

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Thursday, October 6, 2022

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 6th day of October 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
 Enrique Del Angel, Trustee

Staff Present: Tim Skoglund, General Manager
 Gene McCullough, System Attorney
 Darrell Gunn, 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
 Michael Chamberlain, Purchasing Manager

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 conflicts of interests for this Board Meeting. None of the trustees reported a conflict of interest.

Responses from the Board (5-0)

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

Desi Martinez handed out information on Texas Special Provisions for Border Communities applicable to Type A and B economic development corporations offering potential funding for HWWWS water and wastewater infrastructure projects. He explained the time was at hand to take action on the opportunities to help build a better and stronger

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City. He recommended preparing to apply for these funds/grants and alleviate passing the cost on to the customers with rate increases.

Trustee JV Garcia reported he understood there was no interaction allowed by the Board during public comment; however; he asked whether there was a way to discuss the numbers and information that had just been presented by Mr. Martinez. Gene McCollough responded that the item could be placed on a future meeting agenda for discussion.

AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of August 30, 2022

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting August 30, 2022, was made.

Motion: JV Garcia
Second: Chris Bartnesky

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

AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS

a) Report on Delinquent accounts exceeding \$500.

Joyce Lamon reported was one new account to the inactive delinquent accounts. The service address had an abandoned home and may have had an undetected leak that may have been the reason for the high billing. A lien had been filed the end of September. Discussion by the Board ensued.

b) Discussion on customer-requested reimbursement of service line repair costs at Ted Circle.

The homeowner of 2701 Ted Circle, Mr. David Gray, stated that he had recently discovered his water service line connecting his domestic water meter to his property had originally been installed through a neighbor's property. Mr. Gray bought the property in 1998 and applied for domestic and sprinkler meters on August 10, 1998.

Mr. Gray explained he recently had a leak in the portion of his service line located within the neighboring property that he was unable to detect from his property, causing a high-water bill and incurred plumber's costs to fix the leak. He asked the Board for reimbursement of his cost for fixing the leak. He explained the Waterworks should not have placed the domestic meter in a location where the service line would have to cross a neighbor's property. Waterworks records showed that the original meter was installed in April in 1977 and that the public water main installed on Ted Circle had been completed later that year. No records had been found to explain the original meter placement, and staff speculated that the original owner had requested connection to any available main.

Mr. Skoglund informed the Board that the Waterworks had recently installed a new domestic meter at no cost to Mr. Gray to eliminate the need for the service line through

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the neighbor's property. He mentioned that Waterworks typically has not reimbursed customers for repairs to their private service lines, and that the current situation for 2701 Ted Circle was rare.

Discussion by the Board ensued about this and other cases within the system that have service line installations through neighboring properties. It was noted the cause of the leak was not necessarily directly connected to its placement in a neighboring property. A Board consensus was reached to consider Mr. Gray's request for reimbursement via resolution to be brought for Board consideration at a subsequent meeting.

c) Presentation on Preliminary Engineering Report for Raw Water Line Upgrade – 13th Street Canal to Downtown Reservoir.

Tim Skoglund reported an engineering contract had been approved by the Board and the engineering consultant had been invited to present the findings and recommendations of the preliminary engineering report that would be finalized after input from the Board. He introduced Ted Stawasz and Alisa Gruber with CP&Y who gave a presentation identifying three alternatives to upgrade the raw water line from the irrigation canal at 13th St. to Downtown WTP Reservoir.

CP&Y noted that the line experienced frequent leaks and additional capacity was needed to match the treatment plant's rated capacity. Considerations for a project to upgrade the raw water line included minimization of disruption to surrounding neighborhoods, construction time, and cost, among several other factors.

CP&Y presented three project options and the Board asked questions and discussed the options. Though Option A providing for a new intake structure, pump station, and a new pipeline on a new alignment was the highest scoring option, CP&Y recommended Option C to limit initial capital costs and initially meet only the most urgent needs for upgrading the line.

Option C was recommended as a phased project that would prioritize the replacement of the existing reinforced concrete pipe segment along Jefferson from 13th Street to the reservoir, and would defer rehabilitation of the existing 5-foot by 5-foot concrete box under 13th Street and the construction of a new intake structure until a later phase.

Trustee Garcia noted that the City had recently undertaken a drainage project on 13th Street asked whether the 5x5 box could be used as a means for improved drainage conveyance in the event Waterworks were to proceed with Option A and abandon the 5x5 box. Mr. Skoglund suggested that the greater initial cost of Option A would possibly need to be offset by the City in such a scenario. Mr. Skoglund stated that staff would discuss Mr. Garcia's idea with the City Engineer to determine whether the City would have interest in repurposing the 5x5 box for improved drainage conveyance. A final decision on the project option would be made after obtaining the City's input on the 5x5 box.

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***** OUT OF SEQUENCE**

AGENDA ITEM NO. 7: RESOLUTIONS

a) R2122-47: Awarding contracts for supply of Pipe, Valves and Fittings

Mr. Skoglund reported that a resolution awarding contracts to two responding bidders had been tabled at a previous meeting because other bidders who traditionally supplied the materials had not submitted a bid, presumably because of market volatility and the fixed price nature of the annual supply contract being solicited. A second bid solicitation had been advertised, but again only two bidders submitted bids despite the opportunity for bidders to offer market pricing rather than fixed unit prices.

Because all original contract pricing had increase during the year on account of high inflation and supply volatility, staff had resorted to calling all local vendors for pricing and issuing purchase orders to the vendor offering the best combination of price and delivery. In only one case, had a purchase order exceeded \$25,000.

After Board discussion, Mr. Skoglund recommended modifying the resolution presented in the meeting packet to delete reference to amending Waterworks' internal purchasing policy, and awarding formal contracts to the two responding bidders to whom purchase orders exceeding \$25,000 could be issued. For all purchase orders less than \$25,000, staff would obtain quotes and issue purchase orders based on best price and availability as had been practiced throughout the current fiscal year. Discussion by the Board ensued.

A motion was made to approve, as amended, Resolution No. R2122-47 – awarding contracts for supply of Pipe, Valves and Fittings.

Motion: Chris Bartnesky
Second: Enrique Del Angel

b) R2122-48: Awarding contracts for supply of Fire Hydrants and Parts

Tim Skoglund reported that only two vendors submitted bids. The one vendor, ACT, a sole-source vendor for Kennedy fire hydrants and parts did submit a bid. Mr. Skoglund shared purchase order history for 2022, noting that no purchase order had been issued exceeding the \$25,000 threshold above which internal policy required competitive bidding and Board approval.

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A motion was made to approve, as amended, Resolution No. R2122-48 – awarding contracts for supply of Fire Hydrants and Parts.

Motion: JV Garcia
Second: Michael Garza

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

c) R2122-52: Awarding contracts for purchase of Pickup Trucks and a Van.

Tim Skoglund informed the Board that Boggus Motor Company had submitted a bid for four half-ton pickup trucks and one van among the various trucks and van that had been budgeted for FY 2023 and solicited via bid advertisement. No other bids were received in response to the solicitation. Several other dealerships were subsequently contacted for availability and pricing of the remaining budgeted vehicles. Chastang Ford of Houston, TX offered three light duty pickup trucks and Caldwell Country Chevrolet of Caldwell, TX offered a one-ton truck, all via Buy Board contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-52 – Awarding contracts for purchase of Pickup Trucks and a Van.

Motion: Chris Bartnesky
Second: Michael Garza

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

d) R2122-53: Approving a contract extension for Safety Supplies and Related Items.

Tim Skoglund reported the proposed extension was the second and final extension for the contract, and it was being offered at the original contract price offered in 2020. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-53 – approving a contract extension for Safety Supplies and Related Items.

Motion: JV Garcia
Second: Michael Garza

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

e) R2122-54: Approving a contract extension for supply of Chlorine.

Tim Skoglund reported there was only one vendor supplying chlorine in the area and that the vendor proposed a 200% price increase for a one-year contract extension. Because of the essential need for chlorine, extending the contract at the proposed price was recommended as there were no other options. Discussion by the Board ensued.

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A motion was made to approve Resolution No. R2122-54 – approving a contract extension for supply of Chlorine.

Motion: Michael Garza
Second: Chris Bartnesky

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

f) R2122-55: Awarding a contract for purchase of Network Switches and Access Points for wastewater operations.

Tim Skoglund reported the proposed switches were needed to replace existing, obsolete equipment that route data traffic at the wastewater administration office and treatment plant. This procurement was the final phase of a three-year effort to replace obsolete switches and access points at Waterworks facilities. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-55 – awarding a contract for purchase of Network Switches and Access Points for wastewater operations.

Motion: Michael Garza
Second: Enrique Del Angel

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

g) R2122-56: Approving a contract renewal for Licensing, Maintenance and Support of Computerized Maintenance Management System Software.

Mr. Skoglund reported the proposed licensing was needed to maintain the Waterworks' computerized maintenance management system. The license proposal offered fixed pricing for a three year term. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-56 – approving a contract renewal for Licensing, Maintenance and Support of Computerized Maintenance Management System Software.

Motion: Chris Bartnesky
Second: Michael Garza

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

h) R2122-57: Awarding a contract for Software and Hardware Support for Data Centers.

Jose Rodriguez, Director of IT, presented a map showing the location of the three computing data centers used by the Waterworks. These computing data centers supported enterprise software such as the Geographic Information System (GIS), Enterprise Resource Planning (ERP) system, the CMMS work order system, and other critical applications.

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Mr. Rodriguez explained that the Waterworks has subscribed to manufacturer support services to provide troubleshooting and hardware replacement when server node data centers needed maintenance and/or technical support. Service records indicated the most cost economical approach would be to contract for annual support services rather than ad hoc procurement of support and equipment parts replacement. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-57 – awarding a contract for Software and Hardware Support for Data Centers.

Motion: JV Garcia
Second: Enrique Del Angel

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

i) R2122-58: Approving a contract amendment extending Maintenance and Support for Enterprise Resource Planning Software.

Mr. Skoglund informed the Board how the enterprise resource planning (ERP) system was critical for everyday operations in supporting customer service, billing, financial, payroll, and purchasing operations. The current ERP software, STW, had been planned to be replaced because its limitations required increasing amounts of staff resources and would cease to be offered as an on-premise system, but until a replacement ERP could be procured and implemented, the STW ERP system would continue to require manufacturer support.

OpenGov recently purchased STW and was offering support services at a higher cost than in prior years. Waterworks requested a two-year contract commitment to lock in the price to continue support until a replacement ERP system could be procured and implemented. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2122-58 – approving a contract amendment extending Maintenance and Support for Enterprise Resource Planning Software.

Motion: Michael Garza
Second: Chris Bartnesky

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

MICHAEL GARZA LEFT AT 6:48 PM

OUT OF SEQUENCE ***

AGENDA ITEM NO. 6: FINANCIALS

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a) Monthly Financial report for month ending August 31, 2022.

Ron De La Garza gave an overview of the financial reports for August 31, 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, stated that he would like to see certain issues addressed and several items placed on a future Board meeting agenda. These included an agenda item to discuss funding options presented by Mr. Desi Martinez during public comment; an agenda item to discuss the TCEQ report regarding its recent investigation of the Waterworks' water treatment and distribution system; changing Waterworks' regularly scheduled board meeting dates to resolve a conflict with the planning and zoning commission's meetings that he needed to attend because of his membership on its board; and shortening Waterworks' board meetings. Discussion by the Board ensued.

JV GARCIA LEFT AT 7:15 PM

AGENDA ITEM NO. 9: EXECUTIVE SESSION

- a) Consultation with System Attorney regarding real property transactions, pursuant to Tex. Gov't Code §551.072

A motion was made to enter into Executive Session

Motion: Chris Bartnesky

Second: Enrique Del Angel

Entered into Executive Session at: 7:15 PM

Exited Executive Session at: 7:52 PM

Meeting was called back to order at: 7:52 PM

Action Taken: No

AGENDA ITEM NO. 10: ADJOURN


There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 8:06 P.M.

Motion: Chris Bartnesky

Second: Enrique Del Angel

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

Attest:



Nilda Sanchez, Board Secretary