

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, July 5, 2022

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 5th 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.

Board Members Present: Michael Murphy, Chairman
Chris Bartnesky, Vice Chair
Enrique Del Angel, Trustee
Michael Garza, Trustee
Gabriel Gonzalez, City Manager, Ex-Officio

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney (via videoconference)
Darrell Gunn, System Consultant (via videoconference)
Robert Canterbury, System Consultant (via videoconference)
David Sanchez, Director of Water 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
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: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None

AGENDA ITEM NO. 3: OATH OF OFFICE

a) Michael Garza, newly appointed Board Member

Mr. Skoglund reported a new Trustee had been appointed to replace Curtis Bonner, representing District 1 who had served an eight-year term. Michael Murphy, Chairman administered the oath of office to Mr. Michael Garza, swearing him in as the newest Trustee for the Harlingen Waterworks System.

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AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of May 25, 2022

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of May 25, 2022, was made.

Motion: Chris Bartnesky
Second: Enrique Del Angel

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

AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS

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

Joyce Lamon stated there were no new accounts on the list. Discussion by the Board ensued.

b) Presentation on proposed Water Capital Improvements for FY 2023.

Tim Skoglund, Robert Canterbury, Gabriel Trevino and Joseph Lunn gave a presentation on water system capital improvement projects proposed for FY 2023. Cost estimates were presented for each project. Discussion by the Board ensued.

c) Presentation on proposed Wastewater Capital Improvements for FY 2023.

Tim Skoglund, Robert Canterbury, Gabriel Trevino, and Joseph Lunn gave a presentation on wastewater system capital improvement projects FY 2023. Cost estimates were presented for each project.

Mr. Skoglund reported that several major wastewater projects in the master plan had been bundled in a financial assistance application that was submitted to the Texas Water Development Board for possible grant funding. As an economically disadvantaged area, Harlingen would qualify for grant funding, but even so, Waterworks might not have sufficient funds to cover its share of the costs.

Chris Bartnesky asked about the timeline releasing grant qualification status. Gabriel Trevino reported that the Texas Water Development Board would announce its funding offers in September. If extended an offer, Waterworks would need to submit a financial application at that time. Notification of awards for FEMA grant funding for which the Waterworks had applied would be released in October or November.

Mr. Skoglund stated that if significant amounts of grant funding were not to be made available, many projects would need to be deferred. Discussion by the Board ensued.

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d) Presentation on proposed Facilities Capital Improvements for FY 2023.

Tim Skoglund gave a presentation on facilities capital improvement projects for proposed in FY 2023. Cost estimates were presented for each project.

e) Discussion on early acquisition of property needed for master planned projects.

Tim Skoglund explained the need to procure properties required for future master planned projects before the properties become developed. He identified parcels of land needed for construction of a future Wastewater Treatment plant on the west side of the city, and reported that appraisals would cost \$22,000. The cost to acquire the properties had been roughly estimated at \$2.5 million for the 146-acre site.

Discussion by the Board ensued, and Mr. Garza commented building a facility with chemicals in a subdivision was not a good idea. Mr. Garza recommended the city commission be notified about the proposal to purchase the land before making any many decisions of purchasing that parcel for a future wastewater treatment plant.

f) Discussion on WaterSmart grant application for smart metering, AMR/AMI, and leak detection.

Mr. Skoglund reported that Waterworks had considered implementation of smart metering and advanced metering infrastructure in the past, but technology advancements and existing meter replacement needs were motivating a move toward implementation of these technologies in the near term. Recent budgets had included allocation for replacement of larger customer meters.

Mr. Skoglund reported that the agenda item had been proposed to authorize a grant application for smart meter and AMI implementation under the WaterSmart program offered through the US Bureau of Reclamation. He stated that Waterworks needed to better understand its objectives and needs before submitting such funding applications.

To establish the Waterworks' overall goals for an AMI system and define what other functions like leak detection that an AMI system should support, he recommended hiring a consultant to help define an overall strategy for AMI before proceeding with technology selection and funding applications. Discussion by the Board ensued.

AGENDA ITEM NO. 6: FINANCIALS

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a) Monthly Financial report for month ending April 3, 2022

Ron De La Garza gave an overview of the financial reports for May 31, 2022. Discussion by the Board ensued.

AGENDA ITEM NO. 7: RESOLUTIONS

***** OUT OF SEQUENCE**

b) R2122-31: Appointing a representative to the City of Harlingen Audit Committee.

Mr. Skoglund reported the need for an annual appointment to the Audit Committee and opened up the floor for a volunteer or nominations. Chris Bartnesky nominated Michael Garza to be the next Harlingen Water Board Trustee representative for the City of Harlingen Audit Committee.

A motion was made to approve Resolution No. R2122-31 – approving a representative to the City of Harlingen Audit Committee.

Motion: Chris Bartnesky
Second: Michael Garza

c) R2122-32: Approving Change Order No. 2 to the construction contract for Priority Sewer Renewal Project – Package No. 1 for pre-design pipe cleaning and CCTV inspection of upcoming sewer renewal projects.

Robert Canterbury reported on deteriorated sewer pipe conditions and explained that the proposed change order to the Package 1 contract would expedite assessment of pipelines to be replaced under a subsequent Package 2 project. The assessment would better inform the methods to be specified in the design for Package 2 for rehabilitation or replacement of deteriorated sewer pipes and manholes. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-32 – approving Change Order No. 2 to the construction contract for Priority Sewer Renewal Project – Package No. 1 for pre-design pipe cleaning and CCTV inspection of upcoming sewer renewal projects.

Motion: Michael Garza
Second: Chris Bartnesky

d) R2122-33: Awarding a contract for Internet and Phone Services.

Ron De La Garza informed the Board that Foremost Telecommunications had performed well over the past 12 years and had submitted the lowest bid for a new contract to replace

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the current contract that was expiring. The contract was to be awarded with a 3-year term and 2 (two) 1-year extension options.

A motion was made to approve Resolution No. R2122-33 – Awarding a contract for Internet and Phone Services to Foremost Telecommunications Corporation.

Motion: Michael Garza
Second: Enrique Del Angel

e) R2122-34: Approving a contract extension for Supply of Bedding and Backfill Sand.

Ron De La Garza reported a pricing increase for bedding and backfill sand. The contract extension was being offered at a 14 percent price increase. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-34 – Approving a contract extension for Supply of Bedding and Backfill Sand to Quintanilla Dirt Yard of Raymondville, TX.

Motion: Chris Bartnesky
Second: Michael Garza

f) R2122-35: Approving contract extensions for Supply of Caliche.

Ron De La Garza informed the Board this was the first contract extension for supply of Caliche. This first year contract extensions for both current vendors were proposed with price increases. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-35 – Approving contract extensions for Supply of Caliche to Southern Star Transport of Elsa, TX and Elite Hauling of Harlingen, TX.

Motion: Michael Garza
Second: Chris Bartnesky

g) R2122-36: Approving a contract extension for Supply of Mechanical Water Meters.

Tim Skoglund reported a contract extension had been offered for supply of mechanical water meters at a price increase of 15 percent. The extension would be the first of four one-year extension options allowed under the contract. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R2122-36 – approving a contract extension for Supply of Mechanical Water Meters to Badger Meter of Milwaukee, WI.

Motion: Chris Bartnesky
Second: Michael Garza

h) R2122-37: Authorizing the submittal and commitment of funds for a grant application (FEMA DR-4485) for mobile and permanent generators at critical facilities.

Mr. Skoglund informed the Board that submission of a FEMA grant for generators required a Board resolution approving for the submission of the application and commitment of funds. The amount identified in the resolution provided in the packet was incorrectly stated as \$820,000 and should have been \$1,624,000 to reflect the Waterworks 25% share of project costs.

A motion was made to approve Resolution No. R2122-37 – Authorizing the submittal and commitment of funds for a grant application (FEMA DR-4485) for mobile and permanent generators at critical facilities, as amended.

Motion: Michael Garza
Second: Enrique Del Angel

***** OUT OF SEQUENCE**

a) R2122-30: Awarding a contract for On-Call Operations support for water treatment, conveyance, and water quality.

Mr. Skoglund informed the Board that water operations had not recently needed on-call engineering consultant support for troubleshooting urgent operational issues but having a contract in place would allow staff to quickly engage such support during emergency situations. Any services under the proposed contract would be limited to \$25,000. Charges would be incurred only upon Waterworks request for services, as needed. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-30 – Awarding a contract for On-Call Operations support for water treatment, conveyance, and water quality to Freese & Nichols, Inc.

Motion: Michael Garza
Second: Enrique Del Angel

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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.

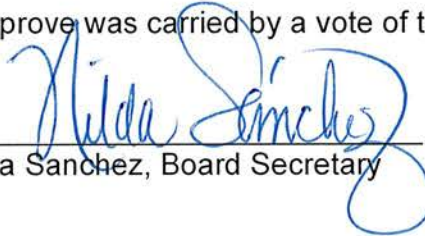
AGENDA ITEM NO. 9: ADJOURN

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 7:16 P.M.

Motion: Chris Bartnesky
Second: Enrique Del Angel

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

Attest:



Nilda Sanchez, Board Secretary