

CITY OF HARLINGEN WATERWORKS SYSTEM
Regular Board Meeting Minutes
Wednesday, August 27, 2025

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

Board Members Present: Michael Garza, Chairman
 Michael Murphy, Vice Chairman
 Wayne Lowry, Trustee
 Scott Allex, Trustee
 Steven Ritter, Trustee
 Jessica Gonzalez, Trustee

Staff Present: Roy Rodriguez, Interim General Manager
 David Sanchez, Assistant General Manager
 Gene McCullough, System Attorney
 Ron De La Garza, Director of Finances
 Melissa Estrada, Lead Cashier
 Michael Chamberlain, Purchasing Manager
 Jon Hedegard, Director of Wastewater Services
 Jose L. Rodriguez, Director of Information Technology
 Gabriel Trevino, Utility Engineer
 Joseph Lunn, Assistant Utility Engineer

AGENDA ITEM NO. 1: OPEN MEETING AND WELCOME

Chairman Michael Garza called the meeting to order at 5:00 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.

AGENDA ITEM NO. 5: APPROVAL OF MINUTES

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With no corrections requested, a motion to approve the Board Minutes for the Regular Board Meeting of July 23, 2025 was made.

Motion: Steven Ritter
Second: Scott Allex

Motion to approve was carried by a vote of the Board (6-0).

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 6: REPORTS AND PRESENTATIONS

d) Discussion concerning the Texas Municipal Retirement System updated service credits.

Roy Rodriguez reported that representatives from Texas Municipal Retirement Services (TMRS) joined via Zoom to present on Updated Service Credits, Buyback options, and proposed benefit improvements to the plan.

Anthony Mills provided an overview of Updated Service Credits, explaining the positive impact on Harlingen Waterworks System employees. He highlighted that employees contribute 7% of their salary, with the City providing a 2-to-1 match and noted that approval of the Updated Service Credit would create a third monetary pool to further enhance retirement benefits.

Mr. Mills also presented information on a Buyback option available to employees who had previously worked for another entity under TMRS. He explained that 21 employees were eligible to participate, with repayment requiring reimbursement of the original withdrawal plus a 5% interest penalty calculated from the time of departure.

Mr. Rodriguez noted that the City had proposed these options and recommended approval. Discussion by the Board followed.

The following Resolutions were approved after the TMRS presentation by Mr. Mills, R2425-87 & R2425-88

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 8: RESOLUTIONS

- j) **R2425-87:** A Resolution Regarding the Harlingen Waterworks System's Texas Municipal Retirement System Benefits Authorizing Updated Service Credits.

A motion was made to approve Resolution No. R2425-87 – awarding A Resolution

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Regarding the Harlingen Waterworks System's Texas Municipal Retirement System Benefits Authorizing Updated Service Credits.

Motion: Michael Murphy
Second: Steven Ritter

Motion to approve was carried by a vote of the Board (6-0).

k) R2425-88: A Resolution Regarding The Harlingen Waterworks System's Texas Municipal Retirement System Benefits Allowing Certain Employees Who Have Canceled Previous Memberships And Service Credit In The System To Buy Back Such Previous Canceled Service Credit.

Motion: Scott Alex
Second: Jessica Gonzalez

Motion to approve was carried by a vote of the Board (6-0).

***** OUT OF SEQUENCE**

Consent Agenda

- a) R2425-78:** Approving a Contract for Elements XS CMMS License, Maintenance, and Support.
- b) R2425-79:** Approving a Contract for ERP Software Maintenance and Support – OpenGov.
- c) R2425-80:** Approving a Contract for Palo Alto Firewall Subscription.
- d) R2425-81:** Approving a Contract for Managed Detection and Response Services – Palo Alto Networks.
- e) R2425-82:** Approving a Contract Extension for Supply of Chlorine.
- f) R2425-83:** Approving a Contract Extension for Supply of Sulfur Dioxide.

A motion was made to approve Resolution No. R2425-78 through R2425-83 under consent agenda

Motion: Wayne Lowry
Second: Steven Ritter

Motion to approve was carried by a vote of the Board (6-0).

****** OUT OF SEQUENCE**

AGENDA ITEM NO. 8: RESOLUTIONS

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- i) R2425-86:** Approving a Lease Agreement for the 3rd Floor of the Main Office Building with Adam's & Graham, LLP.

Roy Rodriguez updated the Board on the lease negotiations with Adam's & Graham LLP (A&G) regarding the 3rd Floor office space. After several discussions, both parties agreed to maintain the current lease rate. Mr. Pope, representing A&G, requested a discount due to inconveniences caused by the exterior rehabilitation of the Waterworks building. In response, a 25% discount was offered to the firm. The Board discussed the rental rate relative to the square footage, and Mr. Rodriguez affirmed that the rate reflected fair market value.

A motion was made to approve Resolution No. R2425-86 – approving a Lease Agreement for the 3rd Floor of the Main Office Building with Adam's & Graham, LLP.

Motion: Scott Alex
Second: Jessica Gonzalez

Motion to approve was carried by a vote of the Board (6-0).

****** OUT OF SEQUENCE**

AGENDA ITEM NO. 6: REPORTS AND PRESENTATIONS

- c)** Discussion regarding change in working hours for Main Administration Building Rehabilitation Project.

Gabriel Treviño reported that the exterior rehabilitation project had caused significant disruptions during the demolition phase of the east wall to many offices within the building. To address the issue, a request was made for the contractor to adjust their work schedule to after hours, resulting in a change order to the contract in the amount of \$12,000 under the contingency line item.

Although this item was presented for discussion only, the Board proceeded to vote and approved the contingency expenditure. A motion was made to approve this item.

Motion: Jessica Gonzalez
Second: Steven Ritter

Motion to approve was carried by a vote of the Board (6-0).

- b)** Discussion regarding a cost sharing agreement for Horseshoe Pointe Subdivision. A motion was made to table this item until further research was completed.

Motion: Wayne Lowry
Second: Jessica Gonzalez

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Motion to approve was carried by a vote of the Board (6-0).

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

Melissa Estrada, Lead Cashier, presented the delinquent accounts that were still pending. Discussion by the Board ensued.

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 7: FINANCIALS

a) Monthly Financial Report for Month ending July 31, 2025.

Ron De La Garza gave an overview of the financial reports ending July 31, 2025.

***** OUT OF SEQUENCE**

AGENDA ITEM NO. 8: RESOLUTIONS

g) R2425-84: Approving a Purchase for a Dump Truck.

Michael Chamberlain reported this was a budgeted item. Bids were solicited, with Doggett Freightliner submitting the sole bid under a BuyBoard contract. Discussion by the Board ensued.

Motion: Wayne Lowry

Second: Michael Murphy

Motion to approve was carried by a vote of the Board (6-0).

h) R2425-85: Approving a Contract for Warehouse Yard Site Improvements.

Joseph Lunn reported that this contract was originally awarded to two contractors in May 2025, RGV Asphalt being awarded the bid for the Civil Site package and V4 awarded the bid for the 3 remaining bid packages. However, after V4 and the second lowest bidder withdrew their bids, a new bid was solicited for landscaping and irrigation, lighting and security, and electrical work. RGV Asphalt, the original awardee of the Civil Site package, was the sole bidder for this solicitation of the three remaining packages.

Mr. Lunn also noted that the initial contract, R2425-46, did not include the required insurance and contingency for the award. A recommendation was given that the contract be amended and brought back for approval at the September Board Meeting. Discussion by the Board ensued.

Motion: Scott Alex

Second: Jessica Gonzalez

Motion to approve was carried by a vote of the Board (6-0).

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AGENDA ITEM NO. 9: MANAGER’S REPORTS

There were no Manager’s Reports to report.

AGENDA ITEM NO. 10: EXECUTIVE SESSION

- a) **Consultation with System Attorney regarding Real Property Transactions regarding the New Wastewater Treatment Plant, pursuant to Tex Gov’t Code §551-072**

The scheduled executive session was deemed unnecessary and did not take place.

AGENDA ITEM NO. 11: ADJOURN

There being no further business to discuss, Michael Garza adjourned the meeting at 5:43 P.M.

Attest: _____
Nilda Sanchez, Board Secretary