

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 30th day of August 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
 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
 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

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

Responses from the Board (4-0).

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

None

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

AGENDA ITEM NO. 4: APPROVAL OF MINUTES

a) Regular Board Meeting of July 27, 2022

Michael Murphy, Board Chairman, noted the first sentence on page 8, indicating Mr. Garza abstained from the vote and should have reflected a Nay vote by Michael Garza.

A motion to approve the Board Minutes, as amended, for the Regular Board Meeting July 27, 2022, was made.

Motion: Michael Garza
Second: Chris Bartnesky

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

b) Special Board Meeting of August 11, 2022

With no corrections requested, a motion to approve the Board Minutes for the Special Board Meeting August 11, 2022, was made.

Motion: Chris Bartnesky
Second: Michael Garza

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

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 7: RESOLUTIONS

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

Mr. Skoglund discussed benefits associated with Advanced Metering Infrastructure (AMI) and smart metering, including more frequent collection of customer consumption data that would be useful for triggering alerts on abnormal consumption including leaks and possible theft. Some reduction in reader staffing could be realized, and there would fewer vehicles used to perform reads. Electronic meters installed as part of an AMI program would more accurately reflect customer consumption, positively impacting revenue.

Mr. Skoglund recommended hiring an experienced consultant to help develop a strategy for use of AMI, smart meters, and other AMI uses. A strategy including comprehensive assessment of technologies and procurement options would guide AMI decisions, ensuring a successful implementation approach that fits Harlingen's needs.

Tommy McClung of Atlas Design Services of Austin, TX gave a presentation on the services to be provided via the proposed contract. The development of a strategy would help the Waterworks move in an appropriate direction, eliminating the guess work on

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

marketing, decision making, procurement contracts, and technology selection. Continued discussion by the Board ensued regarding the time frame for an AMI project to be implemented. Michael Garza, Trustee stated his disagreement with hiring a consultant when the system funds could be used for other more critical capital projects.

Mr. Skoglund noted that the replacement of large meters with associated implementation of AMI had been a budgeted project in the current and prior years and was included in the adopted FY 2023 budget. He stated this proposed initial implementation would serve as a small-scale trial of AMI before considering expansion to all customer meters in the future. Many of the existing large meters had exceeded their life expectancy and replacing them with higher accuracy electronic meters would achieve payback in a short period of time.

A motion was made to approve Resolution No. R2122-38 – awarding a professional services contract to Atlas Design Services for Development of an Advanced Metering Infrastructure Strategy.

Motion: Michael Garza
Second: Chris Bartnesky

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

b) R2122-47: Awarding a contract for Pipes, Valves and Fittings

Mr. Skoglund reported that only two vendors out of the typical group of four submitted bids for pipe, valves and fittings. Supply chain issue and price volatility would render bid pricing outdated soon after the bid, causing vendor reluctance to undertake the effort to prepare and submit a bid for the many line items being requested. The prior approach to awarding an annual contract was not viable under current market conditions. The non-responsiveness of two of the normal bidders would reduce the pool of suppliers, possibly resulting in loss of more advantageous pricing or delivery schedule.

He noted recent examples where bid pricing expired before bids could be presented at Board meetings. The intent of the normal practice for awarding annual contracts to the lowest bidders was no longer being met, leading staff to call the vendors for updated pricing quotes before submitting orders.

Mr. Skoglund informed the Board that one option to overcome the ineffectiveness of normal bidding practice in the current market would be for the Board to pre-authorize administrative action to purchase materials immediately after soliciting quotes.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

Discussion by the Board ensued on options to obtain and secure the best bid prices and delivery schedule. This item was tabled to be brought back at the next meeting with revisions and an updated resolution.

A motion was made to table Resolution No. R2122-47 – awarding a contract for Pipes, Valves and Fittings.

Motion: JV Garcia
Second: Chris Bartnesky

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

c) R2122-48: Awarding a contract for Fire Hydrants

Mr. Skoglund reported that the same bidding difficulties for pipe valves and fittings as discussed for Resolution R2122-47 also applied to fire hydrants. This item was similarly tabled to be brought back next month with revisions and updated resolution.

A motion was made to table Resolution No. R2122-48 – awarding a contract for Fire Hydrants.

Motion: JV Garcia
Second: Chris Bartnesky

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

d) R2122-49: Awarding a contract for Temporary Employment Services

Tim Skoglund reported there were four respondents to a request for proposals for temporary employment services. The proposal submitted by Express Employment Services was evaluated by a selection committee to be the lowest bidder. Express was also the only local respondent.

Michael Garza, Trustee, had a concern that candidates who applied directly to the Waterworks for a job would be redirected to the temp agency and not given an opportunity for direct hire. Mr. Skoglund informed the Board that department directors preferred to hire for certain positions exclusively through a temp agency because of the opportunity it afforded to evaluate the performance of the temporary employees and decide whether they were a good candidate for direct, permanent employment as a Waterworks employee.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

Discussion by the Board ensued, and Mr. Skoglund presented a draft policy to govern the use of temporary staffing services. He also discussed options for filling vacancies including exclusive use of temporary staffing and concurrent use of temporary staffing while posting the position for direct hire. He recommended concurrent use of temporary staffing while posting the position for direct hire, but in the event a qualified applicant had not directly applied by the time a temporary employee had been identified as a candidate for direct hire, the position would be closed until such temporary candidate were eligible for conversion to direct hire.

Michael Garza stated that he would like to have a monthly report on the number temporary staffing and the positions that such staffing were filling. JV Garcia, Trustee, stated that he would like to see policy revisions be brought back at a later date.

A motion was made to approve Resolution No. R2122-49 – awarding a contract for Temporary Employment Services to Express Employment Services of Harlingen, TX.

Motion: JV Garcia
Second: Chris Bartnesky

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

Michael Garza, Trustee, left at 6:20 PM

e) R2122-50: Revising the Adopted FY 2023 Budget.

Tim Skoglund informed the Board there were several revised budget schedules to the previously adopted FY 2022-2023 budget adjusting for actual health insurance rates based on recent contract award by the City Commission, increase for chlorine based on recent bid pricing, and a few changes and cost updates on capital improvements projects. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-50 – revising the Adopted FY 2023 Budget.

Motion: Chris Bartnesky
Second: JV Garcia

Motion to approve was carried by a vote of the Board (3-0).

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

f) R2122-51: Approving corrected pricing for the contract awarded under Resolution R2122-43 for supply of polymer for actiflo water treatment coagulation

Tim Skoglund reported an oversight in previously approved Resolution R2122-43 in which unit pricing in units of dollars per gallon and quantity estimate in pounds resulted in an erroneous estimated annual cost. Equivalent unit pricing in units of dollars per pound was reflected in the proposed resolution to correct the estimated annual cost for the actiflo polymer.

A motion was made to approve Resolution No. R2122-51 – approving corrected pricing for the contract awarded under Resolution R2122-43 for supply of polymer for actiflo water treatment coagulation.

Motion: JV Garcia
Second: Chris Bartnesky

Motion to approve was carried by a vote of the Board (3-0).

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS

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

Ron De La Garza gave an overview of the delinquent accounts that were still pending. Discussion by the Board ensued.

AGENDA ITEM NO. 6: FINANCIALS

a) Monthly Financial report for month ending July 31, 2022

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

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.

JV Garcia, Trustee, addressed the Board, noting that many incorrect statements had been made on social media about water supplied by the Waterworks to two of its wholesale customers. Mr. Garcia requested undertaking a proactive communication initiative with Waterworks' wholesale customers regarding recent water quality issues experienced in the Town of Combes and City of Primera..

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Tuesday, August 30, 2022

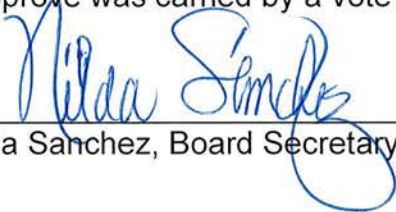
Mr. Garcia suggested the Waterworks offer bi-annual presentations to all wholesale customers, to keep them informed of pertinent information that may be useful for their distribution systems. Discussion by the Board ensued.

AGENDA ITEM NO. 9: ADJOURN

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 7:04 P.M.

Motion: Chris Bartnesky
Second: JV Garcia

Motion to approve was carried by a vote of the Board (3-0).

Attest: 
Nilda Sanchez, Board Secretary