

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, November 20, 2019

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 20th day of November, 2019 at 3:00 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: Frank Puente, District 2
Victor Leal, District 5

Board Members Present: Michael Garza, Chairman
Kevin Campbell, Vice Chairman
Michael Murphy, Trustee

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Kathern Davidson, Finance & Revenue Director
Sanjuana Garcia, Purchasing Manager
Jon Hedegard, Wastewater Services Director
Elizabeth Soto, Human Resource Director
Joyce Lamon, Customer Service Director

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Michael Garza, Chairman, called the meeting to order at 3:02 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 October 30, 2019

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of October 30, 2019 was made.

Motion: Michael Murphy
Second: Kevin Campbell

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

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b) Joint Special Board Meeting of November 6, 2019

With no corrections requested, a motion to approve the Board Minutes for the Joint Special Board Meeting of November 6, 2019 was made.

Motion: Michael Murphy
Second: Michael Garza

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

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

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

Joyce Lamon, Customer Services Director, reported no new entries to the active delinquent accounts list.

b) Discussion of options for Waterworks and Sewer System Revenue Refunding Bonds, Series 2019

Tim Skoglund reported on a request that was brought up at last month's joint special meeting regarding Refunding Bonds, Series 2019, in which Commissioner Michael Mezmar questioned the value of re-financing the 2020 maturity of the 2010A bond series. He discussed an alternative refinancing scenario developed by Hilltop Securities, the Waterworks' financial advisor, omitting the refinancing of the 2020 maturity. A comparison of the original and alternative scenarios revealed a greater net present value savings associated with refunding all maturities as originally proposed. Discussion by the Board ensued, and the Board indicated its collective preference to proceed with refunding of all maturities of the 2010A bond series.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly Financial report for month ending October 31, 2019

Kathern Davidson, Finance Director, gave an overview of the financial reports for October, 2019. Discussion from the Board ensued.

AGENDA ITEM NO. 6: RESOLUTIONS

a) R1920-05: Declaring and authorizing the auction of depreciated, inoperable, or obsolete surplus property on GovDeals.com

Tim Skoglund reported the on-going accelerated meter replacement program had resulted in the accumulation of a large number of inoperable water meters at the warehouse. The space required for storage of these meters had begun to disrupt operations and was creating some safety concern. Historically, all surplus items had been held in storage at the warehouse or various Waterworks facilities until the City of Harlingen's annual auction. Mr. Skoglund asked whether the Board would prefer to authorize staff to dispose of surplus property via ad hoc auction on GovDeals.com as need arose in lieu of accumulating such surplus until declaration and auction at the City's annual auction, subject to the policy guidelines attached to the proposed resolution. He reported that prior auctions on GovDeals.com realized superior pricing relative to local annual auction pricing. Discussion by the Board ensued, and a stipulation was requested

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to exclude HWWS employees and their immediate relatives from bidding on HWWS's surplus property.

A motion was made to approve Resolution No. R1920-05 – declaring and authorizing the ad hoc auction of depreciated, inoperable, or obsolete surplus property on GovDeals.com subject to the proposed policy guidelines and the exclusion of HWWS employees and their immediate relatives from participation in auctions for HWWS's surplus property.

Motion: Kevin Campbell
Second: Michael Murphy

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

b) R1920-06: Awarding a purchase contract for forklifts

Tim Skoglund reported the two forklifts used in warehouse and fleet maintenance operations were approximately 30 years old and in need of replacement. Six bids had been received for a 6,000-lb and a 10,000-lb forklift, but only two were responsive for the 6,000-lb unit and five were responsive for the 10,000-lb unit. Mr. Skoglund stated that the bids by American Material handling for Doosan branded forklifts represented best value for the Waterworks. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1920-06 – awarding a purchase contract for forklifts

Motion: Kevin Campbell
Second: Michael Murphy

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

c) R1920-07: Awarding a purchase contract for a combination sewer system cleaning truck

Tim Skoglund reported the need for a combination sewer system cleaning truck to replace the 2007 model that had been auctioned off in 2018 at the end of its useful life. He reported that having operational combination jet/vacuum sewer cleaning trucks is critical to the Waterworks ability to clear sewer backups and adding an additional unit to replace the 2007 model was necessary to maintain an adequate level of service. Three proposals had been solicited based on purchasing cooperative prices, and the Camel-branded combination sewer cleaning truck proposed by Houston Freightliner, represented the best value for the Waterworks based on low price and positive past experience with the brand. Discussion by the Board ensued.

A motion was made to approve Resolution No. R1920-07 – Awarding a purchase contract for a combination sewer system cleaning truck

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Motion: Kevin Campbell
Second: Michael Murphy

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

AGENDA ITEM NO. 7: MANAGER'S REPORTS

Tim Skoglund highlighted portions of the Manager's Reports. The Board asked questions and discussed the information as it was presented.

AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, Chairman Garza, called for a motion to adjourn the meeting at 3:54 P.M.

Motion: Michael Murphy
Second: Kevin Campbell

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

Attest:



Nilda Sanchez, Board Secretary