

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, March 26, 2025

The Regular Board Meeting of the Utility Board of Trustees was conducted on the 26th day of March 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 Commission Present: Frank Morales, District 4

Board Members Present: Michael Garza, Chairman
Michael Murphy, Vice Chairman
Scott Allex, Trustee
Jessica Gonzalez, Trustee
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
Cassandra Mata, HR Manager
Gabriel Trevino, Utility Engineer

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Michael Garza introduced called the meeting to order at 5:20 P.M. and inquired if the agenda had been posted in compliance with the law, which Nilda Sanchez confirmed it had.

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

Michael Garza commenced the meeting by welcoming everyone in attendance and honoring our country with the Pledge of Allegiance. David Sanchez followed with a prayer.

AGENDA ITEM NO. 3: CONFLICT OF INTEREST

Michael 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. 4: COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

None.

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AGENDA ITEM NO. 5: APPROVAL OF MINUTES

David Sanchez informed the Board that the Board Meeting Minutes for February 10, Special Board Meeting, should be tabled since there were some revisions to be made and would be brought back next month for approval.

A motion was made to Table the Special Board Meeting Minutes for February 10, 2025, was made.

Motion: Scott Allex
Second: Jessica Gonzalez

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

The following Minutes for:

- (b) Special Board Meeting of February 19, 2025,
- (c) Regular Board Meeting of February 26, 2025, and the
- (d) Special Board Meeting of March 04, 2025, were approved under consent agenda.

Motion: Scott Allex
Second: Jessica Gonzalez

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

AGENDA ITEM NO. 6: REPORTS AND PRESENTATIONS

a) Presentation by Burton, McCumber & Longoria on FH 2023-2024 Annual Audit and Financial Report.

Billy Cuellar of Burton, McCumber & Longoria, LLP (BML) presented the financial audit results for the fiscal year ending September 30, 2024. As this was BML's first audit for Waterworks, it marked the beginning of their engagement with the organization.

Mr. Cuellar informed the Board that the annual financial statements fairly presented, in all material respects, the current financial position of Waterworks. While the audit identified some internal control deficiencies, these findings provide a constructive opportunity to strengthen internal processes and enhance operational efficiency going forward.

Ron De La Garza noted that the previous auditing firm had served Waterworks for 15 years, and their approach differed from that of BML. As is common with transitions, BML's auditing style introduces a fresh perspective and a different level of depth as they become familiar with Waterworks' operations. Discussion by the Board ensued.

b) Presentation of Delinquent Accounts in excess of \$500

Florita J. Rodriguez presented the delinquent accounts that were still pending. Discussion by the Board ensued.

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c) Presentation and Discussion concerning Lobby Teller Windows.

David Sanchez reported that the initial plan for the lobby teller windows construction included a single customer service window. Over time, the possibility of expanding to three windows was considered. The Board then discussed and decided to move forward with completing the project with three customer service windows.

AGENDA ITEM NO. 7: FINANCIALS

a) Monthly Financial Report for month ending February 28, 2025.

Mr. De La Garza stated that there were no reports to present for the Board Meeting on February 28, 2025.

AGENDA ITEM NO. 8: RESOLUTIONS

a) R2425-36: Awarding Contract for Construction of Administration Building Renovation.

Gabriel Trevino informed the Board that it was time to proceed with the construction of the Administration Building Renovation. 5 Star GC Construction, LLC submitted the lowest bid for the project. A reference check was performed, and all three references provided high ratings, noting minimal to no change orders on the client side. The construction is expected to take 290 days to complete.

David Sanchez added that some change orders were anticipated due to the building's age and existing structural damage. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-36 - awarding Contract for Construction of Administration Building Renovation.

Motion: Michael Murphy
Second: Scott Alex

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

b) R2425-37: Approving a Utility Cost Sharing Agreement with DGOHARLINGENTX05082024LLC for DG Bass Subdivision.

Gabriel Trevino informed the Board that in some cases, a developer's subdivision aligns with certain objectives of the Master Plan. At this time, there is an opportunity to collaborate with developers to enhance their original proposal beyond the minimum requirements to meet HWWS's master plan objectives.

Typically, an 8-inch water line is required in these subdivisions. However, the 2022 Master Plan specifies a 12-inch water line for this particular case. HWWS requested bids for both sizes, and after submission, the reimbursement difference amounted to \$24,800.

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Additionally, Gabriel Trevino proposed incorporating the construction inspection fees into the contract, thereby reducing the reimbursement amount and direction of cash flow. The developer's proposal was reviewed and found to be beneficial for HWWS. The resulting reimbursement amount would then be \$19,724.65. Discussion by the Board ensued.

A motion was made to approve Resolution No. R2425-37 - approving a Utility Cost Sharing Agreement with DGOHARLINGENTX05082024LLC for DG Bass Subdivision.

Motion: Michael Murphy
Second: Scott Alex

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

c) R2425-38: Approving Addendum No. 2 for Expanded Engineering Services for Lift Station No. 76 Upgrade and Parallel Force Main.

Gabriel Treviño updated the Board on Lift Station No. 76, the second-largest lift station in the system, located on the north side of Harlingen. This station handles all wastewater flow from the west side of Harlingen, including the communities of Combes and Primera.

A reconstruction project with STV is currently in the design phase, focusing on upgrading the lift station to improve hydraulic efficiency and expedite the flow to the wastewater treatment plant. STV has reached the 60% design milestone. However, the project has experienced delays due to additional coordination with external entities, such as the Irrigation District and Drainage District, along with several unforeseen complications.

One key issue involved the Irrigation District. The intersection at Montezuma Road presented challenges due to an excessive concentration of underground utilities, making expansion in that area difficult. Acquiring a secured easement through Tropic Winds Mobile Home Park was not viable. Instead, attention shifted to the irrigation ROW, which presented a more feasible easement route. This alternative offers easier access to the force main and aligns well with the Irrigation District's existing infrastructure, eliminating potential future easement conflicts.

The first design addendum involved realigning the pipeline to facilitate the project's progress. The second addendum addressed a minor adjustment at the intersection of Loop 499 and Morgan Blvd. Originally, the plan was to bore directly across the intersection, maintaining a straight alignment. However, a revised approach proposed a shorter bore to reduce costs and simplify construction logistics.

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Mr. Treviño also proposed an amendment to the resolution, setting the total amendment amount at \$167,403. Mr. Sanchez concluded by noting that the area had historically been a bottleneck for the force main servicing Combes and Primera. Partnering with the Irrigation District and utilizing their easement allowed the Waterworks to avoid purchasing additional land, ultimately saving time and reducing costs for the project.

A motion was made to approve Resolution No. R2425-38, as amended - approving Addendum No. 2 for Expanded Engineering Services for Lift Station No. 76 Upgrade and Parallel Force Main.

Motion: Michael Murphy
Second: Jessica Gonzalez

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

d) R2425-39: Approving a contract extension with Roel “Roy” Rodriguez for Consulting Services.

Jessica Gonzalez requested this item be tabled.

A motion was made to Table Resolution No. R2425-39 - approving a contract extension with Roel “Roy” Rodriguez for Consulting Services.

Motion: Jessica Gonzalez
Second: Scott Allex

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

AGENDA ITEM NO. 9: MANAGER’S REPORTS


David Sanchez reported that he had no updates to report.

AGENDA ITEM NO. 10: ADJOURN

There being no further business to discuss, Michael Garza called for a motion to adjourn the meeting at 6:26 P.M.

Motion: Scott Allex
Second: Jessica Gonzalez

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

Attest: 
Nilda Sanchez, Board Secretary