

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 26th day of June 2024 at 5:00 P.M. in the Harlingen Waterworks System's Board Room located on the second floor at 121 East Harrison Avenue, in the City of Harlingen, Texas.

City Commissioners Present: Frank Morales, District 4

Board Members Present: Chris Bartnesky, Chairman
Michael Garza, Vice Chairman
Michael Murphy, Trustee
Steve Brewer, Trustee
Maru De La Paz, Trustee
Norma Sepulveda, Mayor, Ex-Officio
Gabriel Gonzalez, City Manager, Ex Officio

Staff Present: David Sanchez, Interim General Manager
Gene McCullough, System Attorney
Ron De La Garza, Director of Finances
Florita Rodriguez, Customer Service Director
Michael Chamberlain, Purchasing Manager
Jon Hedegard, Director of Wastewater Services
Jose L. Rodriguez, Director of Information Technology
Gabriel Trevino, Utility Engineer
Frank Diaz, Environmental & Lab Manager

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chris Bartnesky, Chairman, called the meeting to order at 5:10 P.M. and asked whether the agenda had been posted in accordance with the law; Nilda Sanchez responded yes.

AGENDA ITEM NO. 2: INVOCATION FOLLOWED BY PLEDGE OF ALLEGIANCE

Nilda Sanchez commenced the meeting by welcoming everyone in attendance, leading an opening prayer, and honoring our country with the Pledge of Allegiance.

AGENDA ITEM NO. 3: 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.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

AGENDA ITEM NO. 4: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None.

AGENDA ITEM NO. 5: APPROVAL OF MINUTES

- a) From the Regular Board Meeting of May 29, 2024

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of May 29, 2024, was made.

Motion: Steve Brewer
Second: Michael Murphy

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

***** Trustee, Maru De La Paz entered at 5:13 P.M.**

AGENDA ITEM NO.6: REPORTS AND PRESENTATIONS

- a) **Report on Delinquent Accounts exceeding \$500.**

Florita J. Rodriguez gave an overview of the delinquent accounts that were currently pending.

AGENDA ITEM NO. 7: FINANCIALS

- a) **Monthly Financial report for month ending May 31, 2024.**

Ron De La Garza gave an overview of the financial reports ending May 31, 2024. Discussion by the Board ensued.

AGENDA ITEM NO. 8: RESOLUTIONS

- a) **R2324-41: Approving the lease of 1,500-acre feet of municipal water rights to the City of McAllen Public Utility.**

David Sanchez reported he was contacted by the City of McAllen concerning the lease of municipal Water Rights. City of McAllen's initial request was for 2000-acre feet. He reported Willacy County had also approached the Waterworks for municipal water in the amount of 200-acre feet.

A chart of HWWS' current water rights balance was presented weighing the options to lease yet staying mindful of reserving water rights for the Waterworks. In consideration of reserving raw water for the Waterworks, if our system ran low, our price to purchase new water rights would be purchased at market price. These water rights have already been reserved for the Waterworks, so keeping within the estimated historical usage, it deemed best to conserve as much water as possible. Discussion by the Board ensued and a decision to lease 1,500- acre feet of municipal water to the City of McAllen until December 2024 was agreed upon.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

A motion was made to approve Resolution No. R2324-41 – approving the lease of 1,500-acre feet of municipal water rights to the City of McAllen Public Utility.

Motion: Michael Garza
Second: Michael Murphy

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

b) R2324-42: Approving a contract for collection agency to collect on outstanding invoices.

Two collection agencies were contacted, and their bid responses were reported to the Board. Snap Debt Recovery and Morgan, Cohen & Bach (MCB) were given the opportunity to provide proposals to meet the collection needs of Waterworks.

Ron De La Garza explained the process of the 2 companies and what strategies were used to collect. Both entities reported some of the delinquent accounts may be too old for collections. Payment percentage after collections was reviewed and MCB was the best option for providing collection services for Waterworks. Mr. Garza, Vice Chairman, asked if the contract could be terminated at anytime and Mr. De La Garza reported it could be retracted at any time.

A motion was made to approve Resolution No. R2324-42 – approving a contract for collection agency to collect outstanding invoices.

Motion: Michael Garza
Second: Michael Murphy

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

d) R2324-43: Approving purchases of Water Meters under BuyBoard Contract.

Ron De La Garza informed the Board this item was presented last month under a contract for “large” water meters. The updated resolution was to include “all” water meters under BuyBoard contract. Purchasing meters was 75% of catalog pricing with BuyBoard rebates dispersed at the end of the year. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2324-43 – approving purchases of Water Meters under BuyBoard contract.

Motion: Michael Garza
Second: Maru De La Paz

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

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

b) R2324-44: Approving contract for recruitment service for General Manager.

Discussion by the Board ensued and several questions about the positions of General Manager and Assistant Manager were discussed. Mr. Garza, Vice Chairman asked about the qualifications for the General Manager position. Mayor Sepulveda advised him that Strategic Government Resources (SGR), the hiring agency, would discuss that with the Board at the time of consultation. SGR would handle the process of the posting, applications and hiring, with the assistance of HWWS' Human Resources Manager, Cassandra Mata.

A question about the Assistant General Manager's position was discussed. Ron De La Garza reported that position had been posted for the past 3 years and no one had been interviewed. Mr. Garza, Vice Chairman, said that posting needed to be taken down until further progress for hiring an Assistant General Manager was decided. Mr. Garza concluded the General Manager should be the one to hire the Assistant General Manager.

Maru De La Paz, Trustee, inquired about the costs for advertising. Mayor Sepulveda advised her the agency would give options, some were at no cost and those that did require a cost, Waterworks had a choice to move forward, or not. Ms. De La Paz informed the Board that she recommended a few staff members to be present in the interview process once the top 3 candidates were selected. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2324-44 – approving contract for recruitment service for General Manager.

Motion: Michael Garza
Second: Steve Brewer

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

e) R2324-45: Approving contract for recruitment service for Assistant General Manager.

Discussion by the Board ensued and a decision to table the Assistant General Manager position was made. The placement of this position was decided to best be filled by the forthcoming General Manager.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

A motion was made to table Resolution No. R2324:45 – approving contract for recruitment service for Assistant General Manager.

Motion: Steve Brewer
Second: Michael Murphy

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

f) R2324-46: Approving contract for engineering services for MFR aeration system.

David Sanchez reported there were problems with the aeration system at MFR Plant. A rise in turbidity was an issue and he discussed a couple of concerns that could be the problem. He informed the Board it could be the diffusers were installed too deeply and/or the lake was absorbing it all.

Mr. Sanchez mentioned the pier was too old and was in bad shape and needed to be replaced or demolished. If the pier was replaced, it would be a matter of time deterioration would begin again. He would like to explore different areas of aeration, analyzing replacements, maybe a free-floating structure and getting rid of the pier all together.

The engineering contractor, Garcia Infrastructure Consultants, LLC (GIC), would report options and alternative solutions. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2324:46 – approving contract for engineering services for MFR aeration system.

Motion: Michael Garza
Second: Michael Murphy

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

g) R2324:47: Approving contract for a compensation study.

David Sanchez informed the Board he had recently encountered 3 resignations within his department seeking higher wages with a different company. He addressed the current issues regarding fair market salary pricing with corresponding position titles. He reported many instances in which staff had to take a second employment to help meet their financial needs.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

Mr. Sanchez would like to have a compensation study performed to assess current wages and determine if Waterworks was paying competitive salaries. He reported the problem of keeping staff that were below supervisory positions and the effect it could have in the future because the lack of employees to replace supervisory positions were scarce.

Cassandra Mata, HR Manager, reported the compensation study would be a great opportunity to identify job titles and classifications. She discussed there was too much fluctuation with current salaries and position titles and needed to be streamlined. She concluded the study would have to mirror a city of the same size as Harlingen Waterworks to be applicable.

David Sanchez informed the Board the toughest position to keep filled was that of a machine operator. He reported the industry for operators was diminishing. Chris Bartnesky, Chairman, suggested contacting the local college, Texas State Technical College (TSTC) to hire graduate students from there. Apparently TSTC does not have programs for machine operators, making the selection for operators difficult.

Budgeted funds for the study had been allocated, but no funds have been allotted for an increase in current positions. Maru De La Paz, Trustee, motioned to approve the compensation study with the condition that the comparisons were within cities the same size as Harlingen with a monetary cap not to exceed 34 thousand dollars. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2324:47 – approving contract for a compensation study.

Motion: Maru De La Paz
Second: Michael Garza

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

h) R2324-48: Approving Acquisition of Flygt Pumps for Lift Station 59 Upgrade Project.

Gabriel Trevino reported this resolution was brought back for approval because the pumps were not presented in the last resolution due to an oversight placed in a different line item. Discussion by the Board ensued

A motion was made to approve Resolution No. R2324:48 – approving Acquisition of Flygt Pumps for Lift Station 59 Upgrade Project.

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

Motion: Michael Murphy
Second: Michael Garza

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

i) R2324-49: Awarding a contract with Grubbs Engineering, Inc. for Electrical Engineering Services for the Warehouse Yard Improvements Project.

This project had been discussed in the past. The engineering plans were ready, and it was time to move forward with the Warehouse Yard Improvements. Improvements included an irrigation system, bins to store materials, a street sweeper to maintain the yard, a location for gas tanks to be placed, and a structure for future building. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2324:49 – Awarding a contract with Grubbs Engineering, Inc. for Electrical Engineering Services for the Warehouse Yard Improvements Project.

Motion: Michael Garza
Second: Maru De La Paz

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

j) R2324-50: Approving Amendment No. 2 to the Engineering Contract for Little Creek Interceptor Sewer Replacement Project, Expanding Environmental Engineering Services.

Gabriel Trevino gave a presentation concerning the recent approval of the Engineering contract for the Little Creek Interceptor project by. After several conversations with Texas Water Development Board (TWDB), Halff Associates and HWWS, TWDB was now requiring a full environmental study including all the interconnects. The previous engineering study by Halff Associates included some of the interconnects but not all of them incorporated.

Mr. Trevino informed the Board the full environmental study was going to be re-assigned to Halff Associates to assess and properly prepare for the design portion of the project. He presented the adjusted contract proposal to ensure the full scope of the project. An oversight in the original design was captured and added to the engineering contract. This

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

was for the location of Lift Station No. 5, where the old interceptor needed to be extended to the new interceptor.

Discussion by the Board ensued to ensure the guidelines concerning the grant monies was dispersed correctly. The grant allowed a 25% margin for planning and the updated contract was well under that price range.

A motion was made to approve Resolution No. R2324:50 – approving Amendment No. 2 to the Engineering Contract for Little Creek Interceptor Sewer Replacement Project, Expanding Environmental Engineering Services.

Motion: Steve Brewer
Second: Maru De La Paz

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

AGENDA ITEM NO. 9: MANAGER’S REPORTS

Mr. Sanchez reported several items that were previously presented at the last Board Meeting, seeking authorization from the Board on how to proceed. Discussion by the Board ensued.

AGENDA ITEM NO. 10: EXECUTIVE SESSION

a) To discuss legal matters; pursuant to Tex. Gov’t Code §551.074.

A motion to enter Executive Session was made.

Motion: Garza Second: Brewer

Motion to Approve: 5 Yeas 0 Nays

Entered Executive Session at: 7:11 PM.

Exited Executive Session at: 7:30 PM.

No Action was taken.

AGENDA ITEM NO. 11: ADJOURN

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

Motion: Steve Brewer
Second: Michael Murphy

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

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, June 26, 2024

Attest: 

Nilda Sanchez, Board Secretary