

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, May 26, 2021

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 26th day of May 2021 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.

Board Members Present: Kevin Campbell, Chairman
Michael Murphy, Vice Chairman
Chris Bartnesky, Trustee
Curtis Bonner, Trustee
Enrique Del Angel, Trustee
Dan Serna, Ex-Officio

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Darrell Gunn, System Consultant (via videoconference)
Robert Canterbury, System Engineer (via videoconference)
John McKenna, Director of Information Technology
Joyce Lamon, Director of Customer Service
Elizabeth Soto, Director of Human Resources
Ron De La Garza, Director of Finance & Revenue
Gabriel Trevino, Jr., Assistant Utility Engineer

City Staff Present: Carlos A. Sanchez, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Kevin Campbell, Chairman, called the meeting to order at 3:01 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 April 28, 2021

Curtis Bonner, Trustee, noted language of the minutes on Page 4 was lacking awardee information for Resolution No. R2021-19. Tim Skoglund acknowledged the recommendation for consideration of future implementation.

A motion to approve the Board Minutes, as amended, for the Regular Board Meeting of April 28, 2021 was made.

Motion: Curtis Bonner
Second: Michael Murphy

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, May 26, 2021

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

AGENDA ITEM NO. 4: REPORTS AND PRESENTATIONS

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

Joyce Lamon gave an overview of the delinquent accounts that were still currently pending. Discussion by the Board ensued.

b) Presentation and discussion on proposed customer service policy modifications: Payment Due Dates; Billing Adjustments; Portable Meter Security Deposit

Joyce Lamon presented proposed Customer Service Policy modifications regarding Payment Due Dates; Billing Adjustments; Portable Meter Security Deposit. Discussion by the Board ensued.

c) Discussion of power bill surcharges associated with the February 2021 freeze event.

Tim Skoglund reported all city departments were included under the City's energy contract with a consortium of other municipalities named TCAP. TCAP rates were affordable until the freeze event in February 2021 during which electric grid power was lost between February 15-19.

TCAP submitted a letter the City of Harlingen, informing that surcharge prices were incurred during the freeze. Mr. Skoglund explained the State of Texas allowed energy companies to supply energy at a much higher rate during peak demand. The energy bill would apply to every city department. The bill for surcharge (ancillary) costs totaled among all City departments was \$649,000, to be paid by the end of May 31, 2021. The Waterworks' portion of the bill was approximately \$198,000.

Ron De La Garza, Director of Finance, obtained energy usage and surcharge amounts for the Waterworks' electric meters. The surcharge pricing calculations were based on power usage spanning the freeze event. Over that period, the Main Office, both water plants, and the wastewater plant, and many lift stations were powered using generators.

Dan Serna, City Manager, briefed the Board on payment decisions that were yet to be made. If the bill were not to be paid by the end of May, additional charges would be assessed. He discussed payment plan options. A City Commission Meeting to be held later that afternoon would discuss how the City would proceed with reaching a decision for the payment. Payment had to be made but it would be under protest, to protect the integrity of the current contract in case other avenues were needed for dispute or audit. Discussion by the Board ensued.

d) Discussion on lease agreement renewal request from Adams & Graham.

Tim Skoglund informed the Board that Mr. William Pope of Adam's & Graham, LLP had requested a reduced rent rate for its lease renewal of the Main Office Building's 3rd Floor. Mr. Pope stated COVID-19 had significant impact to the firm. Their revenue stream had diminished significantly during the pandemic. Mr. Pope noted the firm's twelve-year tenant

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, May 26, 2021

history and their recent floor remodeling project to improve the space. Discussion by the Board ensued and a decision to move into Executive Session was motioned:

Executive Session

The Board convened into Executive Session in accordance with the Texas Government Code, pursuant to Section 551.072 – Consultation with System Attorney regarding real property transactions.

A motion was made to enter into Executive Session.

Motion: Michael Murphy
Second: Curtis Bonner

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

Entered into Executive Session at: 3:32 P.M.

Exited Executive Session at: 3:46 P.M.

Action Taken: No

Meeting was called back to order at 3:46 P.M.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly Financial report for month ending April 28, 2021

Ron De La Garza gave an overview of the financial reports for January 2021. Discussion by the Board ensued.

AGENDA ITEM NO. 6: RESOLUTIONS

a) R2021-20 Approving an extension of consulting agreement with Darrell Gunn, P.E.

Tim Skoglund noted Darrell Gunn continued to be a valuable resource as consultant and that Mr. Gunn had expressed willingness to continue in that role for an additional year. Discussion by the Board ensued.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

b) R2021-21: Appointing a representative to the City of Harlingen Audit Committee.

Tim Skoglund reported an annual appointment from the Waterworks' Board of Trustees was needed to serve as a representative on the City of Harlingen Audit Committee. The floor was opened up for nominations and none were offered at the time. Discussion by the Board ensued and a suggestion to table the item and appoint someone at next month's Board Meeting was suggested in consideration of swearing in a new Trustee, scheduled for June's Board Meeting.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, May 26, 2021

Motion: Curtis Bonner
Second: Chris Bartnesky

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

c) R2021-22: Awarding contract(s) for purchase and construction of a metal building system for the Wastewater Sludge Dewatering Facility Expansion project.

Tim Skoglund explained the Wastewater sludge dewatering facility expansion project was lacking the final component which was the metal building to house the new belt press. A new belt press and associated equipment had already been purchased for the project. The project design had taken longer than expected. The original intent to erect the metal building in-house was discussed with construction staff, and a decision made to contract for the construction of the concrete slab and erection of the metal building.

Despite many inquiries and discussions with all acceptable vendors identified by the Engineer, few expressed interest. One vendor had a contract for building fabrication and construction through Sourcewell, an intergovernmental purchasing cooperative.

Initial discussions with a local affiliate of that vendor indicated an 8-12 lead time for delivery of the building components; however, the manufacturer had more recently noted that they were operating 24-hour per day production to meet extraordinary demand and were now estimated a 42-week delivery lead time.

Mr. Skoglund explained there may be other alternatives to consider for housing the belt press, and he recommended tabling this resolution until further investigation could be made.

Motion: Curtis Bonner
Second: Michael Murphy

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

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

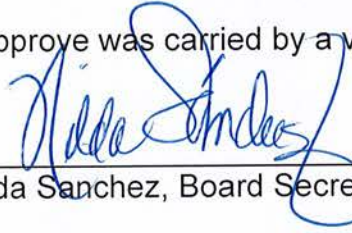
There being no further business to discuss, Chairman, Campbell, called for a motion to adjourn the meeting at 4:24 P.M.

Motion: Curtis Bonner
Second: Michael Murphy

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, May 26, 2021

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

Attest:



Nilda Sanchez, Board Secretary