENDA ITEM NO. 7: MANAGER'S REPORTS

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

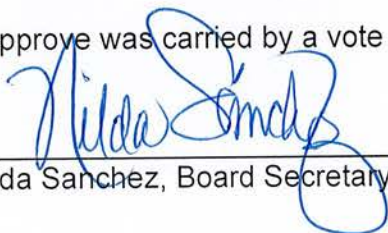
AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, Chairman, Campbell, called for a motion to adjourn the meeting at 4:31 P.M.

Motion: Chris Bartnesky
Second: Michael Murphy

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

Attest:



Nilda Sanchez, Board Secretary