

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday July 26, 2023

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 26th day of July 2023 at 5:00 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: Chris Bartnesky, Chairman
Enrique Del Angel, Vice Chairman
Chairman Michael Garza, Trustee
Michael Murphy, Trustee

Staff Present: Tim Skoglund, General Manager
Gene McCullough, System Attorney
Robert Canterbury, System Consultant (via videoconference)
David Sanchez, Director of Water Services
Jon Hedegard, Director of Wastewater Services
Ron De La Garza, Director of Finances
Florita Rodriguez, Customer Service Director
Michael Chamberlain, Purchasing Manager
Jose L. Rodriguez, Director of Information Technology
Elizabeth Soto, Director of Human Resources
Gabriel Trevino, Utility Engineer
Joseph Lunn, Assistant Utility Engineer

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chris Bartnesky, Chairman, called the meeting to order at 5:01 P.M. and asked whether the agenda had been posted in accordance with the law; Nilda Sanchez responded affirmatively.

AGENDA ITEM NO. 2: CONFLICT OF INTEREST

Mr. Bartnesky read the conflict-of-interest disclosure and asked the Board if anyone had any known conflicts of interest for this Board Meeting. None of the trustees reported a conflict of interest.

AGENDA ITEM NO. 3: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

Ana Ramirez at 37831 White Ranch Road in La Feria, Texas addressed the Board requesting extension of water services to 13 residents on southern White Ranch Road. Ms. Ramirez expressed the frustration of not having water during power outages because their water wells require power. She handed out a petition signed by 13 area residents requesting extension of water service to their area. Mr. Skoglund stated that the request would be evaluated and discussed with the Board at a future meeting.

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AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of June 28, 2023.

Chairman, Chris Bartnesky noted on Page 1, Item 2, that the name should be changed from Mr. Murphy to Mr. Bartnesky.

With no other corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of June 28, 2023, was made.

Motion: Michael Garza
Second: Enrique Del Angel

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

AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS

a) Discussion on lease of the 3rd Floor office space in the Main Office Building.

Mr. Skoglund reported that the 3rd floor lease with Adams & Graham, LLP would expire in December of 2023. The firm had downsized and was proposing a counteroffer in response to Waterworks' counteroffer that had been directed by the Board in Executive Session at the June 2023 Board Meeting.

Attorney Barry Ray of Adams & Graham noted the firm's preference for reduced lease space defined as Option C with a 24-month lease agreement. Mr. Ray noted that the firm had been leasing the space for 14 years and would like to continue as a tenant. Discussion by the Board ensued.

b) Report on delinquent accounts exceeding \$500.

Florita J. Rodriguez gave an overview of the delinquent accounts that were currently pending. Discussion by the Board ensued.

c) Presentation and Discussion on Draft 2023-2024 Fiscal Year Budget.

Tim Skoglund discussed the proposed 2023-2024 Fiscal Year Budget. He noted that a proposed cost of living adjustment of 3% and a merit adjustment of 2% for employees was included. Major operational expense increases were discussed and proposed expenses for capital equipment were described in detail. Discussion by the Board ensued.

AGENDA ITEM NO. 6: FINANCIALS

a) Monthly Financial report for month ending June 30, 2023.

Ron De La Garza gave an overview of the financial reports for June 30, 2023. Discussion by the Board ensued.

b) Presentation of Quarterly Investment Report for Quarter ending June 30, 2023.

Ron De La Garza discussed information in the Quarterly Investment Report, ending June 30, 2023.

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AGENDA ITEM NO. 7: RESOLUTIONS

a) R2223-45: Awarding a contract for purchase of a Pickup Truck

Tim Skoglund reported that a truck used by an Engineering Department inspector had been totaled in an accident and a replacement was needed. The vehicles serve as mobile offices for inspectors who spend most of their working hours out of the office. Two BuyBoard responses had been solicited and received. Staff recommended the purchase be made from the lowest bidder, Grapevine DCJ, LLC of Grapevine, TX. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-45 – awarding a contract for purchase of a Pickup Truck.

Motion: Michael Murphy
Second: Enrique Del Angel

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

b) R2223-46: Awarding a contract for construction of the Miscellaneous Water Connections project.

Mr. Skoglund reported the project had been identified in the Master Plan to interconnect dead end water mains in western Harlingen. Two bids were received, and bid prices differed by a considerable amount.

Gabriel Trevino reported that the low bidder's references had been called to gauge the bidder's quality of performance. The only responding reference gave an unfavorable report.

Discussion by the Board ensued regarding the downside of contracting a contractor with unfavorable references. Gene McCullough, System Attorney, suggested that both bids could be rejected and Staff would be able to solicit proposals from contractors registered through a purchasing cooperative like BuyBoard. Discussion by the Board ensued and a recommendation to reject all bids was decided.

A motion was made to reject Resolution No. R2223-46 – awarding a contract for construction of the Miscellaneous Water Connections project.

Motion: Michael Garza
Second: Michael Murphy

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

c) R2223-47: Approving purchases of Bagged Cement under BuyBoard contract.

Mr. Skoglund reported the current vendor did not submit a response to the proposed bid. McCoy's had been a prior vendor and recently offered better pricing through its BuyBoard

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contract than the current contract. Staff had begun purchasing bagged cement from McCoy's via BuyBoard contract; however, annual expenditures were anticipated to exceed the purchasing threshold of \$25,000 above which Board approval would be required.

Mr. Skoglund discussed pricing under McCoy's BuyBoard contract offering a discount of 1% off shelf price. He noted that purchasing bagged cement and other supplies as needed through a BuyBoard materials vendor would be a better option than bidding such items with indefinite quantities. Gene McCoullough, System Attorney, suggested revising the resolution to reflect 1% discount off shelf pricing. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-47 – approving purchases of Bagged Cement under BuyBoard contract, as amended.

Motion: Michael Murphy
Second: Enrique Del Angel

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

AGENDA ITEM NO. 8: MANAGER'S REPORTS

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

AGENDA ITEM NO. 09: EXECUTIVE SESSION

- a) **Deliberation regarding real property transactions, pursuant to Tex. Gov't Code §551.072.**
- b) **Deliberation on personnel matters, pursuant to Tex. Gov't Code §551.074.**

A motion to enter into Executive Session was made.

Motion: Garza Second: Del Angel

Motion to Approve: 4 Yeas 0 Nays

Entered into Executive Session at: 6:37 PM.

Exited Executive Session at: 7:30 PM.

No Action was taken.

Meeting was called back to order at: 7:31 PM.

AGENDA ITEM NO. 10: ADJOURN

There being no further business to discuss, Chairman, Bartnesky, called for a motion to adjourn the meeting at 7:31 P.M.

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Motion: Michael Garza
Second: Michael Murphy

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

Attest:



Nilda Sanchez - Board Secretary