

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday March 29, 2023

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 29th day of March 2023 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

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, Information Technology Tech
Florita Rodriguez, Customer Service Director
Michael Chamberlain, Purchasing Manager
Elizabeth Soto, Director of Human Resources
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 5:06 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 interest for this Board Meeting. None of the trustees reported a conflict of interest.

Responses from the Board (4-0)

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

None.

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AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of February 22, 2023.

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of February 22, 2023, 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 by Carr, Riggs & Ingram on FY 2021-2022 Annual Audit and Financial Report.

Quentin Anderson of Carr, Riggs & Ingram presented the results of the financial audit for the fiscal year ended September 30, 2021. Mr. Anderson advised the Board the annual financial statements presented fairly, in all material respects, the financial position of the Waterworks. He called the Board's attention to several items and sections of the Independent Auditor's Report, the Financial Statements, Notes to the Financial Statements, Manager's Discussion and Analysis, and the Statement of Changes in Net Position. Discussion by the Board ensued.

b) Report and Presentation on Discussion on Septic Tank Variance Request for Caliber Collision.

Mr. Skoglund presented an overview on septic system prevalence and failures in Harlingen, considerations for the granting of variances to the mandatory sewer extension policy, and alternatives to the use of septic tanks where a variance is warranted. He noted that the variances reduce the economic feasibility of sewer system extensions and increase the prevalence of septic systems.

Mr. Skoglund discussed requirements for new development to be served by the centralized sewer system. He stated that the mandatory connection area policy requiring developers of proposed subdivisions to extend the sewer system obligated staff to recommend against variance requests, and he described grinder pump systems as an alternative to septic tanks where variances would be warranted.

Representatives of Caliber Collision provided additional details on the proposed subdivision and their request for a variance. After discussion between the board and staff, it was determined the development be granted a variance contingent upon installation of a temporary grinder pump station connecting to the existing force main serving Lift Station 47, construction of a sewer service stubout for connection to a future gravity sewer line, and payment of a pro-rata share of the cost of a sewer system to be constructed by the Waterworks. A decision was made to bring the variance request and its conditions back to the Board in a formal resolution at next month's Board Meeting.

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c) Discussion on Septic Tank Variance Request for Crockett Corner Subdivision.

Mr. Skoglund presented background information on a sewer system extension variance request, with additional details provided by Mr. Randy Winston, the owner of the property proposed to be subdivided. The parallels and differences between Crockett Corner and Caliber Collision were noted. Mr. Winston explained the financial hardship that compliance with the extension policy would mean for his subdivision.

After lengthy discussion, it was determined that because an extension of the sewer system would offer no potential benefit for other properties in the area, Crockett Corner should be allowed to install permanent, privately-owned, grinder pump stations on each lot and a low-pressure force main within public right-of-way to connect the grinder pump stations to the existing gravity sewer on Drury Rd. A decision was made to bring the variance and its conditions back to the Board in a formal resolution at next month's Board Meeting.

d) Discussion on Pay Rates for Licensed Treatment Plant Operators.

Mr. Skoglund reported on the increasing turnover rate among licensed water and wastewater treatment plant operators and the greater difficulty of finding qualified applicants to fill vacancies. He stated that other utilities in the region were paying higher wages for licensed operators that would jeopardize the Waterworks' ability to fully staff its treatment plant operations.

Because of the scarcity of applications, apprentices had recently been hired to fill operator vacancies and grow them into licensed operators, but that development process takes more than two years before apprentices can become licensed.

Mr. Skoglund presented a table of license operator pay rates for several local area municipalities and noted Waterworks had lost employees to other municipalities and oil production companies who offer higher pay. A mid-year pay adjustment was recommended for improving the retention of licensed operators.

A discussion by the Board ensued and a decision was made to place a formal resolution for operator pay adjustments on the agenda for the next Board meeting.

e) Report on delinquent accounts exceeding \$500.

Florita J. Rodriguez gave an overview of the delinquent accounts that were currently pending. Discussion by the Board ensued.

AGENDA ITEM NO. 6: FINANCIALS

a) Monthly Financial report for month ending February 28, 2023.

Mr. Skoglund reported Mr. De La Garza was unable to attend the meeting, and he offered to discuss any question the Board may have had on the financial reports, ending February 2023. Discussion by the Board ensued.

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AGENDA ITEM NO. 7: RESOLUTIONS

a) R2223-27: Awarding a contract for supply of Ready-Mix Concrete.

Tim Skoglund reported two bids had been received. 57 Concrete LLC, the lowest bidder, had a batching plant in Hidalgo County, but the long travel time to Harlingen would potentially compromise the quality of concrete delivered. The vendor was in process of constructing a plant in San Benito.

Both vendors were recommended for award of contract with 57 Concrete as the primary option once able to make deliveries from its local plant and contingent on acceptable performance. Central Ready Mix would be used otherwise. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-27 – awarding a contract for supply of Ready-Mix Concrete to 57 Concrete and Central Ready Mix.

Motion: Michael Garza
Second: Chris Bartnesky

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

b) R2223-28: Awarding service contracts for repair of Compressors and Blowers, Electric Motors, Gear Boxes and Mixer Drives, and Vertical Turbine Pumps.

Mr. Skoglund reported on the on-going need for repair services and a recent bid solicitation. The two current vendors submitted bids for a new contract. Valley Armature was recommended as be the primary vendor with Lewis Electric as secondary to be used whenever Valley Armature would be unable to perform. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-28 - awarding service contracts for repair of Compressors and Blowers, Electric Motors, Gear Boxes and Mixer Drives, and Vertical Turbine Pumps to Valley Armature and Lewis Electric.

Motion: Chris Bartnesky
Second: Enrique Del Angel

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

c) R2223-29: Awarding a contract for purchase of a Crew Cab Truck.

Mr. Skoglund reported the current crew cab truck was experiencing motor issues and needed replacement. Two vendors submitted bids. The lowest bid from Grapevine DCJ, LLC was under budget. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-29 –awarding a contract for purchase of a Crew Cab Truck to Grapevine DCJ.

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Motion: Michael Garza
Second: Chris Bartnesky

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

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 6:42 P.M.

Motion: Enrique Del Angel
Second: Chris Bartnesky

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

Attest:



Nilda Sanchez, Board Secretary