

**CITY OF HARLINGEN WATERWORKS SYSTEM**  
**Regular Board Meeting Minutes**  
**Wednesday September 27, 2023**

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 27th day of September 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.

City Commissioners Present: Ford Kinsley, District 1

Board Members Present: Chris Bartnesky, Chairman  
Enrique Del Angel, Vice Chairman  
Michael Garza, Trustee  
Michael Murphy, Trustee  
Maru De La Paz, 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 5:03 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**

None

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**\*\*\* Out of Sequence**

**AGENDA ITEM NO. 7: RESOLUTIONS**

**b) R2223-66: Approving Amendment No. 1 to the engineering contract for design of the Lift Station No. 76 Upgrade and Related Conveyance Improvements.**

In consideration of a guest speaker, Ted Stawasz of STV, the agenda item was moved up.

Mr. Skoglund briefed the Board on the overloaded and critical state of Lift Station 76 conveys flow for western Harlingen, Primera, and the City of Combes.

Mr. Stawasz introduced Mr. Gil Barnett and described the overloading of the lift station, especially during heavy rainfall. Mr. Barnett reported on the evaluation of Lift Station 76 noting it was undersized and that a new lift station with higher capacity needed to be built. He presented three options, recommending option A1 that would provide four pumps and two wet-wells, no VFD's and no motorized valves. This option offered flexibility for future flows, operational cost reduction, and simple operation. A new, parallel force main would be required to convey the peak wet weather flow.

Mr. Skoglund explained that the proposed engineering contract amendment was needed to provide for the final design and construction phase services for the project. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-66 – approving Amendment No. 1 to the engineering contract for design of the Lift Station No. 76 Upgrade and Related Conveyance Improvements.

Motion: Maru De La Paz  
Second: Enrique Del Angel

**AGENDA ITEM NO. 4: APPROVAL OF MINUTES – Regular Board Meeting of August 30, 2023.**

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of August 30, 2023, was made.

Motion: Michael Murphy  
Second: Maru De La Paz

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

**AGENDA ITEM NO. 5: REPORTS AND PRESENTATIONS**

**a) 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.

**b) Discussion on a sewer system capacity limitation in growth areas and schedule for construction of improvements**

Tim Skoglund presented the results of hydraulic modeling that accounted for several new multi-family subdivisions that had been constructed or were underway in the vicinity of Lamb Ave. and Ed Carey Blvd. The new development exceeded the growth anticipated by the Master Plan for the area.

The hydraulic modeling conducted under an on-call contract with Freese & Nichols who had developed the Waterworks conveyance Master Plan revealed that all flows for approved subdivisions could be accommodated but that any additional development would risk sewer overflows under design wet weather conditions.

Mr. Skoglund reported that Freese & Nichols had cautioned against approving additional flows to the 12-inch sewer main on Lamb Avenue and that increasing sewer capacity would depend on a series of master planned sewer system improvements starting at the wastewater treatment plant and extending upstream to Lamb Ave. and Ed Carey Blvd. However, the time required to design and construct all the prerequisite projects could be 36 months or more.

To explore temporary options to address the overloading issue much sooner than the completion of the downstream master planned projects, Staff had commissioned an additional task order to evaluate the possibility that underground equalization storage tanks could be constructed to store peak wastewater flows during heavy rainfall to alleviate the risk of overflows much the same way that a detention pond functions for storm runoff. He reported two locations where Freese & Nichols had recommended equalization storage tanks alleviating overloading.

Mr. Skoglund stated that staff would investigate the option of equalization storage tanks further to obtain sizing and construction cost estimates.

**AGENDA ITEM NO. 6: FINANCIALS**

**a) Monthly Financial report for month ending August 31, 2023.**

Ron De La Garza gave an overview of the financial reports for August 31, 2023. Discussion by the Board ensued.

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**AGENDA ITEM NO. 7: RESOLUTIONS**

**a) R2223-65: Awarding a contract for purchase of a server cluster for the Warehouse facility.**

Mr. Skoglund reported the current computer server cluster at the Warehouse was reaching the point of obsolescence. Parts, software, and support were no longer available, and a replacement was needed to ensure reliable function of critical software. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-65 – awarding a contract for purchase of a server cluster for the Warehouse facility.

Motion: Michael Murphy  
Second: Enrique Del Angel

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

**\*\*\* Out of Sequence**

**AGENDA ITEM NO. 7: RESOLUTIONS**

**c) R2223-67: Awarding a contract for Microsoft 365 Software Licensing and Support.**

Mr. Skoglund reported eight vendors submitted bids, five of which were deemed nonresponsive. Of the three qualifying vendors, Barcom of Harlingen, TX offered the third lowest cost for the software license, but that its lower hourly technical support fees would make its bid lowest over the term of the contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-67 – awarding a contract for Microsoft 365 Software Licensing and Support.

Motion: Michael Garza  
Second: Enrique Del Angel

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

**d) R2223-68: Approving a contract extension for Sludge Transport and Disposal Services.**

Tim Skoglund gave an overview of the Waterworks' wastewater sludge disposal operations and the need for sludge transport services when sludge cannot be applied to the on-site dedicated land disposal beds because of wet conditions. Waterworks has not recently used sludge transport services, but maintaining a contract was needed as

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contingency. The proposed extension would be the second and final, one-year extension option for the contract. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-68 – approving a contract extension for Sludge Transport and Disposal Services.

Motion: Michael Garza  
Second: Maru De La Paz

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

**e) R2223-69: Awarding contracts for Supply of Fire Hydrants and Parts.**

Mr. Skoglund reported two vendors submitted bids, and he recommended awarding contracts to both bidders to provide more procurement options in case the lowest price vendor would not be able to deliver on schedule. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-69 – awarding contracts for Supply of Fire Hydrants and Parts.

Motion: Michael Murphy  
Second: Enrique Del Angel

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

**f) R2223-70: Awarding a contract for Financial Advisor Services.**

Mr. Ron De La Garza reported two responses had been received in response to a request for proposals for financial advisory services. Though both respondents had similar qualifications, Mr. De La Garza recommended continuing to contract with Hilltop Securities, Inc., because they had been evaluated as the highest scoring option for advisory services meeting the needs of Waterworks. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-70 – awarding a contract for Financial Advisor Services.

Motion: Michael Garza  
Second: Maru De La Paz

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

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**g) R2223-71: Approving a contract for Bond Counsel Services.**

Mr. De La Garza reported a request for qualifications was advertised and four firms submitted responses. Bond Counsel Services were necessary for issuance of debt whether conventional market bonds or financing through the Texas Water Development Board.

Staff's evaluation ranked Bracewell, LLP's detailed response highest, noting the firm was well qualified and most responsive of all submittals. Mr. De La Garza stated Bracewell, LLP was Waterworks' current bond counsel who had performed well on prior bond issues and debt refinancing. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2223-71 – Approving a contract for Bond Counsel Services.

Motion: Michael Murphy  
Second: Michael Garza

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

**h) R2223-72: Awarding an engineering contract for Small Capital Improvement Projects in FY2024 & FY2025.**

Mr. Skoglund presented a contract proposal by Robert Canterbury, P.E. for design and construction phase services for small capital improvement projects, primarily on a lump sum basis for each proposed project. Mr. Canterbury was recently retired from the Waterworks and continued to work over the past two years as a consultant under an hourly rate contract.

Mr. Skoglund informed the Board Mr. Canterbury was the best candidate for the work since he knew the system well and had proven himself highly competent and productive on the design many CIP projects during his employment and subsequent contract.

Discussion by the Board ensued, negotiating a salary cost for the proposed two-year contract. Mr. Skoglund noted that the fee representing approximately 8% of the estimated construction cost of projects was in line with typical consulting engineering fees for work of this type. Discussion by the Board continued.

Trustee Michael Garza commented that hiring local vendors would be preferred noting Mr. Canterbury currently lived out of state. A suggestion to reduce the proposed lump

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sum fees by twenty-five percent was made, and the Board agreed on amending the resolution, reducing the proposed lump sum fees by 25% as a condition of contract award.

A motion was made to approve an amended Resolution No. R2223-72 – awarding an engineering contract for Small Capital Improvement Projects in FY2024 & FY2025.

Motion: Michael Garza  
Second: Enrique Del Angel

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

**i) R2223-73: Approving a policy change providing for repair of existing customer sewer service lines and taps within the public right-of-way at no charge.**

Tim Skoglund reported this item had been discussed during a budget presentation at a prior meeting. He explained that customers own and have responsibility for their sewer service line from the tap at the sewer main to the customer's building plumbing. Nevertheless, under the policy in effect, any repairs in the public right-of-way were required to be performed by the Waterworks as the customer's expense.

Mr. Skoglund explained the current process whereby, after discovery of a problem requiring repair or replacement of the service line between the property line and the sewer main, the customer would have to come into the office and begin a multi-step process and pay assessed repair fees before a work order would be initiated and the repair performed by Waterworks. In some situations, two customers shared the same service line within the right-of-way leading to inequities and disputes between customers regarding payment.

Mr. Skoglund informed the Board that about \$30,000 per year in fees for these service line repairs has been collected. However, actual expenses ranged from \$75,000 to \$110,000 per year, not including labor cost. He stated that all sewer taps would eventually have to be replaced, and a significant improvement in customer service could be fairly achieved by eliminating the time-consuming requirement that customers make in-person arrangements and pay for such repairs before the Waterworks' issuance of a work order. Eliminating the payment requirement would speed up the initiation of repair work orders and reduce the time required to restore a customer's sewer service by one to several days. This waiver of sewer service repair fees would apply only to customer who were in good standing, effective October 1, 2023.

A motion was made to approve Resolution No. R2223-73 – approving a policy change providing for repair of existing customer sewer service lines and taps within the public right-of-way at no charge.

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Motion: Michael Garza  
Second: Maru De La Paz

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

**AGENDA ITEM NO. 8: MANAGER'S REPORTS**

Mr. Skoglund asked whether the Board had any questions about the manager's reports, and no questions were asked.

**AGENDA ITEM NO. 10: ADJOURN**

There being no further business to discuss, Chairman, Bartnesky, called for a motion to adjourn the meeting at 6:39 P.M.

Motion: Enrique Del Angel  
Second: Michael Garza

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

Attest:   
Nilda Sanchez, Board Secretary