

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday, July 29, 2020**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 29th day of July, 2020 at 3:00 P.M. by videoconference.

Board Members Present: Michael Garza, Chairman  
Michael Murphy, Trustee  
Curtis Bonner, Trustee  
Chris Bartnesky, Trustee  
Dan Serna, Ex-Officio

Staff Present: Tim Skoglund, General Manager  
Robert Canterbury, System Engineer  
Gene McCullough, System Attorney  
Darrell Gunn, System Consultant  
Ron De La Garza, Finance & Revenue Director  
Joyce Lamon, Customer Services Director  
Sanjuana Garcia, Purchasing Manager  
David Sanchez, Water Services Director  
Jon Hedegard, Wastewater Services Director  
John McKenna, IT Director  
Elizabeth Soto, Human Resources Director

City Staff Present: Carlos Sanchez, Assistant City Manager

**AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME**

Michael Garza, Chairman, called the meeting to order at 3:05 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: APPROVAL OF MINUTES**

**a) Regular Board Meeting of June 24, 2020**

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of June 24, 2020 was made.

A motion to approve the Board Minutes for the Regular Board Meeting of June 24, 2020, was made.

Motion: Michael Murphy

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Second: Curtis Bonner

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

**AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS**

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

Joyce Lamon, Customer Service Director, reported there were several new entries on the active delinquent accounts lists and some payments had already been posted since the report was submitted.

Ms. Lamon reported she had made contact with several account owners to discuss their current situation and payment plans. Several customers, residential and commercial, had been informed by Waterworks representatives of local organizations that were offering assistance for paying utility bills. Discussion ensued, and a recommendation was made that account owners on the list be sent letters informing them that late fees would begin to be assessed on outstanding balances if payment arrangements were not received within a certain period of time.

**b) Discussion of COVID-19 response and effects on operations**

Tim Skoglund discussed the Waterworks' continued actions to address COVID-19 threats and impacts. He presented charts of current cases noting that COVID-19 positive cases were accelerating, and he shared data on the operational impacts of the temporary policy suspending delinquent disconnects and late payment fees.

Joyce Lamon gave an overview of waived late payment charges and delinquent accounts that were currently pending in comparison to last year's pre-pandemic data.

Dan Serna, City Manager, formally requested that the Board continue the suspension of delinquent disconnections and late payment fees until September. He reported no one expected COVID to last this long, that the unemployment rate remained high in Harlingen, and that many citizens were still experiencing financial hardship.

Discussion by the Board ensued on continuing the suspension of disconnections and late payment charges with particular focus on delinquent accounts in excess of \$500. A proposed plan of action decided upon by consensus of the Board was to send a letter to account owners with delinquent balances in excess of \$500 informing them that late payment charges would be assessed if payments or arrangements to pay were not made within 10 days. The Board directed that suspension of delinquent account disconnections should remain suspended for at least an additional month.

**c) Presentation of Draft Proposed FY 2021 Budget**

Mr. Skoglund discussed the proposed 2020-2021 Fiscal Year Budget. Proposed personnel budget increases included additions of a utility engineer position, adjustments for licensed wastewater treatment operators, and a 2% merit overall adjustment for employees. Major operational expense increases were discussed and proposed

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expenses for capital equipment were described in detail. Mr. Skoglund presented a 5-year forecast of revenues and expenses showing how the Waterworks' working capital balance would be affected by various revenue, expense, and bond issue scenarios. Discussion by the Board ensued.

**AGENDA ITEM NO. 5: FINANCIALS**

**a) Monthly Financial report for month ending June 30, 2020**

Ronald De La Garza, Director of Finance, gave an overview of the financial reports for June 2020. Discussion by the Board ensued.

**b) Presentation of Quarterly Investment Report, ending June 30, 2020**

Ronald De La Garza, Director of Finance, discussed information in the Quarterly Investment report, ending June 30, 2020.

**AGENDA ITEM NO. 6: RESOLUTIONS**

**a) R1920-44: Approving Change Order No. 2 to the construction contract for water and sewer main replacement along alley near Main Office**

Robert Canterbury, System Engineer, reported unforeseen problems with existing water and sewer lines that required adjustment of the contract. He described Change Order No. 1 for additional sewer main replacement that had been approved administratively and Change Order No. 2 that included pavement repairs required because of heaving caused by an unusually shallow pipe, an irrigation meter tap, and adjustments and repairs associated with conflicts with electrical utilities. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1920-44 – approving Change Order No. 2 to the construction contract for water and sewer main replacement along alley near Main Office.

Motion: Michael Murphy  
Second: Curtis Bonner

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

**b) R1920-45: Approving the proposed 2020-2021 Fiscal Year Budget and recommending its adoption by the Harlingen City Commission**

Mr. Skoglund discussed the proposed budget highlighting a few revisions from the proposed budget presented earlier in the meeting. He recommended the Board authorize two changes to the budget presented earlier including an adjustment of the FY 2019 actual personnel expenses that would need to be further evaluated before presentation to the City Commission and an increase in the construction budget for lobby security improvements.

A motion was made by written message displayed via Trustee Bartnesky's videoconference feed because his microphone was not working, to approve Resolution

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No. R1920-45 – approving the proposed 2020-2021 Fiscal Year Budget and recommending its adoption by the Harlingen City Commission.

Motion: Chris Bartnesky  
Second: Curtis Bonner

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

**AGENDA ITEM NO. 7: MANAGER'S REPORTS**

Tim Skoglund stated the meeting had run long and offered to skip presentation of the reports. No discussion ensued.

**AGENDA ITEM NO. 8: OATH OF OFFICE**

**a) Newly appointed Board Member, Enrique Del Angel**

Tim Skoglund informed the Board that District 4 Commissioner, Ruben De La Rosa had appointed a new trustee to replace Michael Garza whose second term was expiring. Michael Garza, administered the oath of office to Mr. Enrique Del Angel, swearing him in as the newest trustee for the Harlingen Waterworks System.

Mr. Skoglund thanked Mr. Garza for his service to the Waterworks through two full terms. Mr. Garza shared a few kind words recalling his eight years of service on the Board then dismissed himself from the meeting.

**AGENDA ITEM NO. 9: ELECTION OF OFFICERS**

Mr. Skoglund informed the Board it was time to elect officers. He opened up the floor for Chairman nominations. Vice Chairman, Kevin Campbell, who was not present, had previously indicated he would not be opposed to serving as Chairman.

Curtis Bonner, Trustee, motioned that Mr. Campbell be elected by acclamation, as the newest Board Chairman.

Motion: Curtis Bonner  
Second: Chris Bartnesky

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

Discussion by the Board ensued regarding the appointment of Vice Chairman. Chris Bartnesky nominated Michael Murphy to serve as Vice Chairman, and Mr. Murphy indicated his willingness to serve in that role.

Chris Bartnesky, Trustee, motioned that Mr. Murphy be elected by acclamation, as the newest Board Vice Chairman.

Motion: Chris Bartnesky  
Second: Curtis Bonner

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

**AGENDA ITEM NO. 10: ADJOURN**

There being no further business to discuss, Vice Chairman, Murphy called for a motion to adjourn the meeting at 5:33 P.M.

Motion: Curtis Bonner  
Second: Chris Bartnesky

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

Attest:

  
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Nilda Sanchez, Board Secretary