

CITY OF HARLINGEN WATERWORKS SYSTEM
Special Board Meeting Minutes
Monday, February 10, 2025

The Special Board Meeting of the Utility Board of Trustees was conducted on the 10th day of February 2025 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: Ford Kinsley, District 1
Frank Morales, District 4

Board Members Present: Michael Garza, Chairman
Michael Murphy, Vice Chairman
Wayne Lowry, Trustee
Scott Alex, Trustee
Norma Sepulveda, Mayor, Ex-Officio
Gabriel Gonzalez, City Manager, Ex-Officio

Staff Present: David Sanchez, Interim General Manager
Gene McCullough, System Attorney
Roy Rodriguez, Administrative Consultant
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
Cassandra Mata, HR Manager
Gabriel Trevino, Utility Engineer

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Vice Chairman Michael Garza, called the meeting to order at 5:00 P.M. and asked whether the agenda had been posted in accordance with the law; Nilda Sanchez confirmed it had.

AGENDA ITEM NO. 2: OATH OF OFFICE

- a) Newly appointed Board Member, Wayne Lowry, Mayoral Appointee**
- b) Newly appointed Board Member, Scott Alex, District 3**

Michael Garza administered the oath of office to the two newly appointed Board Members. Following the administration of the oath, both individuals affirmed their commitment to fulfilling the duties of their office. Mr. Garza then congratulated Mr. Lowry and Mr. Alex, officially welcoming them to the Harlingen Waterworks Board of Trustees.

AGENDA ITEM NO. 3: PLEDGE OF ALLEGINANCE FOLLOWED BY INVOCATION

Michael Garza welcomed everyone in attendance and honored our country with the Pledge of Allegiance. David Sanchez followed with a prayer.

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AGENDA ITEM NO. 4: CONFLICT OF INTEREST

Mr. Garza 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. 5: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None

AGENDA ITEM NO. 6: ELECTION OF OFFICERS

Mr. Garza opened the floor for nominations for Board officers. Wayne Lowry nominated Michael Garza for the position of Chairman of the Board, and Mr. Garza accepted the nomination.

Wayne Lowry made a motion to appoint Mike Garza as Chairman for the HWWS Board of Trustees Mr. Garza accepted the nomination

Motion: Wayne Lowry
Second: Scott Allex

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

Mr. Lowry then nominated Michael Murphy for Vice-Chairman of the Board, and Mr. Murphy accepted the nomination.

A motion to appoint Michael Murphy as Vice Chairman for the HWWS Board of Trustees was made.

Motion: Wayne Lowry
Second: Scott Allex

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

AGENDA ITEM NO. 7: APPROVAL OF MINUTES

a) From the Regular Board Meeting of December 3, 2024.

With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of December 3, 2024, was made.

Motion: Michael Murphy
Second: Wayne Lowry

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

b) From the Special Board Meeting of December 19, 2024.

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With no corrections requested, a motion to approve the Board Minutes for the Special Board Meeting of December 19, 2024, was made.

Motion: Michael Murphy
Second: Scott Allex

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

c) Amendment to the approved minutes of the Regular Board Meeting held on October 30, 2024, to reflect the attendance of Trustee Maru De La Paz and modify header language for R2425-03 from security services to construction services.

A motion for the amendment to the approved minutes of the Regular Board Meeting held on October 30, 2024, to reflect the attendance of Trustee Maru De La Paz and modify header language for R2425-03 from security services to construction services for the Regular Board Meeting of October 30, 2024, was made.

Motion: Michael Murphy
Second: Wayne Lowry

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

AGENDA ITEM NO.8: REPORTS AND PRESENTATIONS

a) Discussion to proceed or discontinue the Current Impact Fee Study.

David Sanchez updated the Board on the ongoing Impact Fee Study. Historically, the study determines the impact fee total based off the Capital Improvements Plan (CIP) projects. In the previous impact fee study conducted in 2004, the full potential was calculated based off a \$27,500,00 CIP plan. The impact fee adopted was only 35% of the full potential calculated.

The Board then discussed whether to pause the current impact fee study until the CIP was reviewed, ensuring that the proposed projects would be more feasible to complete.

Mr. Lowry recommended pausing the study until further discussion could take place at next month's Board meeting. At this point, 36% of the study's cost was incurred based on the original contract. Gene McCullough, the System Attorney, agreed to review the contract's escape clause with Freese & Nichols to stay within the contract guidelines.

b) Discussion on Water Agreements for City of Harlingen; Agricultural Water and Treated Effluent for the Tony Butler Golf Course, Ramsey Park, Soccer and Sports Complex Lakes.

David Sanchez briefed the Board on the lack of water agreements between HWWS and the City of Harlingen, which provide water to various locations throughout the city. He

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explained the distinctions between agricultural water rights, municipal water, and treated effluent water, as well as their specific purposes.

During his review of HWWS water rights contracts, Mr. Sanchez discovered a 24-acre of agricultural water rights were being used to fill lakes at Tony Butler Golf Course and the Harlingen Sports Complex. that the lack of formal agreements did not allow for proper management of water rights balances. He emphasized the importance of ensuring all water rights are properly accounted for and that HWWS has sufficient Agricultural water rights to lease and cover push water charges.

After discussion, the Board directed Mr. Sanchez to formalize agreements for the agricultural rights and treated effluent being provided to the City of Harlingen to ensure these commitments are met. He reported that he would draft formal agreements that would be presented to the Board for approval.

c) Presentation of Delinquent Accounts in excess of \$500.

Florita J. Rodriguez gave an overview of the financial reports ending January 31, 2025. Discussion by the Board ensued.

d) Lifting of Moratorium regarding Account Cut-offs and Penalties.

David Sanchez informed the Board about lifting the moratorium on accounts that have not been in good standing since the billing system transition on September 9, 2024. He noted that the billing software implementation has become more streamlined, resulting in a significant decrease in customer inquiries through phone calls, emails, and in-person visits, and suggested that the moratorium be lifted.

Wayne Lowry asked about the marketing outreach efforts aimed at informing customers about upcoming delinquent cut-offs and associated penalty fees. Florita Rodriguez reported that all delinquent customers had been fully notified via emails and door tags. She also noted that delinquent accounts had returned to more typical levels compared to the last few months during the billing system transition. It was also reported that there had been a significant loss of revenue during this period.

The Customer Service team for HWWS has been effective in communicating with customers, and payment plans will be offered to those in need of assistance to help them get back on track. Discussion by the Board ensued and the moratorium lifted.

e) Presentation on the Wastewater Line Repair located on Ed Carey Dr.

David Sanchez informed the Board about a major sewer line break that collapsed under the railroad tracks on Ed Carey Dr. The damage caused by excessive rainfall and a backed-up sewer line took approximately seven (7) days to complete the repair. Crews worked around the clock to restore services to the affected area.

In October 2024, the Board approved a new pipeline repair company for future repairs using a slip-lining method. This involves inserting a sleeve inside the damaged pipe,

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sealing it from within, and curing the line with ultraviolet to create a hardened fiber glass inner lining. The Board's approval was necessary due to the emergency nature of the project.

f) Presentation regarding Valley Baptist Medical Center's Water Meter and its History.

David Sanchez reported that Valley Baptist Medical Center (VBMC) experienced a six-hour water outage caused by a system failure on an old copper line that left the entire hospital without water service. As a result, VBMC realized that an alternate water source was vital to the hospitals operation. About a year later, VBMC applied for a 4-inch meter that was installed to serve as their alternate source and/or redundancy. When VBMC requested an estimate for the meter installation all traditional fees were included. Once the meter was installed VBMC then requested that the impact fees be waived.

During the decommissioning of a fire line an inspection was performed by HWWS' inspectors. During the inspection process it was discovered that a domestic water meter located in the fire control room providing water to part of the facility was bypassed. At this point, no one could determine how long the bypassed line had been in place or who was responsible for its installation. The Board discussed the matter, and a resolution to waive the fees would be presented later in the meeting.

g) Presentation and Discussion concerning the Dedication and Memorial of the Wastewater Plant.

David Sanchez informed the Board that Chairman Michael Garza recommended dedicating the Wastewater Plant to Darrell Gunn, a former General Manager who passed away in July 2023.

Mr. Gunn played a key role in the construction of the wastewater plant, saving millions of dollars by utilizing in-house resources. After discussion, the Board agreed to include funding for this memorial dedication in the FY 2025-2026 Budget.

David Sanchez stated that cost estimates for the construction of the memorial wall would be sought and presented for approval and budgeting purposes.

AGENDA ITEM NO. 9: FINANCIALS

a) Monthly Financial report for month ending December 31, 2024.

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

b) Presentation of Quarterly Investment Report, ending Quarter December 31, 2024

Ron De La Garza discussed information in the Quarterly Investment Report, ending December 31, 2024.

AGENDA ITEM NO. 10: RESOLUTIONS

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a) R2425-19: Awarding Water Rights Sales Contract with Cameron County Irrigation District No. 2.

Gabriel Trevino updated the Board on the process of converting water rights from agricultural to municipal use. He explained that agricultural water rights are categorized by priority, with Class A (agricultural water) taking precedence and Class B (municipal water) coming second. Once converted, all water is classified as municipal.

Mr. Trevino also noted that future conversions would take agricultural rights into account, and not all water rights would be converted to municipal use. He further mentioned that this process is reviewed every two years, and as of now, everything is up to date. This award is for 17.379-acre feet for \$35,962.00, serving the San Benito area. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-19 – awarding Water Rights sales contract with Cameron County Irrigation District No. 2.

Motion: Wayne Lowry
Second: Michael Murphy

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

b) R2425-20: Awarding Water Rights sales contract with Harlingen Irrigation District No. 1.

Gabriel Trevino updated the Board on the process of converting water rights from agricultural to municipal use. He explained that agricultural water rights are categorized by priority, with Class A (agricultural water) taking precedence and Class B (municipal water) coming second. Once converted, all water is classified as municipal.

Mr. Trevino also noted that future conversions would take agricultural rights into account, and not all water rights would be converted to municipal use. He further mentioned that this process is reviewed every two years, and as of now, everything is up to date. This award is for 113.4-acre feet for \$234.660.00, serving the Harlingen area. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-20 - awarding Water Rights sale contract with Harlingen Irrigation District No. 1.

Motion: Scott Allex
Second: Wayne Lowry

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

c) R2425-21: Approving a Lease Agreement with NAFT Federal Credit Union

David Sanchez reported that the contract had been updated to reflect an increase in rent and a three-year lease term which was presented for the Board's approval. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-21 - approving a new lease agreement with NAFT Federal Credit Union.

Motion: Wayne Lowry
Second: Scott Alex

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

d) R2425-22: Awarding a contract for Utility Locating and Marking Services

David Sanchez informed the Board that the in-house team responsible for locating water lines was overwhelmed by the volume of requests and could not keep up with the demand and would require more staff and only increase our already high cost per locate. A recommendation to contract out utility locating services was discussed and approved.

A motion was made to approve Resolution No. R2425-22 – awarding a contract for Utility Locating Services.

Motion: Wayne Lowry
Second: Scott Alex

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

**e) R2425-23: Awarding Addendum No. 1 for expanded Engineering Services
for Lift Station 9 Upgrade and Force Main Reroute Project**

Gabriel Trevino reported to the Board that Lift Station No. 9, classified as an upstream component serving the wastewater plant and major central interceptor as well as other sections of the system. The design work for the lift station project would be completed sooner than the completion of the interceptor. This could possibly cause surcharging in the system since Lift station No. 23 was not capable of handling that amount of sewer flow.

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The consultants were contacted to correct the issue and move the discharge location to the upstream section of the existing Little Creek interceptor. A proposal was submitted by National Design Services with a 33% price increase for Addendum No. 1.

A motion was made to approve Resolution No. R2425-23 – awarding Addendum No. 1 for expanded Engineering Services for Lift Station 9 upgrade and Force Main Reroute Project.

Motion: Michael Murphy
Second: Scott Allex

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

**f) R2425-24: Appointing an Authorized Representative for Managing and
Overseeing Federal Funds Awarded by Federal Emergency
Management Agency (FEMA)**

Gabriel Trevino reported that the Texas Water Development Board (TWDB) required an authorized representative to oversee FEMA funds for generators. David Sanchez was appointed to this role. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-24 – appointing an authorized representative for managing and overseeing federal funds awarded by Federal Emergency Management Agency (FEMA).

Motion: Wayne Lowry
Second: Scott Allex

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

**g) R2425-25: Petition by Valley Baptist Medical Center to waive Pease Street
Water Meter Impact Fee.**

David Sanchez informed the Board this item had been presented earlier in Item 8(f), waiving water meter impact fees for Valley Baptist Medical Center. Wayne Lowry requested this request be rejected.

A motion was made to reject Resolution No. R2425-25 – a petition by Valley Medical Center to waive Pease Street Water Meter Impact Fee.

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Motion: Wayne Lowry
Second: Michael Murphy

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

h) R2425-28: Approving the Emergency Repair of Wastewater Gravity Main on Ed Carey Dr.

David Sanchez reported that this item had been previously discussed under Item 8(e) and was now being presented for approval of the construction price for the emergency wastewater gravity main repair on Ed Carey Dr.

A motion was made to approve Resolution No. R2425-28 – approving the Emergency repair of Wastewater Gravity Main on Ed Carey Dr.

Motion: Michael Murphy
Second: Wayne Lowry

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

i) R2425-29: TWDB Application Filing and Authorized Representative Resolution for Jefferson St. Raw Water Pipeline Upgrade

Gabriel Trevino reported that the Texas Water Development Board (TWDB) required an authorized representative to oversee funds for a raw water pipeline upgrade on Jefferson St. David Sanchez was appointed to this role.

A motion was made to approve Resolution No. R2425-29 – TWDB Application Filing and Authorized Representative Resolution for Jefferson St. Raw Water Pipeline Upgrade.

Motion: Wayne Lowry
Second: Michael Murphy

Motion to approve was carried by a vote of the Board (3-1). Scott Alex abstained his vote.

j) R2425-30: TWDB Application Filing and Authorized Representative Resolution for N. 1st. St Water Main Replacement Program

Gabriel Trevino reported that the Texas Water Development Board (TWDB) required an authorized representative to oversee funds for a water main replacement on north 1 St. David Sanchez was appointed to this role.

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A motion was made to approve Resolution No. R2425-30 – TWDB Application Filing and Authorized Representative for N. 1st.St. Water Main Replacement Program.

Motion: Michael Murphy
Second: Wayne Lowry

Motion to approve was carried by a vote of the Board (3-1). Scott Alex abstained his vote.

Consent Agenda

- k) R2425-26: Approving a Purchase for PM3 Generator Maintenance Services**
- l) R2425-27: Approving a Purchase for an Ion Chromotographer System and Auto Sampler.**

A motion was made to approve Resolution No. R2425-26 and R2425-27 under consent agenda – approving a Purchase for PM3 Generator Services and an Ion Chromotographer

Motion: Michael Murphy
Second: Scott Alex

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

AGENDA ITEM NO. 11: MANAGER’S REPORTS

David Sanchez reported there were no items to be discussed in the Manager’s Reports.

AGENDA ITEM NO. 12: ADJOURN

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

Motion: Scott Alex
Second: Michael Murphy

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

Attest: 
Nilda Sanchez, Board Secretary