

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, August 25, 2021

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 25th day of August 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: Michael Murphy, Chairman
Chris Bartnesky, Vice Chairman
Curtis Bonner, Trustee
Enrique Del Angel, Trustee
Juan V. Garcia, 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)
Joyce Lamon, Director of Customer Service
David Sanchez, Director of Water Services
Jon Hedegard, Director of Wastewater Services
John McKenna, Director of Information Technology
Jose L. Rodriguez, Cyber Security Admin Analyst
Elizabeth Soto, Director of Human Resources
Ron De La Garza, Director of Finance & Revenue

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Michael Murphy, 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: Regular Board Meeting of July 28, 2021

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of July 28, 2021, was made.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

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b) Special Board Meeting of August 12, 2021

With no corrections requested, a motion to approve the Board Minutes for the Special Board Meeting of August 12, 2021, was made.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

****** OUT OF SEQUENCE**

In consideration of TMRS representatives Anthony Mills and Lorraine Moreno who had joined the meeting via videoconference, Mr. Skoglund asked whether the following two resolutions could be moved forward on the agenda. Chairman Murphy agreed.

- a) R2021-44: Approving a resolution providing for the participation in the Texas Municipal Retirement System and the supplemental death benefits fund by the City of Harlingen Waterworks System; and to make current service and prior service contributions to the Department's account in the benefit accumulation fund of the Texas Municipal Retirement System at the actuarially determined rate of total employee compensation.**

Tim Skoglund summarized the history of retirement plans adopted by the City of Harlingen and Waterworks dating back to 1978.

In 2005, the City and Waterworks shared a similar TMRS plan with matching of employee contributions at a rate of two-to-one. In 2007, The City elected to enroll all its new employees in a 401a retirement plan. Waterworks reduced its TMRS matching contributions to one-to-one and eliminated 100% repeating updated service credit and inflation adjustment enhancements. The Waterworks continued TMRS participation until October 2018 at which time it began enrolling all new employees in City's 401a retirement plan. Waterworks employees who had been enrolled in TMRS continued their membership receiving one-to-one employer matching.

Mr. Skoglund reported that on August 18, 2021, the Harlingen City Commission adopted ordinances to re-enroll all the City's employees in TMRS effective September 1 at the same matching contribution rate of two-to-one, to provide for a one-time 50% updated service credit adjustment effective January 1, 2022, and to include a supplemental death benefit as part of the plan. Trustee Garcia asked whether the plan option shown in the first column on TMRS's Actuarial Study included in the Board packet was the same as Commission's selection, and he asked whether the other two options including a 75% and 100% updated service credit could be re-considered in the future. Mr. Skoglund responded affirmatively. Discussion by the Board ensued.

The resolution presented in the Board packet indicated that participation in TMRS for all employees would begin on October 1, 2021, but since enrollment beginning September 1 would be feasible, the Board reached a consensus that Waterworks' enrollment should

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begin September 1, 2021 to match the City's re-enrollment date. Mr. Skoglund informed the Board that because the Waterworks TMRS plan had originally been entered into by Board action, the Board's resolution would not need to be additionally approved by City Commission.

Discussion by the Board ensued about the financial effects re-enrollment and updated service credit adjustment for all employees would have on the budget. Trustee Garcia commented that re-enrollment with updated service credit adjustment would be a fair and deserved benefit for employees.

A motion was made to approve Resolution No. R2021-44 – approving a resolution providing for the participation in the Texas Municipal Retirement System and the supplemental death benefits fund by the City of Harlingen Waterworks System; and to make current service and prior service contributions to the Department's account in the benefit accumulation fund of the Texas Municipal Retirement System at the actuarially determined rate of total employee compensation, as amended.

Motion: Juan V. Garcia
Second: Enrique Del Angel

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

- b) R2021-45: Authorizing and allowing, under the act governing the Texas Municipal Retirement system, "updated service credits" in said system for service performed by qualifying members of such system who presently are members of the City of Harlingen Waterworks System; providing for a change in the Department's TMRS matching ratio; and establishing an effective date for such actions.**

Tim Skoglund reported that this separate resolution was needed to increase Waterworks' TMRS matching rate to two-to-one and to authorize a one-time 50% updated service credit as had been discussed under the previous agenda item. The effective date would be January 1, 2022.

A motion was made to approve Resolution No. R2021-45 – authorizing and allowing, under the act governing the Texas Municipal Retirement system, "updated service credits" in said system for service performed by qualifying members of such system who presently are members of the City of Harlingen Waterworks System; providing for a change in the Department's TMRS matching ratio; and establishing an effective date for such actions.

Motion: Chris Bartnesky
Second: Juan V. Garcia

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

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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) Discussion on Main Office address on Harrison Ave. and use of the same on documents and digital displays referring to the building's primary entrance.

Tim Skoglund noted that proposed improvements for the Main Office lobby were planned to eliminate the north doors as a public entrance and channel all customers and guests to the primary entrance on the south side of the building facing Harrison Ave. In advance of that project, staff had ordered signage to begin directing all customers and guests to the south entrance. He noted that GPS mapping services using the 134 E. Van Buren address directed visitors to the north side of the building, not the building's parking lot and south entrance. While this had been a long-standing issue when all north curbside parking became occupied, closure of the north doors had created a greater frustration and inconvenience to new visitors who would park on the north curbside and attempt to enter the building from the north doors, only to find they would need to re-park their vehicle and enter through the south doors.

To resolve this issue, Mr. Skoglund proposed adding a new address for the building to appear on all public documents and digital displays of the Main Office's address. The new address of 121 E. Harrison Ave. would most accurately reflect the location of the building's parking lot and public entrance. The existing 134 E. Van Buren address would remain as the advertised address for the drive-through lanes and would continue to be used on formal documents such as insurance policies. Discussion by the Board ensued, and no objection was raised to Staff's plan to add the new address.

c) Presentation and discussion on proposed customer service policy modifications: Payment Procedures.

Joyce Lamon presented proposed Customer Service Policy modifications regarding payment procedures. Discussion by the Board ensued.

AGENDA ITEM NO. 5: FINANCIALS

a) Monthly Financial report for month ending July 31, 2021

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

AGENDA ITEM NO. 6: RESOLUTIONS

c) R2021-31 Ratifying purchase of submersible wastewater pumps for Lift Stations 29 and 54.

Tim Skoglund informed the Board that administrative action to purchase pumps for both lift stations had been discussed at the June 30, 2021, Board Meeting. He noted that the pumps had been purchased and received. The resolution was needed for ratification of

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the purchase in accordance with the Waterworks' purchasing policy. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-31 – ratifying purchase of submersible wastewater pumps for Lift Stations 29 and 54 to Xylem Water Solutions of Corpus Christi, TX.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

d) R2021-32: Ratifying an amendment to contract with credit card processing vendor related to service fee determination.

Tim Skoglund reported that administrative action to approve the revised contract terms had been discussed at a previous Board Meeting, including a 2.5% fee with a minimum fee threshold of \$1.60, and direct payment by the Waterworks of costs associated with use of the vendor's interactive voice response (IVR) system. Several issues with the new credit card service had been addressed and other issues were still being worked out with the vendor. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-32 – ratifying an amendment to contract with credit card processing vendor, InvoiceCloud, related to service fee determination.

Motion: Chris Bartnesky
Second: Curtis Bonner

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

e) R2021-34: Awarding contracts for supply of Pipes, Valves and Fittings.

Ron De La Garza reported the bid documents had been divided into multiple sections. Staff recommended awarding contracts to the bidders of each section for which they submitted the low bid. New bid pricing reflected a fifty-five percent overall increase from last year's contract. He recommended award to multiple vendors to maximize availability in the event a low bidder would not be able to meet required delivery schedules. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-34 – awarding contracts for supply of Pipes, Valves and Fittings to all three bidders; Aguaworks Pipe & Supply, LLC; ACT Pipe & Supply, Inc; Core and Main LP.

Motion: Curtis Bonner
Second: Juan V. Garcia

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

f) R2021-35: Awarding a contract for supply of Bagged Cement.

Tim Skoglund reported on recent bids for bagged cement noting a significant price increase from the current contract. The proposed contract would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-35 – awarding a contract for supply of Bagged Cement to Rod Enterprises.

Motion: Juan V. Garcia
Second: Chris Bartnesky

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

g) R2021-36: Awarding contracts for supply of Fire Hydrants and Parts.

Tim Skoglund reported the bid documents had been divided into multiple sections. Staff recommended awarding contracts to the bidders of each section for which they submitted the low bid. A significant price increase from last year's contract was discussed. Mr. Skoglund recommended award to multiple vendors to maximize availability in the event a low bidder would not be able to meet required delivery schedules. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-36 – awarding contracts for supply of Fire Hydrants and Parts to all responsive bidders including Core & Main LP; Ferguson Enterprises; and ACT Pipe & Supply.

Motion: Curtis Bonner
Second: Enrique Del Angel

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

h) R2021-37: Awarding a contract for supply of Chlorine

Tim Skoglund reported on the sole bid received at a unit price increase of forty-eight percent over the current contract. He noted the proposed contract included provisions for two (2) one-year extensions. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-37 – awarding a contract for supply of Chlorine to DPC Industries, Inc. of Corpus Christi, TX.

Motion: Chris Bartnesky
Second: Enrique Del Angel

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

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i) R2021-38: Awarding contracts for supply of Liquid Aluminum Sulfate and Liquid Ammonium Sulfate.

Tim Skoglund reported these two items were bid separately but were recommended to be awarded to the same low-bid vendor. Both contracts reflected a price increase from the prior contract and would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-38 – awarding contracts for supply of Liquid Aluminum Sulfate and Liquid Ammonium Sulfate to Chemtrade Chemicals US LLC.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

j) R2021-39: Awarding a contract for supply of Hydrogen Peroxide.

Tim Skoglund reported on the recent bids for hydrogen peroxide and noted a slight price increase above the current contract price. The proposed contract would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-39 – awarding a contract for supply of Hydrogen Peroxide to Brenntag Southwest of Lancaster, TX.

Motion: Juan V. Garcia
Second: Chris Bartnesky

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

k) R2021-40: Awarding a contract for supply of Liquid Sodium Hydroxide.

Tim Skoglund reported liquid sodium hydroxide was used to increase the pH level in treated water. The water plant had recently been receiving lower quality raw water from the Rio Grande River, forcing operations to increase the dose of sodium hydroxide to neutralize the water.

The proposed contract would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-40 – awarding a contract for supply of Liquid Sodium Hydroxide to Amchem, Inc. of Longview, TX.

Motion: Juan V. Garcia
Second: Curtis Bonner

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

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l) R2021-42: Approving a consulting contract with Robert L. Canterbury for Infrastructure Design and Support of Engineering Operations

Tim Skoglund reported Robert L. Canterbury had recently semi-retired from the Waterworks and had been working as a part-time employee from his home in Tennessee, making effective use of videoconferencing for communication with Staff. Mr. Canterbury agreed to the terms of the proposed contract that would increase his ability to dedicate the hours necessary for his project assignments relative to the limitations imposed by part-time employment rules.

Curtis Bonner asked if there had been an advertisement posted for the Engineer's position. Mr. Skoglund reported Mr. Canterbury's service as consultant was regarded as a professional service for which he would be exclusively qualified, and therefore would not require advertisement. The intent would be for him to continue training and coaching two newly hired engineers and designing construction projects. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-42 – approving a consulting contract with Robert L. Canterbury for Infrastructure Design and Support of Engineering Operations.

Motion: Juan V. Garcia
Second: Enrique Del Angel

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

m) R2021-43: Approving a contract extension for Investment Advisory Services

Ron De La Garza reported the Waterworks' Investment advisor, Valley View Consulting, LLC had been performing well in an investment advisory role and recommended extension of their contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-43 – approving a contract extension for Investment Advisory Services with Valley View Consulting, LLC.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

n) R2021-46: Approving a lease agreement for the 3rd Floor of the Main Office building.

Tim Skoglund noted that Adams & Graham had agreed to the lease terms previously counter-offered by the Board. A motion was made to approve Resolution No. R2021-46

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– approving a lease agreement for the 3rd Floor of the Main Office building with Adam's & Graham, LLP.

Motion: Curtis Bonner
Second: Juan V. Garcia

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

AGENDA ITEM NO. 7: MANAGER'S REPORTS

Mr. Skoglund highlighted portions of the Manager's Report's. The Board asked questions and discussed the information that was presented.

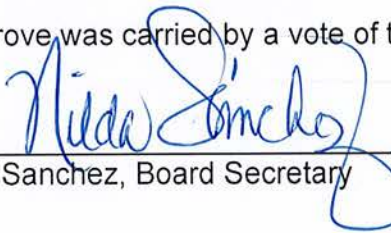
AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 5:10 P.M.

Motion: Chris Bartnesky
Second: Juan V. Garcia

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

Attest:



Nilda Sanchez, Board Secretary