

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 29th day of September 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
Gabriel Gonzalez, Interim City Manager

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

City Staff Present: Carlos Sanchez, Assistant City Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Michael Murphy, Chairman, called the meeting to order at 3:00 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 August 25, 2021

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of August 25, 2021, was made.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

Motion: Curtis Bonner
Second: Juan V. Garcia

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 pending delinquent accounts. An end of the fiscal year report of delinquent accounts revealed a significant decrease in yearly account write offs. Ms. Lamon reported collection efforts had been more productive this past year. Discussion by the Board ensued.

b) Presentation and discussion on proposed customer service policy modifications: Connects, Reconnects, Disconnects.

Joyce Lamon presented proposed Customer Service Policy modifications regarding connects, reconnects, and disconnects. Discussion by the Board ensued.

c) Report on correction of Resolution R2021-45 related to TMRS retirement plan 2:1 matching and 50% updated service credit.

Tim Skoglund noted that the resolution regarding TMRS retirement plan 2:1 matching and 50% updated service credit had been approved at last month's Board meeting. However, the resolution that had been prepared by TMRS was missing an essential paragraph. Mr. Skoglund stated that TMRS would allow the change to be made administratively by the General Manager. Discussion by the Board ensued whether to proceed with administrative approval of the added paragraph or to bring a revised resolution back to the Board for approval. Mr. Skoglund noted that the retirement plan changes authorized by the resolution would not be made until January 1, 2022. Mr. Bonner asked to bring the item back to October's Board Meeting to be voted on.

d) Discussion on Board meeting schedule for November and December 2021.

Tim Skoglund reported Board Meetings were scheduled the last Wednesday of every month. Thanksgiving and Christmas holidays would be celebrated close to those scheduled dates. Discussion by the Board ensued and a decision was made to reschedule the Regular Board Meetings to the third Wednesdays of November and December.

AGENDA ITEM NO. 5: FINANCIALS

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

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

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

AGENDA ITEM NO. 6: RESOLUTIONS

a) R2021-47: Approving Change Order No.1 – Pendleton Waterline Replacement Project.

Robert Canterbury gave a presentation on the progress and pending project construction for Pendleton Waterline Replacement Project, and he summarized various work change directives that had been administratively approved under the contract's contingency allowance. Additional days were proposed to be added to the contract because of several unforeseen circumstances. The contract times would be extended 113 days for substantial completion and 93 days for final completion. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-47 – approving Change Order No. 1 – Pendleton Waterline Replacement Project

Motion: Curtis Bonner
Second: Juan V. Garcia

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

b) R2021-48: Awarding contract (s) for Priority Sewer Renewal Projects, Package No. 1.

Robert Canterbury gave a presentation of two construction phases for a project to replace failing sewer mains in sixteen areas within the collection system. Phase 1 included five priority areas that had been experiencing a high frequency of repairs. The second phase would include the remaining eleven sites and would begin construction a couple of months after the start of Phase 1.

The start date would be 255 calendar days of contract time for completion. The commencement of construction would be timed to coincide with the completion of the current Pendleton pipe bursting project so that the existing contractor could remain engaged in Harlingen Water Works project, however, the contractor would be issued the notice of award immediately to allow them to commence with the acquisition of materials at this time. Discussion by the Board ensued regarding supply availability during the project. Mr. Canterbury explained that one of the advantages of utilizing the buy board contract bidding process was to mitigate current supply issues and avoid the risk of potential market prices increases Also, if the recommended contractor performs well in the completion of Phase 1, there is the potential for extending this contract to include Phase 2, consisting of the remaining 11 sites.

A motion was made to approve Resolution No. R2021-48 – awarding a contract for Priority Sewer Renewal Projects – Package No.1

Motion: Chris Bartnesky
Second: Curtis Bonner

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

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

c) R2021-49: Awarding contract for Submittal and Commitment of funds for FEMA Grant Application

Tim Skoglund reported the freeze of February 2021 left many of the Waterworks' facilities without power. FEMA opened up a grant program with an application submittal deadline of November 5, 2021. Mr. Skoglund noted that Halff Associates had been contracted to for electrical engineering support to define the technical documents and cost estimates needed for the application.

He identified facilities where fixed generators were proposed to be installed and noted two portable generators would be included in the application. A fuel depot with elevated tanks were to be included to ensure fuel supply for generators during power outage events.

Mr. Skoglund stated that the resolution was needed because FEMA required that the grant application include a certification that the Board had authorized submission of the application and the commitment of funds.

Curtis Bonner asked what would happen if the grant was not approved. Mr. Skoglund explained that the full cost of the generator would have to be re-budgeted and spread out over several years. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-49 – approving a Submittal and Commitment of funds for FEMA Grant Application.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

d) R2021-50: Awarding contract for supply of Water Treatment Coagulants.

Tim Skoglund reported that the raw water received from the Rio Grande River contained unusually high levels of salinity. Consequently, the water plants required more chemicals to clarify the water to meet state standards. A two-stage process had been used to procure water treatment coagulant.

Mr. Skoglund noted that because of the poor water quality, only one respondent was able to meet the performance requirements for coagulant. The vendor proposed two pricing options: a three-month supply at \$0.24 per pound or a twelve-month supply at \$0.29 per pound. He noted that pricing uncertainty presented significant risk that that coagulant price after the initial three-month term could increase beyond the twelve-month price and cause even greater negative impacts on the Budget.

Mr. Bonner suggested a three-month contract and a twelve-month contract be considered. David Sanchez explained the contract was being offered either as a three-

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

month or twelve-month option. He reported polymer was being transported from overseas and because of delays, there were no guarantees that shipments would arrive on time. Discussion by the Board ensued, and a consensus reached to select the twelve-month pricing option. Mr. Skoglund noted that coagulant could be re-bid during before the end of the term if market factors improved.

A motion was made to approve Resolution No. R2021-50 – awarding contract for supply of Water Treatment Coagulant.

Motion: Chris Bartnesky
Second: Enrique Del Angel

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

e) R2021-51: Awarding a contract for supply of Caliche.

Tim Skoglund reported seven bidders responded to the recent bids for caliche. Staff recommended awarding the two lowest bidders, securing delivery availability in case one contractor could not provide services. A provision to first use the lowest bidder, Southern Star Transport, was advised. The proposed contract would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-51 – awarding contract for supply of Caliche.

Motion: Curtis Bonner
Second: Chris Bartnesky

Motion to approve was carried by a vote of the Board (4-1).
(Juan V. Garcia, abstained his vote)

f) R2021-52: Awarding contract for Employee Uniforms

Ron De La Garza reported that Unifirst, the vendor currently under contract for employee uniform service, was now operating under Sourcewell Alliance purchasing cooperative. The contract had one year left on the 60-month term, but staff had observed that uniforms were becoming worn out and were not being replaced soon enough.

To upgrade uniforms more frequently, the vendor had proposed an addendum to the current contract that would provide new uniforms starting at the beginning of FY 2022 and again eighteen months later. The amendment also called for extending the contract for two years, ending September 30, 2024. Reductions in unit pricing would be reflected in fiscal year 2022, then a yearly increase of three percent would be implemented for the remainder of the contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-52 – awarding contract for Employee Uniforms.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

Motion: Curtis Bonner
Second: Chris Bartnesky

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

g) R2021-53: Awarding a contract for Machine Shop Services.

Tim Skoglund recommended awarding contracts to both responding bidders to ensure service availability in the event the lowest price vendor would not be able to perform service as quickly as might be needed. He noted that the lowest bidder, New Core, Inc., would be used as the first option. The proposed contracts would have two (2) one-year extension options. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2021-53 – awarding a contract for Machine Shop Services.

Motion: Curtis Bonner
Second: Juan V. Garcia

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

h) R2021-54: Awarding a contract for supply of Bedding and Backfill Sand.

Tim Skoglund reported only one bid was received for supply bedding and backfill sand. The bid was submitted by the current vendor. Bidding documents specified three gradations sand for which the bidder submitted a single price for all three. Mr. Skoglund noted that the sieve analysis for the highest specified grade did not meet the requirement of having less than 5 percent fines but that the material was nevertheless a better product than the other grades. He recommended the contract include the two qualifying grades and a higher grade having no more than 9 percent fines.

Discussion by the Board ensued. Mr. Skoglund noted that the proposed contract would have two (2) one-year extension options.

A motion was made to approve Resolution No. R2021-54 – awarding a contract for supply of Bedding and Backfill Sand to Quintanilla Dirt Yard in the amount of \$57,642.00.

Motion: Curtis Bonner
Second: Chris Bartnesky

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

i) R2021-55: Awarding a contract for construction of a metal building for the Wastewater Sludge Dewatering Facility Project.

Tim Skoglund reported no bids were received by the published submittal deadline, but one vendor had submitted a late proposal. This project had been on-going for about three

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, September 29, 2021

years, and an earlier contractor's proposal based on purchasing cooperative pricing offered a completion time nearly one year out. Staff had explored other options for a shorter lead time, but eventually concluded bidding the project locally was the best option.

Gene McCullough, System Attorney explained the late proposal received could be considered a sole bidder. He advised that Staff could negotiate with the vendor to solidify the proposal and correct its deficiencies.

Discussion by the Board ensued on how to proceed. Mr. Skoglund suggested one option would be to re-bid the project including the metal building and concrete foundation under a single contract. If proceeding to contract with the sole bidder for the metal building, the concrete foundation would have to be bid out as a separate project.

After much discussion regarding market conditions and project delays, a decision was made to authorize Mr. Skoglund to negotiate and execute a contract with the sole bidder within the next two weeks subject to a price maximum. If unable to reach an agreement with the sole bidder, the project would be re-bid including the concrete foundation.

A motion was made to approve Resolution No. R2021-55 – authorizing the General Manager to execute a contract for construction of a metal building for the Wastewater Sludge Dewatering Facility Project subject to a maximum price established by the Board.

Motion: Juan V. Garcia
Second: Chris Bartnesky

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

AGENDA ITEM NO. 7: MANAGER'S REPORTS

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

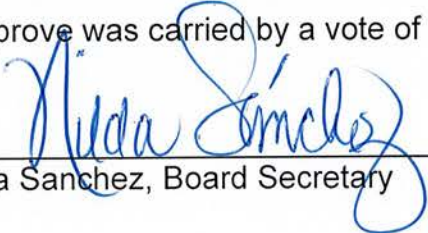
AGENDA ITEM NO. 8: ADJOURN

There being no further business to discuss, Chairman, Murphy, called for a motion to adjourn the meeting at 5:08 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