

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 27th day of July 2022 at 5:00 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.

Commissioners Present: Ford Kinsley, District 1

Board Members Present: Michael Murphy, Chairman
Chris Bartnesky, Vice Chair
JV Garcia, Trustee
Michael Garza, Trustee

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Darrell Gunn, System Consultant (via videoconference)
Robert Canterbury, System Consultant (via videoconference)
David Sanchez, Director of Water Services
Jon Hedegard, Director of Wastewater Services
Jose L Rodriguez, Director of Information Technology
Joyce Lamon, Customer Service Director
Elizabeth Soto, Director of Human Resources
Ron De La Garza, Director of Finance & Revenue
Michael Chamberlain, Purchasing Manager
Gabriel Trevino, Assistant Utility Engineer
Joseph Lunn, Assistant Utility Engineer

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Michael Murphy, Chairman, called the meeting to order at 5:03 P.M. and asked if the agenda had been posted in accordance with the law; Nilda Sanchez responded affirmatively.

AGENDA ITEM NO. 2: CONFLICT OF INTEREST

Michael Murphy, Chairman, reported that the City Commission approved resolution R2022-36 on July 6, 2022, requesting a conflict-of-interest statement, to be publicly read at the commencement of every Board Meeting, going forward.

Mr. Murphy read the conflict-of-interest disclosure and asked the Board if anyone had any known conflict-of-interest to disclose. None of the trustees reported a conflict-of-interest for this meeting.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

Responses from the Board (4-0)

AGENDA ITEM NO. 3: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None

AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of July 05, 2022

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting July 05, 2022, was made.

Motion: Chris Bartnesky
Second: Michael Garza

Motion to approve was carried by a vote of the Board (3-0). (JV Garcia, Trustee, abstained his vote since he was not present at last month's meeting).

AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS

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

Joyce Lamon reported there were two new entries to the list. Michael Garza, Trustee, asked about the time frame these accounts would continue to register on the delinquent list. Ms. Lamon responded that 24 months was the limit to keep an inactive account on the list. Discussion by the Board ensued.

b) Discussion on changing the weekday of regularly scheduled board meetings

Tim Skoglund informed the Board that Trustee JV Garcia was serving on two separate Boards and that concurrent scheduled meetings on the fourth Wednesday of the month prevented him from serving on both Boards when those conflicts occur. Commissioner Rene Perez contacted Mr. Skoglund and asked to consider rescheduling the regular Board schedule to a different day.

Trustee Garcia explained the conflict with both Boards meeting on the same evening was difficult for him. The overlapping meeting times began December 2021, when the City Commission required that all City board meeting times begin after 5:00 P.M. Discussion by the Board ensued and many ideas on how to move meeting dates for Waterworks and Planning and Zoning were discussed.

Moving the meeting to the first or second weeks of the month would be difficult for Waterworks' staff to collect, compile, and present all the data in the monthly reports. Those monthly reports reflect the previous month's data and delaying those reports to a board meeting two months removed from the month being reported on would make the reports less current. Continued discussion ensued on how to accommodate other days

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

of the month to reschedule the Board Meeting. Mr. Skoglund concluded by suggesting Michael Murphy, Board Chairman and himself meet with the City Manager to discuss options and come to a solution.

c) Discussion on proposed pay adjustments for CDL drivers and affected staff.

Tim Skoglund reported the City Commission approved a resolution to increase the rate of pay for certified CDL drivers. Class B drivers had been updated to \$18 an hour while Class A drivers had been updated to \$19 an hour. A one percent increase on those pay rates would be added for each year of service with the City. The Waterworks count of certified CDL drivers was 18 in the Wastewater Division and 9 certified CDL drivers in the Water Division.

Tim Skoglund presented slides on current Water CDL drivers and their pay rates along with supervisor and foremen positions that would also have to be adjusted to maintain pay stratification between supervisors and subordinates. Cost of living adjustment (COLA), adjustments were discussed, and it was stated that those who received at least a three percent increase because of their CDL certification adjustment would not receive an additional three percent increase.

Trustee Garza asked if the Waterworks paid for any courses to obtain a CDL. Elizabeth Soto, Director of Human Resources, stated such courses were offered and three employees were currently taking the certification course. Mr. Skoglund informed the Board that meetings would be scheduled to communicate with CDL drivers and explain the new pay rates and how they would be affected. Mr. Skoglund stated that the CDL pay adjustments would be brought to the board for approval at a subsequent meeting. Discussion by the Board ensued.

AGENDA ITEM NO. 6: FINANCIALS

a) Monthly Financial report for month ending June 30, 2022

Ron De La Garza gave an overview of the financial reports for June 30, 2022. Discussion by the Board ensued.

b) Quarterly Investment Report ending June 30, 2022

Ron De La Garza, discussed information in the quarterly investment report, ending June 30, 2022.

AGENDA ITEM NO. 7: RESOLUTIONS

a) R2122-38: Awarding a professional services contract for Development of an Advanced Metering Infrastructure Strategy

Mr. Skoglund reported information was still pending on this resolution.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

b) R2122-39: Approving Final Reconciliation Change Order No. 2 for Pendleton Waterline Replacement Project

Robert Canterbury gave a detailed report of progress that met the final requirements necessary to complete the project. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-39 - approving Final Reconciliation Change Order No. 2 for Pendleton Waterline Replacement Project

Motion: Michael Garza

Second: JV Garcia

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

c) R2122-40: Awarding a contract for supply of Sulfur Dioxide.

Tim Skoglund informed the Board that DPC Industries was the only vendor in the area providing this chemical and had submitted the sole bid reflecting a 114 percent price increase.

A motion was made to approve Resolution No. R2122-40 – awarding a contract for supply of Sulfur Dioxide to DPC Industries, Inc. of Corpus Christi, TX, for an estimated annual cost of \$104,225.

Motion: JV Garcia

Second: Michael Garza

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

d) R2122-41: Awarding a contract for supply of Hydrogen Peroxide.

Tim Skoglund reported there were two bidders for supply of Hydrogen Peroxide. The lowest bid from Evonik Active Oxygens was 10 percent lower than the current contract price with Brenntag Southwest.

Chris Bartnesky, Trustee mentioned an error on the price table of the resolution in relation to the memo. Mr. Skoglund stated that the correction would be made.

A motion was made to approve Resolution No. R2122-41 – awarding a contract for supply of Hydrogen Peroxide to the primary bidder, Evonik Active Oxygen of Pocola, OK, and to Brenntag Southwest as a secondary supply option.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

Motion: JV Garcia
Second: Chris Bartnesky

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

e) R2122-42: Awarding a contract of Liquid Sodium Hydroxide.

Tim Skoglund informed the Board there were five bidders for Sodium Hydroxide. Chemical prices had been escalating, and the low bid was 62 percent higher than the current vendor's pricing. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-42 – awarding a contract for supply of Liquid Sodium Hydroxide to Univar USA of Kent, WA as the primary bidder and to DPC Industries as the secondary supply option.

Motion: Michael Garza
Second: Chris Bartnesky

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

f) R2122-43: Awarding a contract for supply of Polymers for ACTIFLO Water Treatment Coagulation and for Wastewater Sludge Dewatering.

Tim Skoglund reported there were two different types of Polymers being used in the System. Polydyne was the only known vendor to supply polymers to service treatment for operation of the Downtown water plant and the wastewater plant. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-43 – awarding a contract for supply of Polymers for ACTIFLO Water Treatment Coagulation and for Wastewater Sludge Dewatering to Polydyne, Inc of Riceboro, GA.

Motion: Chris Bartnesky
Second: Michael Garza

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

g) R2122-44: Awarding contracts for supply of Liquid Aluminum Sulfate and Liquid Ammonium Sulfate.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

Mr. Skoglund reported there were two bidders. Gene McCullough, System Attorney asked if the shipping charges were included in the bid pricing, Mr. Skoglund informed the Board shipping costs were included in the bid pricing. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-44 – awarding contracts for supply of Liquid Aluminum Sulfate and Liquid Ammonium Sulfate to the primary bidder, Chemtrade Chemicals, LLC, Parsippany NJ, and to Brenntag Southwest as a secondary supply option.

Motion: JV Garcia
Second: Chris Bartnesky

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

h) R2122-45: Awarding a contract for Comprehensive Maintenance of HVAC Systems.

Mr. Skoglund informed the Board there were four bidders for comprehensive HVAC maintenance. The lowest bidder, George Cunningham, Inc., was the current vendor, and their service had been satisfactory. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-45 – awarding a contract for Comprehensive Maintenance of HVAC Systems to George Cunningham, Inc of Harlingen, TX for an annual cost of \$36,506.

Motion: Chris Bartnesky
Second: JV Garcia

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

i) R2122-46: Ratifying purchase of Temporary Staffing Services

Mr. Skoglund informed the Board that temporary Staffing Services had been used in the past to contract temporary employees to fill vacant positions and supplement the labor force for in-house construction projects. He explained the current year's expenses for temporary services had increased dramatically.

There were no known records of competitive procurement for the contract, and internal policy requires competitive bidding and Board approval for contracts exceeding 25 thousand dollars. Moving forward, temporary staffing services would be competitively procured to meet policy requirements.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

Mr. Skoglund informed the Board that approval of this resolution would ratify the purchase of temporary staffing services that had been rendered. Other contracts were being investigated to determine whether they had been properly procured. He explained this issue was a bit different than other contracts since multiple departments were using services provided under a common contract. Moving forward, contracts that benefit multiple departments would be handled through the purchasing department to ensure proper controls and contract management.

Gene McCullough, System Attorney, reported that some temporary agencies were already vetted through purchasing cooperatives, and he recommended taking that route when seeking out for these services. Staff had requested that the current vendor, Express Services, register with a purchasing cooperative, but they had not made any progress to that end.

Michael Garza, Trustee, asked how the escalating expenditures were overlooked. Mr. Skoglund indicated each department would call Express Services when needing a temporary hiree. Mr. Garza asked whether the Waterworks was so short staffed that the need to keep hiring temps were necessary. Mr. Skoglund explained the contract was set up to provide temporary staffing if there was a vacancy and no qualified applicants were available to fill that position. Discussion by the Board ensued debating issues on how the contract was being managed.

Mr. Garza expressed his concern about other approved contracts not having the accountability and proper management. Mr. Skoglund reported measures were now being implemented to review prior contracts and make sure there was appropriate accountability and internal controls through the Purchasing Department's management of staffing requests under the contract. Discussion by the Board ensued.

Mr. Garza suggested one person should be assigned to arranging future temporary services assignments and not each director calling the agency to place temporary employees with the director's department. Mr. Skoglund informed the Board that the management of the temporary staffing contract would be assigned to one person and a way to maintain accountability for the contract would be established. Mr. Garza also inquired about the low number of applicants for posted positions. He asked whether the Waterworks' pay was comparable to other municipalities. Salaries were discussed and it was reported that temporary employees were paid considerably less than a Waterworks direct employee once benefits were factored in. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-46 – ratifying purchase of Temporary Staffing Services.

Motion: JV Garcia
Second: Chris Bartnesky

Motion to approve was carried by a vote of the Board (3-1) (Michael Garza)

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, July 27, 2022

AGENDA ITEM NO. 8: MANAGER'S REPORTS

Mr. Skoglund highlighted portions of the Manager's Report documents in the meeting packet. The Board asked questions and discussed the information that was presented.

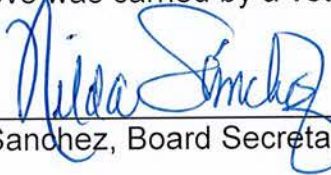
AGENDA ITEM NO. 9: ADJOURN

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 6:51 P.M.

Motion: Chris Bartnesky
Second: Michael Garza

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

Attest:



Nilda Sanchez, Board Secretary