

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Tuesday, December 13, 2022**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 13th day of December 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.

City Commissioners Present: Ford Kinsley, District 1  
Frank Morales, District 4

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

Staff Present: Tim Skoglund, General Manager  
Gene McCullough, System Attorney  
Darrell Gunn, 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  
Florita Rodriguez, Customer Service Director (training)  
Elizabeth Soto, Director of Human Resources  
Ron De La Garza, Director of Finance & Revenue  
Michael Chamberlain, Purchasing Manager  
Gabriel Trevino, 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 whether 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 (4-0)

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

Mr. Scott Bradwell, developer of Bradwell Subdivision reported he needed two manholes installed in his seven-lot subdivision. He explained there was a long lead time for approved manholes that was delaying completion of his subdivision. He reported other cities were still building subdivisions and asked how they were they getting manholes.

Mr. Bradwell informed the Board that the City of McAllen was purchasing a one-piece fiberglass manhole from an alternative manufacturer and recommended the Waterworks consider approving that alternative manufacturer's product. The alternative manufacturer was located in Monterrey, Mexico and could custom make the manholes to meet the Waterworks' requirements. Turnaround time would be about 30 days. Mr. Bradwell encouraged the Board to review a letter handout that had been transmitted to Gabriel Gonzalez weeks prior.

**AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of October 26, 2022.**

JV Garcia, Trustee, referred to "a point of order" regarding a discussion at last month's Board Meeting. Mr. Garcia was not in attendance and did not have an opportunity to defend himself. The minutes reflected his many absences and his obligations to serve on the Planning & Zoning Board. Mr. Garcia explained he had requested many times to have the Waterworks change their Board Meeting days so he could serve on the other board that often conflicted with Waterworks' Board Meeting days. He concluded by saying it was not fair, noting that today's Board Meeting was not scheduled on a Wednesday, and he asked why the Board Meetings could not be changed to a day other than Wednesday. Chairman Murphy acknowledged Mr. Garcia's request.

A motion to approve the Board Minutes for the Regular Board Meeting October 26, 2022, was made.

Motion: Chris Bartnesky  
Second: Michael Garza

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

**AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS**

**a) Presentation on Development of an Advanced Metering Infrastructure (AMI) Strategy**

Mr. Skoglund informed the Board of the continuing search for Advanced Metering Infrastructure (AMI) that would be best suited for the Waterworks. Tommy McClung of Atlas Design Services gave a presentation on the work and conclusions reached during the course of his contract in helping the Waterworks develop an AMI Program Strategy.

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Mr. McClung presented a road map, identifying alternative, scalable funding options and a grant game plan. Other aspects of the project included alternative delivery, RFPs, and a model for lead service line inventory. He recommended a sequence for replacement of meters including a justification process using a “stage gate” approach, optimizing meter O&M via third-party support, establishing long-term strategy, identifying details to be researched further, and the metrics and SOP to be established for the life cycle of an AMI system.

Mr. McClung concluded his presentation discussing the project plan including acquisition of equipment and services necessary at each stage gate. Discussion by the Board ensued.

**b) Presentation on additional Architectural Options for Main Office Exterior Rehabilitation**

Mr. Skoglund informed the Board there was no presentation on this item hoped to present on additional concepts for the exterior rehabilitation of the Main Office at the next board meeting.

**c) Report on delinquent accounts exceeding \$500**

Florita J. Rodriguez gave an overview of delinquent accounts that were currently pending.

**AGENDA ITEM NO. 6: FINANCIALS**

**a) Monthly Financial report for month ending November 30, 2022.**

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

**AGENDA ITEM NO. 7: RESOLUTIONS**

**a) R2223-08: Approving contract extensions for Sludge Transport and Disposal Services**

Tim Skoglund reported that both contractors under contract for sludge transport and disposal services had agreed to a one-year contract extension at the original contract pricing. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-08 – approving contract extensions for Sludge Transport and Disposal

Motion: Chris Bartnesky

Second: Michael Garza

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

**\*\*\* Tim Skoglund informed the Board that some of resolutions on the agenda could be considered “Consent Agenda” items. Trustee JV Garcia moved to have the following items approved as such:**

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- b) R2222-09: Approving a contract extension for Professional Auditing Services
- c) R2223-10: Adopting the Harlingen Waterworks System Investment Policy
- d) R2223-11: Awarding a contract for purchase of Skid Steer Loader
- e) R2223-12: Awarding a contract for purchase of Sewer System Inspection Cameras
- f) R2223-14: Awarding a contract for purchase of Chemical Dosing Pumps for Water Treatment
- g) R2223-15: Awarding a contract for purchase of Repair Parts for Wastewater Aeration Representative

A motion was made to approve Consent Agenda Items 7 (b-g).

Motion: JV Garcia  
Second: Michael Garza

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

**h) R2223-13: Approving purchase of Replacement Components for WWTP Sulfur Dioxide System**

Mr. Skoglund reported there was a small leak in this chemical delivery system and some component parts needed replacement. Bids were solicited from the original manufacturer as a sole source for compatibility with the system components that did not need replacement. This replacement was not budgeted but was essential to continue dechlorinating treated wastewater effluent water before discharge into the Arroyo Colorado. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-13 – approving purchase of Replacement Components for WWTP Sulfur Dioxide System

Motion: Michael Garza  
Second: Chris Bartnesky

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

**i) R2223-16: Approving the Filing of Applications for Financial Assistance under the Clean Water State Revolving Fund Program and Appointing and Authorized Representative**

Tim Skoglund informed the Board that preliminary applications for financial assistance had been submitted to the Texas Water Development Board (TWDB) to fund priority infrastructure projects, especially for the sewer system.

Mr. Skoglund reported that the Waterworks had been invited to submit a formal financial application due at the end January 2023 for a wastewater project consisting of several projects identified in the master plan. Requirements of the application included a resolution by the Waterworks' Utility Board of Trustees and the Harlingen City

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Commission authorizing the submission of the application and designating an authorized representative.

Trustee, JV Garcia asked if the application process was on track. Mr. Skoglund replied that the application was extensive and that Waterworks was making good progress.

Two wastewater projects scored highly including one totaling \$68 million and another totaling \$11 million. Mr. Skoglund reported the applications had scored well but only the larger one had been invited to submit a formal application. Out of several hundred projects that had been submitted to TWDB, Waterworks' projects ranked No. 16 and 17. At this position on the list, the loan forgiveness monies would probably be exhausted, but if by some chance that grant funding would be made available, the Waterworks would qualify for a forgiveness loan of up to 70%.

Mr. Skoglund reported that in the last 22 years, the Waterworks had not received any federal or state financial assistance, and this fact could be a major consideration in advocating for support in the form of grant funds. JV Garcia, Trustee, reported he would like to use the city's resources and work with City Manager, Gabriel Gonzalez, on how to obtain this grant/loan. The main concern was to get better sewer system in the areas that needed help during heavy rain events.

Regarding the authorization for funding to be requested on the application, Mr. Skoglund suggested an \$80 million amount subject to the limitation that no more than 30% be in the form of a loan or \$7.5 million in the event that loan-only funding would be offered. JV Garcia, Trustee asked if by some chance the Waterworks did not qualify, would the Waterworks stay on the list for state revolving funds or other programs to help with grants/loans?

Gabriel Trevino reported that a TWDB representative indicated willingness to work with the Waterworks to include funding for the highest scoring project that had not been invited to submit an application. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-16 authorizing a financial application amount not to exceed \$81 million subject to the limitation that no more than 30% be in the form of loans or \$7.5 million in the event that loan-only funding would be offered, and designating authorized representatives.

Motion:       JV Garcia  
Second:       Michael Garza

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

**j) R2223-17: Ratify a contract for Clear Well Cleaning at Dixieland WTP**

Tim Skoglund informed the Board that three quotes had been obtained for cleaning the Dixieland WTP clear wells. Rubicon Applied Divers' quote total was below the

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administrative threshold requiring competitive bidding and Board approval. Rubicon discovered an amount of sediment was encountered in one clear well that exceeded the 3-inch maximum on which the quote had been based. The depth of sludge encountered measured 14 to 54 inches.

The price with a proposed change order to clean out the excess sludge totaled a little over \$26,000 if undertaken while the contractor was mobilized at the site. If required to wait for Board approval of the change order, the cost would have increase by several thousand dollars because of remobilization costs. The bid price had more than doubled on account of the proposed change order, and it exceeded the \$25,000 Waterworks policy limit requiring competitive bidding and Board approval but was still under the statutory threshold for bidding.

Mr. Skoglund reported he had consulted with Chairman Michael Murphy, who consented to administrative execution of the change order to avoid the additional cost of a remobilization. Mr. Skoglund also noted that the other two original quotes were much higher than the Rubicon's price with the change order, and consequently the change order price appeared to be the best option. This item was brought to the Board for ratification of administrative execution.

A motion was made to approve Resolution No. R2223-17 – ratifying a contract for Clear Well Cleaning at Dixieland WTP.

Motion: Michael Garza  
Second: JV Garcia

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

**k) R2223-18: Approving purchase of property adjacent to the Main Office Building for an emergency generator and additional parking.**

A motion was made to approve R2223-18 – approving a purchase price of \$55,000 for acquisition of property adjacent to the Main Office building for an emergency generator and additional parking.

Motion: JV Garcia  
Second: Michael Garza

**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.

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**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: Bartnesky            Second: Garcia

Entered into Executive Session at: 6:26 PM

Exited Executive Session at: 6:57 PM

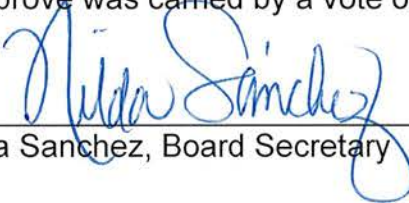
Meeting was called back to order at: 6:57 PM

**AGENDA ITEM NO. 10 ADJOURN**

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 6:59 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