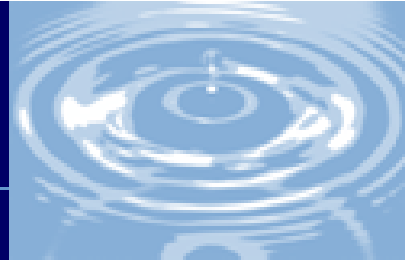


HARLINGEN WATERWORKS SYSTEM



**City of Harlingen
Waterworks System
Utility Board of Trustees
Regular Board Meeting**

**Wednesday, November 29, 2023
5:00 P.M.**

**118 E. Tyler Avenue
City Hall, Town Hall
Meeting Room
2nd Floor**

**HARLINGEN WATERWORKS SYSTEM
UTILITY BOARD OF TRUSTEES
REGULAR MEETING AGENDA**

Wednesday, November 29, 2023, at 6:30 P.M.

118 E. Tyler Avenue, Harlingen, Texas – City Hall, Town Hall Meeting Room, 2nd Floor

The Harlingen Waterworks Utility Board of Trustees reserves the right to meet in Executive Session on any agenda item should the need arise, and if applicable, pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code. This is not a Meeting of the Harlingen Elective Commission; however, a quorum of the City Commission may be present.

1. OPEN MEETING AND WELCOME

2. CONFLICT OF INTEREST – *Under State law, a conflict of interest exists if a Trustee, or certain members of that person's family, has a qualifying financial interest in an agenda item. A Trustee with a conflict of interest cannot participate in the discussion nor vote on the agenda item.*

3. COMMUNICATION / INPUT FROM CUSTOMERS AND RESIDENTS OF HARLINGEN

4. APPROVAL OF MINUTES

a) From the Regular Board Meeting of September 27, 2023.

5. REPORTS AND PRESENTATIONS

a) Report on delinquent accounts exceeding \$500.

6. FINANCIALS

b) Monthly Financial Report for month ending October 31, 2023.

c) Presentation of Quarterly Investment Report for Quarter ending September 30, 2023.

7. RESOLUTIONS

a) **R2324-01:** Approving a license renewal for GIS Software and Services.

b) **R2324-02:** Awarding a contract for the purchase of Ammonia Analyzers.

c) **R2324-03:** Approving Contract Amendment No. 1 for On-Call Hydraulic Modeling Services.

d) **R2324-04:** Awarding a contract for Power Quality Monitors for the Water Treatment Plants.

e) **R2324-05:** Awarding a contract for Removal and Disposal of Water Treatment Sludge.

f) **R2324-06:** Approving Change Order No. 4 – Priority Sewer Renewal Package No.1 Project.

g) **R2324-07:** Authorizing the General Manager to execute documents related to the management of water rights.

h) **R2324-08:** Approving the purchase of Wastewater Lift Station Pumps.

i) **R2324-09:** Awarding a contract for purchase of Half-Ton Pickup Trucks.

j) **R2324-10:** Approving a contract extension for Manhole Rehabilitation.

k) **R2324-11:** Awarding a contract for purchase of Backhoes.

l) **R2324-12:** Authorizing a contract for Public Outreach and Communications Services related to rate setting.

8. MANAGER'S REPORTS

9. EXECUTIVE SESSION

(1) Deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; pursuant to Tex. Gov't Code §551.074

10. ADJOURN

I certify that a copy of this Agenda was posted on Wednesday, November 22, 2023, @ 12:00 PM at 134 E. Van Buren, City Hall and on the HWWS Website, and remained so posted for at least 72 hours preceding the time of said meeting.



HARLINGEN
WATERWORKS
SYSTEM

A handwritten signature in blue ink that reads 'Nilda Sánchez'.

Nilda Sánchez – Board Secretary

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.

CITY OF HARLINGEN WATERWORKS SYSTEM
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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

ACTIVE DELINQUENT ACCOUNTS IN EXCESS OF \$500
October 2023

Account Name	Address	Land Use	Garbage Amt. Due	Water/Sewer Amt. Due	Remarks	Total

ACTIVE DELINQUENT ACCOUNTS IN EXCESS OF \$500
September 2023

Account Name	Address	Land Use	Garbage Amt. Due	Water/Sewer Amt. Due	Remarks	Total

INACTIVE DELINQUENT ACCOUNTS IN EXCESS OF \$500
October 2023

Account Name	Address	Land Use	Garbage Amt. Due	Water/Sewer Amt. Due	Disconnect Date	Remarks	Total	Lawsuit/ Lien Filed
Szumilewicz, Mark	24473 N Dilworth	RES	\$ -	\$ 731	8/4/2022	Disconnected for non payment. Customer was using approximately 50,000 gallons per month.	\$ 731	YES
Sauceda, Juana Antonia	2020 Martha	RES	\$ 134	\$ 554	6/7/2022	Disconnected for non payment. Winter average for this account was 50,000 gallons.	\$ 688	NO
Gomez, Jaime Romulo	1810 Evergreen	RES	\$ 215	\$ 356	10/6/2020	Write Off	\$ 571	NO
Perez, Felicia	1310 Anadal	RES	\$ 148	\$ 494	10/13/2020	Write Off	\$ 642	NO
Gonzales, Domingo	1705 Morgan Blvd	APT	\$ 2,054	\$ 316	10/5/2020	Write Off	\$ 2,370	NO
Garcia, Maria Elena	1641 Sam Houston	RES	\$ 362	\$ 216	10/13/2020	write Off	\$ 578	NO
Youghioghney Communications, Inc. dba Pocket Communications	1602 W Tyler	COMM	\$ 573	\$ -	11/24/2020	Write Off	\$ 573	NO
Gracia, Jonathan Manasseh	414 S J	RES	\$ 304	\$ 437	10/27/2020	Write Off	\$ 741	NO
Estrada Jaramillo, Pablo Daniel	15971 Orange Dr	RES	\$ 113	\$ 442	10/23/2020	Write Off	\$ 555	NO
Valley Traveland, Inc.	6201 W Business 83	COMM	\$ 650	\$ 86	10/20/2020	Write Off	\$ 736	NO
Moreno, Margarita Santana	1101 E PIERCE	RES	\$ 298	\$ 1,832	6/5/2023	Disconnected for non-payment follow up for assistance with CaCost.	\$ 2,130	NO
Sergio Rodriguez Alamilla	702 E. Monroe	APT	\$ 184	\$ 450	12/20/2022	Spoke to customer assistant. Property sold. Attempting to get in contact with customer.	\$ 634	NO
Combs A.T	1217 E Tyler	COMM	\$ 388	\$ 186	3/6/2023	Disconnected for nonpayment. Customer had not paid for 1 month. Attempted to call and no answer.	\$ 574	NO
Tovar Castro, Zulma Anahi	711 W. Wright	COMM	\$ 198	\$ 586	9/25/2023	Disconnected for nonpayment. Customer had not paid for 1 month. Attempted to call and no answer.	\$ 784	NO
TOTAL			\$ 5,036	\$ 6,686		Total write off amount \$6,766	\$ 12,307	

INACTIVE DELINQUENT ACCOUNTS IN EXCESS OF \$500
September 2023

Account Number	Account Name	Address	Land Use	Garbage Amt. Due	Water/Sewer Amt. Due	Disconnect Date	Remarks	Total	Lawsuit/ Lien Filed
082-0011750-000	Szumilewicz, Mark	24473 N Dilworth	RES	\$ -	\$ 731	8/4/2022	Disconnected for non payment. Customer was using approximately 50,000 gallons per month.	\$ 731	YES
012-0005680-007	Sauceda, Juana Antonia	2020 Martha	RES	\$ 134	\$ 554	6/7/2022	Disconnected for non payment. Winter average for this account was 50,000 gallons.	\$ 688	NO
008-0008680-007	Gomez, Jaime Romulo	1810 Evergreen	RES	\$ 215	\$ 356	10/6/2020	Disconnected for non payment customer had not paid in 6 1/2 months.	\$ 571	NO
031-0002842-017	Perez, Felicia	1310 Anadal	RES	\$ 148	\$ 494	10/13/2020	Disconnected for non payment customer had not paid in 8 1/2 months.	\$ 642	NO
039-0004200-003	Gonzales, Domingo	1705 Morgan Blvd	APT	\$ 2,054	\$ 316	10/5/2020	Customer requested disconnection as he sold the property. No payment 4 months.	\$ 2,370	NO
050-0002730-003	Garcia, Maria Elena	1641 Sam Houston	RES	\$ 362	\$ 216	10/13/2020	Disconnected for non payment customer had not paid in 5 1/2 months.	\$ 578	NO
054-0009150-003	Youghiogheny Communications, Inc. dba Pocket Communications	1602 W Tyler	COMM	\$ 573	\$ -	11/24/2020	Disconnected for non payment, customer had not paid in 5 months.	\$ 573	NO
055-0004620-031	Gracia, Jonathan Manasseh	414 S J	RES	\$ 304	\$ 437	10/27/2020	Disconnected for non payment, customer had not paid in 8 1/2 months.	\$ 741	NO
805-0050600-007	Estrada Jaramillo, Pablo Daniel	15971 Orange Dr	RES	\$ 113	\$ 442	10/23/2020	Customer requested disconnection, final bill was for usage of 292,200 gallons.	\$ 555	NO
825-0001900-000	Valley Traveland, Inc.	6201 W Business 83	COMM	\$ 650	\$ 86	10/20/2020	Disconnected for non payment, customer had not paid in 8 1/2 months.	\$ 736	NO
017-0004440-002	Moreno, Margarita Santana	1101 E PIERCE	RES	\$ 298	\$ 1,832	6/5/2023	Disconnected for non-payment follow up for assistance with CaCost.	\$ 2,130	NO
003-0006300-003	Sergio Rodriguez Alamilla	702 E. Monroe	APT	\$ 184	\$ 450	12/20/2022	Spoke to customer assistant. Property sold. Attempting to get in contact with customer.	\$ 634	NO
015-0005360-001	Combs A.T	1217 E Tyler	COMM	\$ 388	\$ 186	3/6/2023	Disconnected for nonpayment. Customer had not paid for 1 month. Attempted to call and no answer.	\$ 574	NO
TOTAL				\$ 5,036	\$ 6,100			\$ 11,523	

CITY OF HARLINGEN WATERWORKS SYSTEM
NARRATIVE REVIEW OF
COMBINED STATEMENT OF REVENUES AND EXPENSES
YEAR TO DATE AS OF AUGUST 31, 2023

Summary – with 91.6% of the fiscal year complete

- Operating revenues of \$19,881,567– 94.6%
- Operating expenses of \$19,684,754– 82.6%
- Net operating loss of \$196,812
- Non-operating revenues of \$4,268,666– 349.2%
- Non-operating expenses of \$445,771– 91.4%
- Net income of \$4,019,708

OPERATING REVENUES

Water

Base water charges for the eleventh month of this fiscal year total \$2,877,227; \$40,159 (1.4%) more than the target budget of \$2,837,068. Year-to-date water consumption revenue of \$5,558,947 is \$73,121 (1.3%) less than revenue recognized through August 2022; and \$107,708 (1.9%) below the target budget of \$5,666,656. Wholesale water sales have generated revenues of \$767,565 which is \$121,267 (18.8%) above the target budget of \$646,298 and \$74,319 (10.7%) more than revenue generated in August 2022. Total water operating revenues of \$9,793,655 represent 91.7% of the annual budget; \$6,986 (0.1%) above the target budget of 9,786,670. In comparison to the previous year, water operating revenues are \$15,885 (0.2%) more than revenues through the month of August 2022.

Wastewater

Year-to-date base customer charges of \$1,897,922 through the month of August are \$24,148 (1.3%) above the target budget of \$1,873,774. Service revenue through the month of August of \$7,372,167 is \$25,961 (0.4%) less than service revenue recognized through August 2022; and \$558,013 (8.2%) above the target budget. Wholesale charges to Combes of \$191,269 are above the target budget by \$16,547 (9.5%) and \$4,167 (2.1%) less than charges in August 2022. Wastewater treatment charges to Primera in the amount of \$113,084 are less than the August 2022 charges by \$22,790 (16.8%); and below the target budget by \$17,249 (16.8%). Total wastewater operating revenues of \$10,087,912 represent 97.6% of annual budgeted revenue, above the target budget by \$613,968 (6.5%). In comparison to the previous year, wastewater operating revenues through the month of August 2023 are \$170 (0.0%) less than revenues through August 2022.

Combined

Fiscal year-to-date operating revenues totaling \$19,881,567 are above the target budget by \$620,954 (3.2%). In comparison to the previous fiscal year, August 2023 year-to-date combined operating revenue is \$15,715 (0.1%) less than revenue recognized through August 2022.

OPERATING EXPENSES

Payroll Expense

Year-to-date wage & benefit expenses total \$9,147,494 or 83.3% of the annual budget. The positive budgetary variance of \$917,892 can be attributed to:

\$851,400	in position vacancies;
113,600	timing variance;
(167,600)	less in capitalized wages than budgeted;
120,500	employment tax and benefit rate variances.

Contractual Services

Year-to-date expenses for contractual services are \$663,638 or (19.1%) less than the target budget. The most significant budgetary variances are:

\$110,500	Electricity: Increased efficiency in operations
(1,900)	Raw Water Diversion
(9,900)	Water Quality Assessment: Annual assessment paid the first quarter of fiscal year
(26,900)	Windstorm Insurance
32,400	Property and Liability Insurance

Expenses incurred on an “as needed” basis: fewer services have been utilized.

\$470,700	Professional & other contracted services
32,100	Legal Services
48,900	Wastewater Sludge Disposal (able to land apply sludge)
7,800	Miscellaneous contractual maintenance and commercial laboratory services accounts.

Maintenance & Supplies

This category of expenses reflects a positive budgetary variance of 498,211 (10.7%). The most significant budgetary variances are:

\$239,800	Water Treatment Chemicals: Purchased as needed
4,300	Wastewater Chemicals: Purchased as needed
(4,500)	Vehicle fuel: Market driven pricing
(36,800)	Vehicle & heavy equipment maintenance – repairs made on an as needed basis
(145,200)	Water system maintenance – repairs made on an as needed basis
171,300	Wastewater system maintenance – repairs made on an as needed basis
52,300	Street Paving – delay in processing of billing from city
86,300	Computer software licenses, maintenance, supplies
93,400	Minor tools & equipment – purchased as needed
37,400	Postage, Supplies, Furniture & Fixtures & Miscellaneous – purchased as needed

Other

The positive budgetary variance of \$88,533 (41.2%) in this category is primarily due to the following:

\$61,700	Training funds expended as courses/events become available
2,600	Employee events
10,800	Banking fees
13,400	Net variance in numerous other accounts

Depreciation Expense

Year to date depreciation expense totals \$3,415,175; \$18,206 more than the target budget of \$3,396,969; and \$207,863 less than depreciation through August 2022.

Total

Year to date operating expenses of \$19,684,754 represent 82.6% of the total fiscal year budget, \$2,150,069 (9.8%) less than the target budget. The most significant budgetary variances were discussed above.

NET OPERATING INCOME

The net operating income of \$196,812 as of August 31, 2023, is the net of the \$1,556,068 operating income generated by the Wastewater Department and the \$1,359,255 operating loss of the Water Department. The target budget reflects anticipated net operating loss of \$2,574,210.

NON-OPERATING REVENUES

Total water and wastewater impact fee revenues of \$963,240, are \$431,420 more than the target budget of \$531,821. Year-to-date miscellaneous revenue of \$225,852 is \$92,019 above the target budget of \$133,833 due to an increase of wastewater disposals from septic tank hauler companies. Contributed assets increased to \$421,221 in the month of January 2023 after completion of The Heights Subdivision. Additionally, intergovernmental revenue was recorded in the amount of \$739,270 for the current fiscal year. Other non-operating revenues totaled \$545,956; \$182,608 above the target budget of \$363,348.

Interest Earnings

The average invested balance of \$41,765,180 generated \$176,191 in interest earnings in August; year to date interest revenue of \$1,373,127 is \$1,281,460 above the budgeted amount of \$91,667. The average rate of return on investments was 4.9671 for the month of August 2023 compared to 1.4880 in August 2022.

NON-OPERATING EXPENSES

Combined non-operating expenses, interest, fees, and the amortization of debt related expenses total \$445,771. This amount is \$1,311 (0.3%) above the target budget of \$447,081.

NET INCOME

Net income of \$4,019,708 as of August 31, 2023, is \$5,920,330 more than the budgeted loss of \$1,900,622; and \$504,953 less than net income as of August 31, 2022. The System net income is the sum of the \$4,020,877 net income recognized by the Wastewater Department and \$1,169 of net loss by the Water Department.

MISCELLANEOUS FY 2023 FINANCIAL INFORMATION

- Capital outlay for the fiscal year is \$4,703,553
- Cash activity for the fiscal year increased by \$3,436,497

- Bond interest payment of \$263,075 was made April 28th.
- Received \$2.6 million reimbursement of ARPA funds on July 24th.



**Statement of Net Assets
October 31,2023**

Current Assets

Unrestricted Cash and Investments

Operating Fund - Checking Account	\$	2,088,935.96	
Operating Fund - TexStar		23,978.36	
Operating Fund - TexPool		807,617.75	
Operating Fund - CD Investment		19,444,444.75	
Operating Fund - Money Market		96,363.81	
Operating Fund - Treasuries		799,639.06	
Contingency Funds - Checking		486,483.70	
Contingency Funds - TexStar		14,943.60	
Contingency Funds - TexPool		422,282.04	
Contingency - Money Market		905,930.64	
Contingency Funds - CD Investment		2,667,723.98	
Payroll Checking Account		1,500.00	
Working Cash		3,400.00	\$ 27,763,243.65

Restricted Cash and Investments

Customer Deposit - Checking Account		293,628.10	
Customer Deposit - TexStar		41,976.03	
Customer Deposit - Money Market		249,000.00	
Customer Deposit - CD Investment		2,661,114.23	
Customer Deposit - Treasuries		400,109.55	
Water Impact Fees - Checking		974,531.30	
Water Impact Fees - TexPool		755,042.21	
Water Impact Fees - CD Investment		200,250.00	
Water Impact Fees - Treasuries		600,164.38	
Wastewater Impact Fees - Checking		1,175,606.26	
Wastewater Impact Fees - TexPool		226,923.75	
Wastewater Impact Fees - Money Market		-	
Wastewater Impact Fees - CD Investment		2,907,175.17	
Wastewater Impact Fees - Treasuries		200,054.77	
Water Reimb / Repair / Replace - Checking		93,867.56	
Water Reimb / Repair / Replace - TexPool		165,001.44	
Water Reimb / Repair / Replace - Money Market		-	
Water Reimb / Repair / Replace - CD Invest		419,005.52	
Wastewater Reimb / Repair / Replace - TexPool		203,606.95	
Wastewater Reimb / Repair / Replace - CD Invest		150,611.89	
Debt Service Funds - TexStar		27,708.97	
Bond Proceeds 2015A - TexStar		-	\$ 11,745,378.08

Accounts Receivable - Utility Billing

Water		674,608.45	
Wastewater		910,660.69	
Allowance for Uncollectible Accounts		(31,621.19)	\$ 1,553,647.95



Statement of Net Assets
October 31, 2023

Accounts Receivable Other

Customer Invoices	312,441.08		
Allowance for Uncollectible Invoices	(230,000.00)		
Credit Card Transactions	165,175.19		
NSF Checks	3,882.88		
Customer Service Deposits	-		
Other	1,746,890.45		
Interest Receivable	92,759.47		
Grants Receivable	-	\$	2,091,149.07

Inventories

Wastewater Materials	132,631.96		
Water Materials	551,665.01		
Miscellaneous	43,834.79		
Small Tools	2,915.37	\$	731,047.13

PrePaid Expenses

Escrow Deposit - Workers' Compensation	81,018.40		
Insurance	22,971.13		
Other	-	\$	103,989.53

Total Current Assets

\$ 43,988,455.41

Noncurrent Assets

Net Pension Asset			-
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Capital Assets

Utility Plant in Service	213,952,133.06		
Accumulated Depreciation	(135,487,289.14)		
Construction in Process	6,566,412.84		
Capitalized Interest	-	\$	85,031,256.76

Total Noncurrent Assets

\$ 85,031,256.76

Total Assets

\$ 129,019,712.17

Deferred Outflows

Deferred Amount on Bonds	97,355.26		
Deferred Pension Contributions	508,381.67		
Deferred Pension Investment Earnings	3,181,558.00		
Deferred Pension Experience vs Assumptions	-		
Deferred Change in Assumptions	49,752.00		
Deferred Retiree Health Insurance Contributions	286,244.76		
Deferred Change in Assumptions Retiree Ins	57,404.00		
Deferred Charges Death Benefit OPEB	194,699.38		
Deferred Changes Assump Death Benefit OPEB	80,687.00	\$	4,456,082.07

Total Assets and Deferred Outflows

\$ 133,475,794.24



Current Liabilities

Accounts payable - trade \$ 468,583.57

Due to City of Harlingen

Garbage Service Collections 206,083.72
Other - \$ 206,083.72

Payroll Liabilities

Accrued Wages -
Federal Income Tax (2,769.27)
Social Security and Medicare Taxes -
Texas Employment Commission Tax 17.04
Worker's Compensation Insurance 8,967.35
Employee Retirement 98,619.06
Other Deductions 15,052.84 \$ 119,887.02

Other Current Liabilities

Retainage (Contractor funds withheld) 191,788.94
Escrow Deposit - Subdividers 154,500.13
Customer Deposit Refunds 98,683.41
Unclaimed Customer Refunds 16,416.02
Other 14,622.47 \$ 476,010.97

Payable from Restricted Assets

Accrued Interest \$ -

Total Currents Liabilites \$ 1,270,565.28



Statement of Net Assets
October 31,2023

Noncurrent Liabilities

Bonds - Long Term	\$ 14,285,000.00	
Bond Premium / Discount	359,208.70	
Vacation Accrual Liability	390,299.40	
Sick Time Accrual Liability	473,593.65	
Retiree Health Care Liability	7,366,714.00	
Retiree Health Benefits Liability	554,780.00	
Net Pension Liability	<u>3,468,446.00</u>	\$ 26,898,041.75

Payable from Restricted Assets

Customer Deposits		<u>3,587,289.83</u>
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Total Noncurrent Liabilities		<u>\$ 30,485,331.58</u>
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Total Liabilities		<u>\$ 31,755,896.86</u>
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Deferred Inflows of Resources

Deferred Pension Investment Experience	1,449,466.00	
Deferred Pension Expenses vs Assumptions	61,473.00	
Deferred OPEB Healthcare Diff Exper	-	
Deferred OPEB Healthcare Chg Assump	1,960,367.00	
Deferred Death Benefits Diff in Exp	1,418.00	
Deferred Death Benefits Chng Assumpt	<u>195,811.00</u>	

Total Liabilities and Deferred Inflows		<u>\$ 35,424,431.86</u>
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Net Assets (Assets Less Liabilities)		<u>\$ 98,051,362.38</u>
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CITY OF HARLINGEN WATERWORKS SYSTEM

Statement of Cash Flows

Year-to-Date as of the Fiscal Period Ended October 31, 2023

Cash Flows From Operating Activities

Receipts from customers	\$ 2,190,796
Payments to suppliers	(1,513,079)
Payments to or on behalf of employees	<u>(927,746)</u>
Net cash provided by operating activities	<u>(250,029)</u>

Cash Flows From Capital and Related Financing Activities

Acquisition and construction of capital assets	(113,929)
Proceeds from impact fees	125,625
Principal paid on revenue bonds	(1,060,000)
Interest and fees paid on revenue bonds	<u>(263,200)</u>
Net cash used by capital and related financing activities	<u>(1,311,504)</u>

Cash Flows From Investing Activities

Investment earnings	<u>157,123</u>
Decrease in cash and investments	(1,404,410)
Cash and investments - beginning of year	<u>40,915,614</u>
Cash and cash equivalents - October 31, 2023	<u><u>\$ 39,511,204</u></u>

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 673,709
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	330,679
Non-operating revenue	104,216
Changes in assets and liabilities	
(Increase) decrease in receivables, net	(119,956)
(Increase) decrease in inventory	2,399
(Increase) decrease in prepaid expenses	(180,612)
Increase (decrease) in accounts payable	(888,152)
Increase (decrease) in due to primary government	121,794
Increase (decrease) in other liabilities	(306,869)
Increase (decrease) in OPEB related deferred inflows	(1,454,153)
Increase (decrease) in restricted liabilities	<u>12,763</u>
Net cash provided by operating activities	<u><u>\$ (1,704,182)</u></u>

Reconciliation of total cash and investments

	<u>09/30/22</u>	<u>Incr (Decr)</u>	<u>9/30/23</u>
Unrestricted cash and investments	\$ 29,657,380	\$ (1,894,136)	\$ 27,763,244
Restricted cash and investments	11,258,234	487,144	11,745,378
Total cash and investments	<u><u>\$ 40,915,614</u></u>	<u><u>\$ (1,406,992)</u></u>	<u><u>\$ 39,508,622</u></u>



**City of Harlingen Waterworks System
Statement of Revenues and Expenses
Water Operations**

For the One-Month Period Ended Oct 31, 2023

	Actual October FY 2024	Actual October FY 2023	YTD Actual FY 2024	YTD Actual FY 2023	Positive (Negative) Variance	Total Budget FY 2024	Target Budget FY 2024	Positive (Negative) Variance
Operating Revenues:								
Base Charges	263,434.33	259,424.59	263,434.33	259,424.59	4,009.74	3,125,933	260,494	2,939.91
Net Service Revenue	656,283.83	446,814.01	656,283.83	446,814.01	209,469.82	6,243,624	520,302	135,981.83
Water Sales Combes	10,824.82	11,759.43	10,824.82	11,759.43	(934.61)	113,426	9,452	1,372.65
Sales East Rio Hondo	5,882.96	8,123.45	5,882.96	8,123.45	(2,240.49)	83,248	6,937	(1,054.37)
Sales Palm Valley	27,250.58	25,672.68	27,250.58	25,672.68	1,577.90	223,730	18,644	8,606.41
Sales Military Highway	16,118.20	8,561.20	16,118.20	8,561.20	7,557.00	60,600	5,050	11,068.20
Water Sales Primera	21,375.10	20,955.34	21,375.10	20,955.34	419.76	231,098	19,258	2,116.93
Customer Penalties	17,071.52	10,427.88	17,071.52	10,427.88	6,643.64	144,124	12,010	5,061.19
Service Fees	6,170.00	6,485.00	6,170.00	6,485.00	(315.00)	78,670	6,556	(385.83)
Disconnect Fees	18,970.00	16,590.00	18,970.00	16,590.00	2,380.00	213,532	17,794	1,175.67
Fuel Adjustment	27,843.19	20,520.17	27,843.19	20,520.17	7,323.02	265,145	22,095	5,747.77
Total Operating Revenue:	\$ 1,071,224.53	\$ 835,333.75	\$ 1,071,224.53	\$ 835,333.75	\$ 235,890.78	\$ 10,783,130	\$ 898,594	\$ 172,630.36
Operating & Maintenance Expense:								
Personnel Services	221,090.13	255,074.43	221,090.13	255,074.43	33,984.30	6,092,670	507,723	286,632.37
Contractual Services	140,670.30	176,177.46	140,670.30	176,177.46	35,507.16	3,225,952	268,829	128,159.03
Maintenance & Supplies	244,947.13	183,739.27	244,947.13	183,739.27	(61,207.86)	3,000,164	250,014	5,066.54
Other Expenses	6,756.66	2,794.63	6,756.66	2,794.63	(3,962.03)	146,856	12,238	5,481.34
O&M Expenses Before Depreciation	\$ 613,464.22	\$ 617,785.79	\$ 613,464.22	\$ 617,785.79	\$ 4,321.57	\$ 12,465,642	\$ 1,038,804	\$ 425,339.28
Net Income - (LOSS) before Depreciation	\$ 457,760.31	\$ 217,547.96	\$ 457,760.31	\$ 217,547.96	\$ 240,212.35	\$ (1,682,512)	\$ (140,209)	\$ 597,969.64
Depreciation Expense	170,715.33	156,400.62	170,715.33	156,400.62	(14,314.71)	1,570,546	130,879	(39,836.50)
Net Operating Income - (LOSS)	\$ 287,044.98	\$ 61,147.34	\$ 287,044.98	\$ 61,147.34	\$ 225,897.64	\$ (3,253,058.00)	\$ (271,088.17)	\$ 558,133.15
Plus Non-Operating Revenue:								
Impact Fees - Water	62,460.00	34,684.00	62,460.00	34,684.00	27,776.00	253,904	21,159	41,301.33
Tap Fees	9,300.00	6,900.00	9,300.00	6,900.00	2,400.00	60,800	5,067	4,233.33
Inspection Fees	1,050.60	100.00	1,050.60	100.00	950.60	10,000	833	217.27
Tie in Charges	465.00	-	465.00	-	465.00	20,000	1,667	(1,201.67)
Garbage Billing Fee	3,125.00	3,125.00	3,125.00	3,125.00	-	37,500	3,125	-
Rental Income	3,510.00	2,560.76	3,510.00	2,560.76	949.24	44,620	3,718	(208.33)
Other Revenue	50.00	-	50.00	-	50.00	2,500.00	208.33	(158.33)
Work for Others	1,029.23	-	1,029.23	-	1,029.23	12,992	1,083	(53.44)
Interest Earnings	94,034.91	34,393.89	94,034.91	34,393.89	59,641.02	625,000	52,083	41,951.58
Miscellaneous Revenue	2,153.63	1,003.01	2,153.63	1,003.01	1,150.62	24,000	2,000	153.63
Backflow Prevention Revenue	3,475.00	3,350.00	3,475.00	3,350.00	125.00	30,195	2,516	958.75
Loss Surplus & Obsolete Assets	12,199.61	-	12,199.61	-	12,199.61	10,000	833	11,366.28
Lease of Water Rights	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-
Total Non-Operating Revenue:	\$ 192,852.98	\$ 86,116.66	\$ 192,852.98	\$ 86,116.66	\$ 106,736.32	\$ 1,131,511	\$ 94,293	\$ 98,560.40
Less: Non-Operating Expense								
Bond Interest Expense	20,187.40	21,553.65	20,187.40	21,553.65	1,366.25	563,664	46,972	26,784.60
Total Non-Operating Expense	\$ 20,187.40	\$ 21,553.65	\$ 20,187.40	\$ 21,553.65	\$ 1,366.25	\$ 563,664	\$ 46,972	\$ 26,784.60
Water Net Income - (Loss)	\$ 459,710.56	\$ 125,710.35	\$ 459,710.56	\$ 125,710.35	\$ 334,000.21	\$ (2,685,211)	\$ (223,768)	\$ 683,478.14



**City of Harlingen Waterworks System
Statement of Revenues and Expenses
Wastewater Operations**

For the One-Month Period Ended Oct 31, 2023

	Actual October FY 2024	Actual October FY 2023	YTD Actual FY 2024	YTD Actual FY 2023	Positive (Negative) Variance	Total Budget FY 2024	Target Budget FY 2024	Positive (Negative) Variance
Operating Revenues								
Base Charges	173,679.49	171,387.29	173,679.49	171,387.29	2,292.20	2,064,558	172,047	1,632.99
Net Service Revenue	746,693.10	629,474.98	746,693.10	629,474.98	117,218.12	7,507,958	625,663	121,029.93
Customer Penalties	18,469.77	11,884.80	18,469.77	11,884.80	6,584.97	158,172	13,181	5,288.77
Fuel Adjustments	22,549.72	18,910.05	22,549.72	18,910.05	3,639.67	227,892	18,991	3,558.72
Pretreatment Testing Fees	-	-	-	-	-	14,048	1,171	(1,170.67)
Industrial Surcharge Fees	12,794.41	12,798.61	12,794.41	12,798.61	(4.20)	129,818	10,818	1,976.24
Wastewater Meter Sales Combes	15,993.17	15,184.40	15,993.17	15,184.40	808.77	192,512	16,043	(49.50)
Wastewater Meter Sales Primera	10,575.08	10,575.08	10,575.08	10,575.08	-	143,604	11,967	(1,391.92)
Total Revenue	\$ 1,000,754.74	\$ 870,215.21	\$ 1,000,754.74	\$ 870,215.21	\$ 130,539.53	\$ 10,438,562	\$ 869,880	\$ 130,874.57
Operating & Maintenance Expense								
Personnel Services	209,490.28	250,022.67	209,490.28	250,022.67	40,532.39	5,691,176	474,265	264,774.39
Contractual Services	81,598.31	112,935.15	81,598.31	112,935.15	31,336.84	1,346,370	112,198	30,599.19
Maintenance & Supplies	161,454.83	154,068.49	161,454.83	154,068.49	(7,386.34)	2,251,087	187,591	26,135.75
Other Expenses	4,165.70	3,745.00	4,165.70	3,745.00	(420.70)	130,050	10,838	6,671.80
O&M Expenses Before Depreciation	\$ 456,709.12	\$ 520,771.31	\$ 456,709.12	\$ 520,771.31	\$ 64,062.19	\$ 9,418,683	\$ 784,890	\$ 328,181.13
Net Income - (LOSS) before Depreciation	\$ 544,045.62	\$ 349,443.90	\$ 544,045.62	\$ 349,443.90	\$ 194,601.72	\$ 1,019,879.0	\$ 84,989.9	\$ 459,055.70
Depreciation Expense	159,963.24	149,376.18	159,963.24	149,376.18	(10,587.06)	2,120,776	176,731	16,768.09
Net Operating Income - (Loss)	\$ 384,082.38	\$ 200,067.72	\$ 384,082.38	\$ 200,067.72	\$ 184,015	\$ (1,100,897)	\$ (91,741)	\$ 475,823.80
Plus Non-Operating Revenue								
Impact Fees - Wastewater	63,165.00	43,973.00	63,165.00	43,973.00	19,192.00	332,066	27,672	35,492.83
Tap Fees	450.00	1,600.00	450.00	1,600.00	(1,150.00)	-	-	450.00
Inspection Fees	2,443.00	280.00	2,443.00	280.00	2,163.00	20,300	1,692	751.33
Tie In Charges	-	-	-	-	-	30,000	2,500	(2,500.00)
Garbage Billing Fee	3,125.00	3,125.00	3,125.00	3,125.00	-	37,500	3,125	-
Rental Income	3,510.00	2,560.77	3,510.00	2,560.77	949.23	44,619	3,718	(208.25)
Other Revenue	-	-	-	-	-	-	-	-
Work for Others	100.00	-	100.00	-	100.00	12,000	1,000	(900.00)
Interest Earnings	93,291.68	36,727.88	93,291.68	36,727.88	56,563.80	625,000	52,083	41,208.35
Miscellaneous Revenue	25,039.25	18,294.20	25,039.25	18,294.20	6,745.05	122,000	10,167	14,872.58
Loss Surplus & Obsolete Assets	33,190.78	-	33,190.78	-	33,190.78	5,000	417	32,774.11
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-
Total Non-Operating Revenue	\$ 224,314.71	\$ 106,560.85	\$ 224,314.71	\$ 106,560.85	\$ 117,753.86	\$ 1,228,485	\$ 102,374	\$ 121,940.96
Less: Non-Operating Expense								
Bond Interest Expense	20,187.38	21,553.63	20,187.38	21,553.63	1,366.25	563,662	46,972	26,784.45
Total Non-Operating Expense	\$ 20,187.38	\$ 21,553.63	\$ 20,187.38	\$ 21,553.63	\$ 1,366.25	\$ 563,662	\$ 46,972	\$ 26,784.45
WasteWater Net Income - (Loss)	\$ 588,209.71	\$ 285,074.94	\$ 588,209.71	\$ 285,074.94	\$ 303,134.77	\$ (436,074)	\$ (36,340)	\$ 624,549.21



**City of Harlingen WaterWorks System
Statement of Revenues and Expenses
Combined Operations**

For the One-Month Period Ended Oct 31, 2023

	Actual October FY 2024	Actual October FY 2023	YTD Actual FY 2024	YTD Actual FY 2023	Positive (Negative) Variance	Total Budget FY 2024	Target Budget FY 2024	Positive (Negative) Variance
Operating Revenues:								
Base Charges	437,113.82	430,811.88	437,113.82	430,811.88	6,301.94	5,190,491	432,541	4,572.90
Net Service Revenue	1,402,976.93	1,076,288.99	1,402,976.93	1,076,288.99	326,687.94	13,751,582	1,145,965	257,011.76
Water Sales Combes	10,824.82	11,759.43	10,824.82	11,759.43	(934.61)	113,426	9,452	1,372.65
Sales East Rio Hondo	5,882.96	8,123.45	5,882.96	8,123.45	(2,240.49)	83,248	6,937	(1,054.37)
Sales Palm Valley	27,250.58	25,672.68	27,250.58	25,672.68	1,577.90	223,730	18,644	8,606.41
Sales Military Highway	16,118.20	8,561.20	16,118.20	8,561.20	7,557.00	60,600	5,050	11,068.20
Water Sales Primera	21,375.10	20,955.34	21,375.10	20,955.34	419.76	231,098	19,258	2,116.93
Customer Penalties	35,541.29	22,312.68	35,541.29	22,312.68	13,228.61	302,296	25,191	10,349.96
Service Fees	6,170.00	6,485.00	6,170.00	6,485.00	(315.00)	78,670	6,556	(385.83)
Disconnect Fees	18,970.00	16,590.00	18,970.00	16,590.00	2,380.00	213,532	17,794	1,175.67
Fuel Adjustment	50,392.91	39,430.22	50,392.91	39,430.22	10,962.69	493,037	41,086	9,306.49
Pretreatment Testing Fees	-	-	-	-	-	14,048	1,171	(1,170.67)
Industrial Surcharge Fees	12,794.41	12,798.61	12,794.41	12,798.61	(4.20)	129,818	10,818	1,976.24
WW Meter Sales Combes	15,993.17	15,184.40	15,993.17	15,184.40	808.77	192,512	16,043	(49.50)
WW Meter Sales Primera	10,575.08	10,575.08	10,575.08	10,575.08	-	143,604	11,967	(1,391.92)
Total Operating Revenue:	\$ 2,071,979.27	\$ 1,705,548.96	\$ 2,071,979.27	\$ 1,705,548.96	\$ 366,430.31	\$ 21,221,692	\$ 1,768,474	\$ 303,504.94
Operating & Maintenance Expense:								
Personnel Services	430,580.41	505,097.10	430,580.41	505,097.10	74,516.69	11,783,846	981,987	551,406.76
Contractual Services	222,268.61	289,112.61	222,268.61	289,112.61	66,844.00	4,572,322	381,027	158,758.22
Maintenance & Supplies	406,401.96	337,807.76	406,401.96	337,807.76	(68,594.20)	5,251,251	437,604	31,202.29
Other Expenses	10,922.36	6,539.63	10,922.36	6,539.63	(4,382.73)	276,906	23,076	12,153.14
O&M Expenses Before Depreciation	\$ 1,070,173.34	\$ 1,138,557.10	\$ 1,070,173.34	\$ 1,138,557.10	\$ 68,383.76	\$ 21,884,325	\$ 1,823,694	\$ 753,520.41
Net Income - (LOSS) before Depreciation	\$ 1,001,805.93	\$ 566,991.86	\$ 1,001,805.93	\$ 566,991.86	\$ 434,814.07	\$ (662,633)	\$ (55,219)	\$ 1,057,025.35
Depreciation Expense	330,678.57	305,776.80	330,678.57	305,776.80	(24,901.77)	3,691,322	307,610	(23,068.40)
Net Operating Income - (LOSS)	\$ 671,127.36	\$ 261,215.06	\$ 671,127.36	\$ 261,215.06	\$ 409,912.30	\$ (4,353,955.00)	\$ (362,829.58)	\$ 1,033,956.94
Plus Non-Operating Revenue:								
Impact Fees - Water	62,460.00	34,684.00	62,460.00	34,684.00	27,776.00	253,904	21,159	41,301.33
Impact Fees - Wastewater	63,165.00	43,973.00	63,165.00	43,973.00	19,192.00	332,066	27,672	35,492.83
Tap Fees	9,750.00	8,500.00	9,750.00	8,500.00	1,250.00	60,800	5,067	4,683.33
Inspection Fees	3,493.60	380.00	3,493.60	380.00	3,113.60	30,300	2,525	968.60
Tie in Charges	465.00	-	465.00	-	465.00	50,000	4,167	(3,701.67)
Garbage Billing Fee	6,250.00	6,250.00	6,250.00	6,250.00	-	75,000	6,250	-
Rental Income	7,020.00	5,121.53	7,020.00	5,121.53	1,898.47	89,239	7,437	(416.58)
Other Revenue	50.00	-	50.00	-	50.00	2,500	208	(158.33)
Work for Others	1,129.23	-	1,129.23	-	1,129.23	24,992	2,083	(953.44)
Interest Earnings	187,326.59	71,121.77	187,326.59	71,121.77	116,204.82	1,250,000	104,167	83,159.92
Miscellaneous Revenue	27,192.88	19,297.21	27,192.88	19,297.21	7,895.67	146,000	12,167	15,026.21
Backflow Prevention Revenue	3,475.00	3,350.00	3,475.00	3,350.00	125.00	30,195	2,516	958.75
Loss Surplus & Obsolete Assets	45,390.39	-	45,390.39	-	45,390.39	15,000	1,250	44,140.39
Lease of Water Rights	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-
Total Non-Operating Revenue:	\$ 417,167.69	\$ 192,677.51	\$ 417,167.69	\$ 192,677.51	\$ 224,490.18	\$ 2,359,996	\$ 196,666	\$ 220,501.36
Less: Non-Operating Expense								
Bond Interest Expense	40,374.78	43,107.28	40,374.78	43,107.28	2,732.50	1,127,326	93,944	53,569.05
Total Non-Operating Expense	\$ 40,374.78	\$ 43,107.28	\$ 40,374.78	\$ 43,107.28	\$ 2,732.50	\$ 1,127,326	\$ 93,944	\$ 53,569.05
Combined Net Income - (Loss)	\$ 1,047,920.27	\$ 410,785.29	\$ 1,047,920.27	\$ 410,785.29	\$ 637,134.98	\$ (3,121,285)	\$ (260,107)	\$ 1,308,027.35

City of Harlingen Waterworks System
Analysis of Current Investments
For the Month Ended October 31, 2023

DESCRIPTION	TEXPOOL	TEXSTAR	Certificates of Deposit	Money Market Accounts	Treasuries Investments	PCB Bank	TOTAL
	Local Gov't Investment Pool	Local Gov't Investment Pool					
Unrestricted Funds							
Revenue Fund	\$ 807,618	\$ 23,978	\$ 19,444,445	\$ 96,364	\$ 799,639	\$ 2,088,936	\$ 23,260,980
Payroll	-	-	-	-	-	1,500	1,500
Contingency Funds	422,282	14,944	2,667,724	905,931	-	486,484	4,497,364
Total Unrestricted Funds	\$ 1,229,900	\$ 38,922	\$ 22,112,169	\$ 1,002,294	\$ 799,639	\$ 2,576,920	\$ 27,759,844
Restricted Funds							
Bond Debt Service Funds	-	27,709	-	-	-	-	27,709
Customer Deposits	-	41,976	2,661,114	249,000	400,110	293,628	3,645,828
Sewer Impact Fees	226,924	-	2,907,175	-	200,055	1,175,606	4,509,760
Water Impact Fees	755,042	-	200,250	-	600,164	974,531	2,529,988
Sewer Reimb/Repair/Replace	203,607	-	150,612	-	-	-	354,219
Water Reimb/Repair/Replace	165,001	-	419,006	-	-	93,868	677,875
Total Restricted Funds	1,350,574	69,685	6,338,157	249,000	1,200,329	2,537,633	11,745,378
Total - Book Value	\$ 2,580,474	\$ 108,607	\$ 28,450,326	\$ 1,251,294	\$ 1,999,968	\$ 5,114,553	\$ 39,505,222
Percentage of Portfolio	7.0%	0.0%	72.0%	3.0%	5.0%	13.0%	100.0%
Current Market Value	\$ 2,580,474	\$ 108,607	\$ 28,450,326	\$ 1,251,294	\$ 1,999,968	\$ 5,114,553	\$ 39,505,222
Unrealized Gain (Loss)	-	-	-	-	-	-	-
Current Yield	5.3589%	5.3231%	5.3664%	5.5500%	4.7796%	5.1798%	5.3000%
Interest Earned	\$ 11,691	\$ 5,770	\$ 119,117	\$ 5,722	\$ 8,118	\$ 36,908	\$ 187,327

Financial Institution	Purchase Date	Maturity Date	Certificates of Deposit		
			Amount	Interest Rate	CD #
Veritex Bank	12/20/2022	12/20/2023	\$ 2,082,619	4.87%	9009005127
East West Bank	9/26/2023	12/20/2023	1,005,756	5.82%	172533615
Veritex Bank	1/24/2023	1/27/2024	2,591,971	4.84%	9009005166
East West Bank	2/16/2023	2/16/2024	1,554,178	5.02%	172794960
East West Bank	8/23/2023	2/26/2024	1,516,544	5.72%	172538392
BOK Fincial	3/23/2023	3/21/2024	1,545,386	4.88%	1026943864
East West Bank	9/26/2023	3/21/2024	1,508,486	5.72%	172089328
East West Bank	4/20/2023	4/22/2024	1,026,851	4.96%	172903009
East West Bank	10/24/2023	4/22/2024	1,001,268	5.78%	172330286
BOK Fincial	5/18/2023	5/16/2024	1,000,000	5.06%	1027228085
East West Bank	8/23/2023	5/16/2024	1,516,224	5.61%	172246001
Third Coast Bank	6/28/2023	6/30/2024	1,521,173	5.60%	6000059045
Third Coast Bank	6/28/2023	6/30/2024	2,028,230	5.60%	6000059078
East West Bank	7/21/2023	7/22/2024	1,015,554	5.47%	172145442
East West Bank	10/24/2023	7/22/2024	1,001,250	5.70%	172709090
Bank OZK	8/23/2023	8/23/2024	2,018,501	5.51%	6902131506
East West Bank	9/26/2023	9/20/2024	2,513,870	5.61%	172086683
East West Bank	10/24/2023	10/24/2024	2,002,465	5.62%	172109354
Balance			\$ 28,450,326		

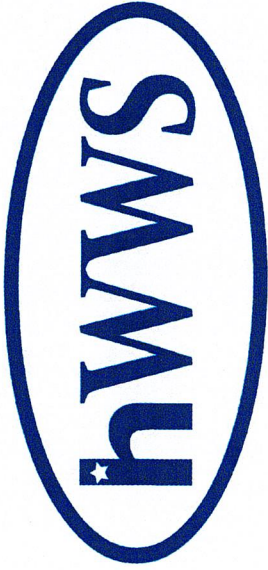
**CITY OF HARLINGEN WATERWORKS SYSTEM
CAPITAL OUTLAY REPORT
SEP 31, 2023**

DESCRIPTION	FY 2023 Expense 9/30/23	Purchase Orders 9/30/23	FY 2023 Adopted Budget	FY 2023 Budget Balance	FY 2023 Cash Requirement	Status
Proj Capital Improvement Program						
415 WATER RIGHTS	\$ 817,800	\$ -	\$ 600,000	\$ (217,800)	\$ -	Pending
544 MO PARKNG LOT PROP A	18	55,258	-	(55,276)	55,258	Follow Up w/Attorney
064 YARD IMPROVEMENTS WH	31,739	-	1,600,000	1,568,262	1,568,262	Ongoing
455 VAN BUREN STRUCTURAL REPAIRS	-	-	2,173,000	2,173,000	2,173,000	Pending
459 VAN BUREN OFFICE REMODEL	-	-	100,000	100,000	100,000	Pending
460 VAN BUREN LOBBY SECURITY RENOV	-	-	400,000	400,000	400,000	Pending
025 RAW WATER INTAKE REHAB - DT	79,496	608,299	800,000	112,205	720,504	Design phase
110 DT WTP SLUDGE MANAGEMENT	92,440	-	125,000	32,560	32,560	Design phase
502 ACTIFLOW TUBE SETTLER REPLACE	50,000	-	120,000	70,000	70,000	Pending
450 MFR WTP SLUDGE MANAGEMENT	333	-	125,000	124,667	124,667	finalize review of draft report
503 PIER REPLACEMENT MFR WATER PLT	-	-	250,000	250,000	250,000	Pending
063 MISC WATER LINE INTE	1,355	13,950	280,000	264,696	278,646	Drfat plan reviewed
447 DEVELOPER PARTICIPAT	-	-	500,000	500,000	500,000	Pending
451 WTR METER UPGRADES > 3 IN	102,162	70	1,345,000	1,242,768	1,242,838	Complete
452 AMI SMART METER IMPLEMENTATION	25,072	-	350,000	324,928	324,928	Consulting Services In Process
454 WTR METER < 3" REPLACE 3,000 HWWS	113,888	-	260,000	146,112	146,112	Ongoing
504 LEAD SERVICE LINE SURVEY	-	-	3,500,000	3,500,000	3,500,000	Pending
505 FIRE TRAIN W/LINE EXT & HYDRAN	-	-	60,000	60,000	60,000	Pending
028 LIFT STATION 25 REHABILITATION	321,043	39,852	268,000	(92,895)	39,852	Complete
030 WWTP HEADWORKS, EQ BASIN, LS	82,409	127,309	1,400,000	1,190,282	1,317,591	Pending
068 PRIORITY SEWER RENEW PROJ PKG	1,824,996	4,039,654	5,523,000	(341,650)	4,039,654	Pending
070 LIFT STATION 76 PUMP UPGRADE	97,697	50,000	3,000,000	2,852,303	2,902,303	Pending
112 LIFT STATION 5 REHABILITATION	24,405	122,698	356,000	208,897	331,595	Pending
421 WW MANHOLE REHABILITATION	501,917	-	300,000	(201,917)	-	Pending
438 DEVELOPER PARTICIPATION	-	-	500,000	500,000	500,000	Pending
506 LITTLE CREEK INTERCEPR REPLACE	53,800	93,340	2,215,000	2,067,860	2,161,200	Pending
507 OSBORN INTER, L/S 53.54 ELIMIN	-	-	882,000	882,000	882,000	Pending
508 LIFT STATION 55 REPLACEMENT	-	-	288,000	288,000	288,000	Pending
437 WW SLUDGE DEWATERING FACILITY	487,856	83,184	573,000	1,960	85,144	Bldg, Foundation 89%, Flow Meter Purchased
501 WWTP LAND ACQUISITION	25,011	16,750	500,000	458,240	474,990	Property Appraisal Services In Process
029 LIFT STATION 59 REHAB	11,360	-	-	(11,360)	-	Pending
066 GENERATORS-LS	55,303	(55,258)	-	(45)	(55,258)	Pending
590 LIFT STATION 33 REPL	2,985	-	-	(2,985)	-	Pending
Total Capital Improvement Program	4,803,085	5,195,106	28,393,000	18,397,840	24,569,102	
Proj Operating Capital						
514 1/2-TON SERVICE TRUCKS (3)	80,440	-	75,000	(5,440)	-	complete
086 DATA COMMUNICATIONS	14,049	-	15,000	951	-	Complete
089 ERP SOFTWARE	18,173	2,500	400,000	379,327	381,827	Pending
515 ACCESS CONTROL MAIN OFF DOORS	-	-	50,000	50,000	-	Delayed
516 RADIO REPEATER HANDHELD DEVICE	19,292	-	20,000	708	708	Complete
517 WASTEW NETWORK & MISC UPGRADES	34,990	-	35,000	10	10	Complete
518 BOARD ROOM MULTIMEDIA SYSTEM	-	-	22,000	22,000	22,000	Pending
519 DESKTOP COMPUTERS (4)	10,905	-	12,000	1,095	1,095	Complete
520 COMPUTING CLUSTER FOR WW ADMIN	8,991	-	8,000	(991)	-	Complete
521 HVAC SPLIT SYSTEMS (5)	31,278	-	42,500	11,222	11,222	complete
522 ZERO-TURN MOWER	10,150	-	12,400	2,250	2,250	Complete
509 RAW WATER AERATION BLOWERS MFR	63,127	-	100,000	36,873	36,873	Complete
510 UPS BACKUP/POWER CONDITIONERS	27,538	-	28,000	462	462	Complete
511 CHEMICAL DOSING PUMPS (5)	38,085	-	40,000	1,915	-	Complete
131 WATER TAP SERVICES	75,708	-	55,000	(20,708)	-	Ongoing
512 1/2-TON SERVICE TRUCKS (4)	151,356	-	160,000	8,644	8,644	Complete
513 GPS SURVEY RECEIVER	12,973	-	15,000	2,027	2,027	complete
523 CREW CAB TRUCK	43,356	-	47,000	3,644	3,644	Complete
524 SKID STEER LOADER	65,778	-	72,000	6,222	6,222	Complete
525 UTILITY TRAILER	9,546	-	10,800	1,254	1,254	Complete
526 JUMPING JACK COMPACTORS (2)	8,200	-	10,200	2,000	2,000	Complete
527 14-INCH RESCUE SAWS (2)	4,006	-	6,600	2,594	2,594	Complete
132 WASTEWATER TAP SERVICES	130,621	2,778	65,000	(68,398)	2,778	Pending
528 CAMERA FOR SEWER CCTV	48,843	-	53,000	4,157	4,157	Complete
529 MIGHTY MINI CCTV CAMERA	27,660	-	29,000	1,340	1,340	Complete
530 PORTABLE PUSH CAMERA	9,773	-	12,000	2,227	2,227	Complete
531 70-HP SUBMERSIBLE PUMPS-LS 76	-	-	90,000	90,000	90,000	Pending
532 18-TON BOOM TRUCK (CRANE)	-	-	280,000	280,000	280,000	Pending
533 ELECTRICIAN'S VAN/TRUCK	68,129	-	80,000	11,871	11,871	complete
534 ELECTRICAL CONDUIT BENDER	12,360	-	13,000	640	640	Complete
535 JUMPING JACK COMPACTORS (2)	8,000	-	10,200	2,200	2,200	Complete
536 14" RESCUE SAWS WITH TROLLEY	4,006	-	7,000	2,994	2,994	Complete
537 PORTABLE GENERATORS (2)	-	-	55,000	55,000	55,000	Pending
538 AERATION SYSTEM PARTIAL REPLAC	33,640	-	28,000	(5,640)	-	Complete
539 GATE CONTROLLER/OPER	8,870	-	9,000	130	130	complete
540 DUMP TRUCK	117,344	-	120,000	2,656	2,656	Complete
541 MAINTENANCE VEHICLE	76,923	-	90,000	13,077	13,077	Complete
542 RIDING LAWNMOWER	8,700	-	12,300	3,600	-	Complete
106 ICE MACHINE	4,000	-	-	(4,000)	-	Complete
Total Operating Capital	1,286,812	5,278	2,190,000	901,910	951,900	
Total Capital Outlay	\$ 6,089,897	\$ 5,200,383	\$ 30,583,000	\$ 19,299,750	\$ 25,521,002	

Funding Source:

Operating Funds \$

25,521,002



HARLINGEN WATERWORKS SYSTEM

INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended
September 30, 2023**

**Prepared by
Valley View Consulting, L.L.C.**

This report is in full compliance with the investment strategy as established by the Investment Policy of the City of Harlingen Waterworks System and the Public Funds Investment Act (Chapter 2256)

Timothy E. Skoglund
General Manager

Ron De La Garza
Finance & Revenue Director

Rene Nava
Accountant

Disclaimer: These reports were compiled using information provided by the City of Harlingen Waterworks System. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

**CITY OF HARLINGEN WATERWORKS SYSTEM
Annual Comparison of Portfolio Performance**

FYE Results by Investment Category:

	September 30, 2022			September 30, 2023		
Asset Type	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA/MMA	2.25%	\$ 9,304,050	\$ 9,304,050	5.11%	\$ 9,648,254	\$ 9,648,254
LGIP	2.38%	4,902,580	4,902,580	5.32%	3,862,640	3,862,640
Securities/CDs	1.63%	23,586,313	23,558,047	5.44%	27,368,156	27,365,866
Totals		\$ 37,792,943	\$ 37,764,677		\$ 40,879,051	\$ 40,876,761

Fourth Quarter-End Yield **1.88%**

5.35%

Average Quarter-End Yields (1):

	2022 Fiscal Year	2023 Fiscal Year
Harlingen Water Works System	0.72%	4.44%
Rolling Three Month Treasury	1.06%	4.95%
Rolling Six Month Treasury	1.01%	4.77%
TexPool	0.90%	4.74%
Fiscal YTD Interest Earnings	\$ 198,822 (Approximate)	\$ 1,548,217 (Approximate)

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

**CITY OF HARLINGEN WATERWORKS SYSTEM
SUMMARY
September 30, 2023**

Quarter End Results by Investment Category:

Asset Type	June 30, 2023		September 30, 2023		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA	\$ 8,909,358	\$ 8,909,358	\$ 9,648,254	\$ 9,648,254	5.11%
LGIP	3,417,693	3,417,693	3,862,640	3,862,640	5.32%
Securities/CDS	25,458,274	25,450,207	27,368,156	27,365,866	5.44%
Totals	\$ 37,785,326	\$ 37,777,259	\$ 40,879,051	\$ 40,876,761	5.35%

Current Quarter Average Yield (1)

Total Portfolio	5.35%	<u>Fiscal Year-to-Date Average Yield (2)</u>	Total Portfolio	4.44%
Rolling Three Month Treasury	5.54%	Rolling Three Month Treasury	4.95%	
Rolling Six Month Treasury	5.38%	Rolling Six Month Treasury	4.77%	
TexPool	5.32%	TexPool	4.74%	

Interest Earnings

Quarterly Interest Income	\$ 509,487	Approximate
Year-to-date Interest Income	\$ 1,548,217	Approximate

Bank Fee Offsets

Quarterly Bank Fee Offsets	\$ 147
Year-to-date Bank Fee Offsets	\$ 578

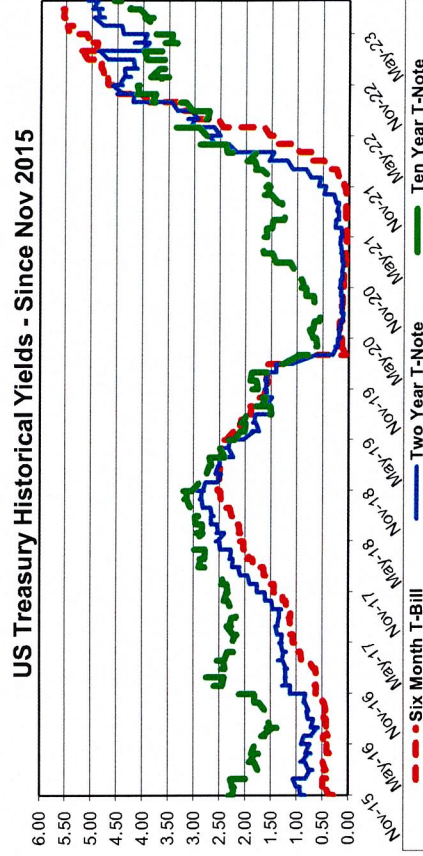
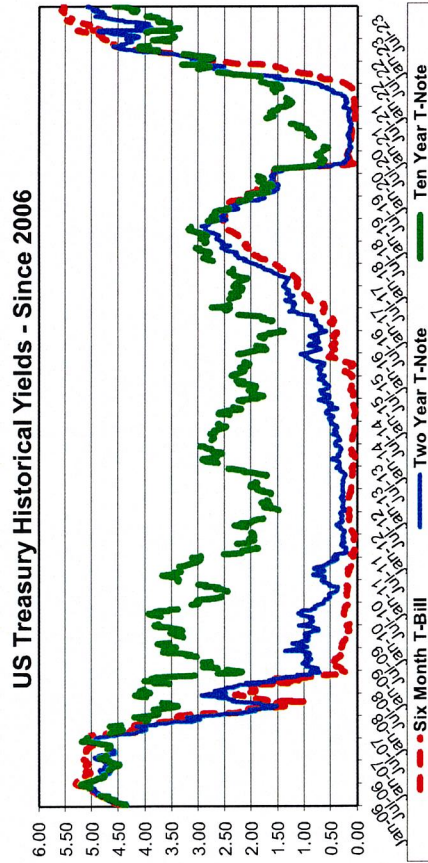
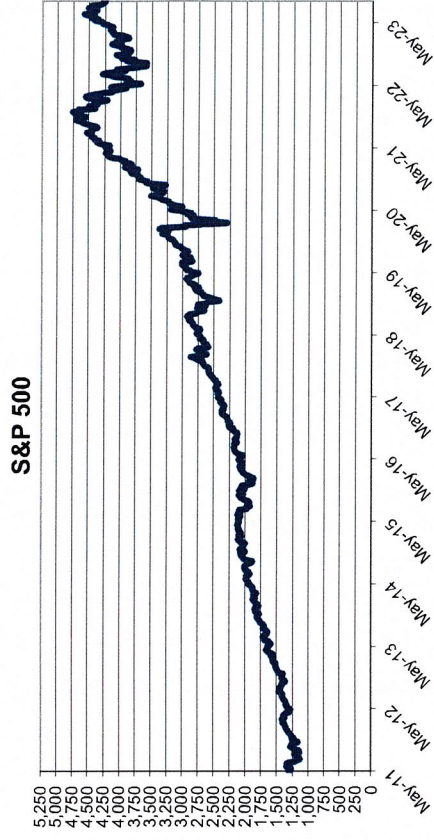
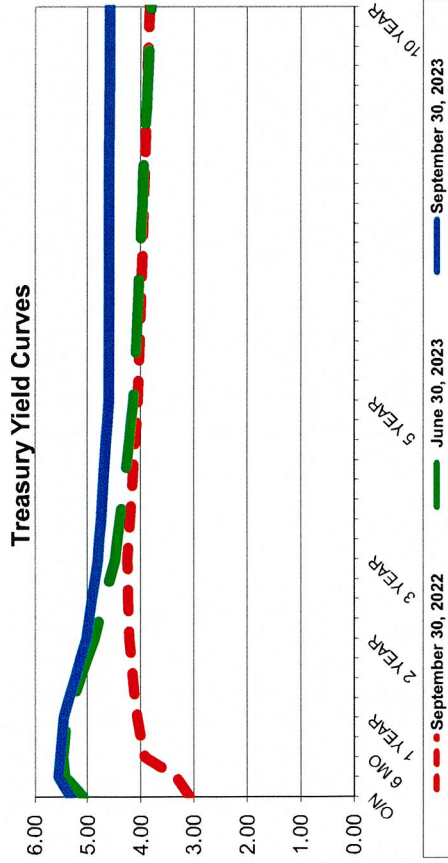
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

9/30/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 0.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). A pause is projected at least until the September 19-20 meeting, with any future actions data-dependent. Second Quarter 2023 GDP posted 2.1%. September Non-Farm Payroll surged up 336k new jobs, above the 170k projection. The S&P Stock Index continued to slide below 4,300. The yield curve drifted higher on the long end. Crude Oil traded +/- \$85 per barrel. Inflation drifted lower but still over the FOMC 2% target (Core PCE +/-3.9% and CPI +/-3.7%). The slowing China and German economies, Ukrainian/Russian and Israeli/Hamas conflicts continue to weight on future outlooks.



**CITY OF HARLINGEN WATERWORKS SYSTEM
INVESTMENT HOLDINGS REPORT
September 30, 2023**

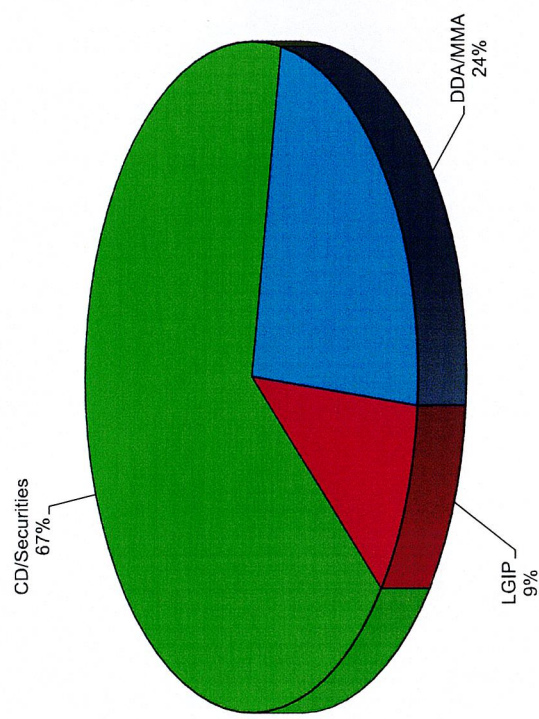
	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Yield	Life (Days)
<u>DDA/MMA/LGIP</u>										
Plains Capital Bank		0.49%	10/01/23	09/30/23	\$ 100,000	\$ 100,000	1.00	100,000	0.49%	1
Southside Bank MMA		5.50%	10/01/23	09/30/23	1,245,573	1,245,573	1.00	1,245,573	5.50%	1
Plains Capital Bank MMA		5.11%	10/01/23	09/30/23	8,302,681	8,302,681	1.00	8,302,681	5.11%	1
TexPool	AAA	5.32%	10/01/23	09/30/23	2,568,783	2,568,783	1.00	2,568,783	5.32%	1
TexSTAR	AAA	5.31%	10/01/23	09/30/23	1,293,858	1,293,858	1.00	1,293,858	5.31%	1
Total DDA/LGIP					\$ 13,510,895	\$ 13,510,895		\$ 13,510,895	5.17%	1
<u>CDs/Securities</u>										
East West Bank CD		5.74%	10/23/23	07/21/23	1,011,386	1,011,386	100.00	1,011,386	5.91%	23
FFCB	Aaa/AA+	4.75%	11/21/23	11/21/22	2,000,000	1,999,918	99.88	1,997,628	4.78%	52
East West Bank CD		5.82%	12/20/23	09/26/23	1,000,798	1,000,798	100.00	1,000,798	5.99%	81
Veritex Bank CD		4.87%	12/20/23	12/20/22	2,074,316	2,074,316	100.00	2,074,316	4.98%	81
Veritex Bank CD		4.84%	01/24/24	01/24/23	2,581,701	2,581,701	100.00	2,581,701	4.95%	116
East West Bank CD		5.02%	02/16/24	02/16/23	1,547,566	1,547,566	100.00	1,547,566	5.15%	139
East West Bank CD		5.72%	02/26/24	08/23/23	1,509,195	1,509,195	100.00	1,509,195	5.89%	149
East West Bank CD		5.72%	03/21/24	09/26/23	1,501,176	1,501,176	100.00	1,501,176	5.89%	173
BOK Financial CDARS		4.88%	03/21/24	03/23/23	1,538,996	1,538,996	100.00	1,538,996	5.00%	173
East West Bank CD		4.96%	04/22/24	04/20/23	1,022,535	1,022,535	100.00	1,022,535	5.08%	205
East West Bank CD		5.61%	05/16/24	08/23/23	1,509,018	1,509,018	100.00	1,509,018	5.77%	229
BOK Financial CDARS		5.06%	05/16/24	05/18/23	1,000,000	1,000,000	100.00	1,000,000	5.19%	229
Third Coast Bank CD		5.60%	06/28/24	06/28/23	1,521,173	1,521,173	100.00	1,521,173	5.72%	272
Third Coast Bank CD		5.60%	06/28/24	06/28/23	2,028,230	2,028,230	100.00	2,028,230	5.72%	272
East West Bank CD		5.47%	07/22/24	07/21/23	1,010,848	1,010,848	100.00	1,010,848	5.62%	296
Bank OZK CD		5.51%	08/23/24	08/23/23	2,009,381	2,009,381	100.00	2,009,381	5.66%	328
East West Bank CD		5.61%	09/20/24	09/26/23	2,501,922	2,501,922	100.00	2,501,922	5.77%	356
Total CDs/Securities					\$ 27,368,238	\$ 27,368,156		\$ 27,365,866	5.44%	191
Total					\$ 40,879,133	\$ 40,879,051		\$ 40,876,761	5.35%	129
									(1)	(2)

(1) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for pool and bank account equivalent investments.

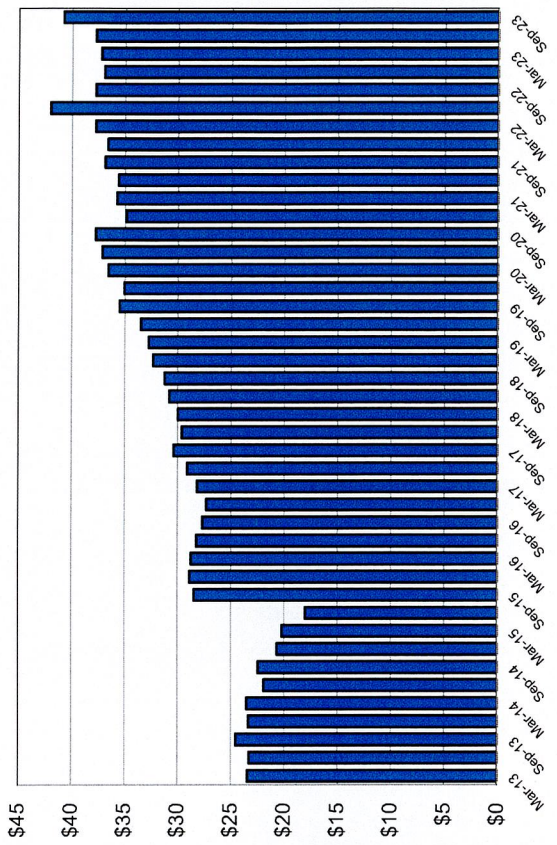
(2) **Weighted average life** - For purposes of calculating weighted average life, pool and bank account investments are assumed to have a one day maturity.

(3) **Compensating Balance** - BBVA Compass balances are used to offset bank fees with an estimated Earnings Credit on the balances.

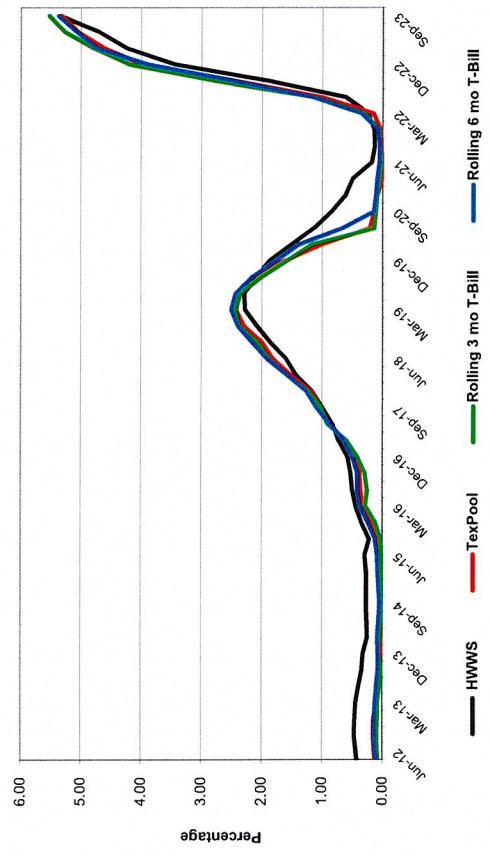
Portfolio Composition



Quarter End Total Portfolio (Millions)



Historical Yields



**CITY OF HARLINGEN WATERWORKS SYSTEM
BOOK & MARKET VALUE COMPARISON**

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
<u>Demand & MM Deposit Accounts</u>									
Plains Capital Bank	0.49%	10/01/23	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Southside Bank MMA	5.50%	10/01/23	1,229,118	16,455	-	1,245,573	1,229,118	16,455	1,245,573
Plains Capital Bank MMA	5.11%	10/01/23	7,580,241	722,441	-	8,302,681	7,580,241	722,441	8,302,681
Total / Average DDA	5.11%		\$ 8,909,358	\$ 738,896	\$ -	\$ 9,648,254	\$ 8,909,358	\$ 738,896	\$ 9,648,254
<u>Local Government Investment Pools</u>									
TexPool	5.32%	10/01/23	2,535,092	33,691	-	2,568,783	2,535,092	33,691	2,568,783
TexSTAR	5.31%	10/01/23	882,601	411,257	-	1,293,858	882,601	411,257	1,293,858
Total / Average LGIPs	5.32%		\$ 3,417,693	\$ 444,947	\$ -	\$ 3,862,640	\$ 3,417,693	\$ 444,947	\$ 3,862,640
<u>Certificates of Deposit/Securities</u>									
East West Bank CD	3.20%	07/21/23	2,060,441	-	(2,060,441)	-	2,060,441	(2,060,441)	-
Texas Capital Bank CD	3.30%	08/23/23	3,083,595	-	(3,083,595)	-	3,083,595	(3,083,595)	-
FHLB	4.65%	09/19/23	3,094,595	-	(3,094,595)	-	3,092,739	(3,092,739)	-
East West Bank CD	4.06%	09/23/23	2,062,226	-	(2,062,226)	-	2,062,226	(2,062,226)	-
East West Bank CD	5.91%	10/23/23	-	1,011,386	-	1,011,386	-	1,011,386	1,011,386
FFCB	4.78%	11/21/23	1,999,771	147	-	1,999,918	1,993,560	4,068	1,997,628
East West Bank CD	5.99%	12/20/23	-	1,000,798	-	1,000,798	-	1,000,798	1,000,798
Veritex Bank CD	4.98%	12/20/23	2,049,061	25,255	-	2,074,316	2,049,061	25,255	2,074,316
Veritex Bank CD	4.95%	01/24/24	2,550,460	31,241	-	2,581,701	2,550,460	31,241	2,581,701
East West Bank CD	5.15%	02/16/24	1,528,109	19,457	-	1,547,566	1,528,109	19,457	1,547,566
East West Bank CD	5.89%	02/26/24	-	1,509,195	-	1,509,195	-	1,509,195	1,509,195
East West Bank CD	5.89%	03/21/24	-	1,501,176	-	1,501,176	-	1,501,176	1,501,176
BOK Financial CDARS	5.00%	03/21/24	1,520,185	18,810	-	1,538,996	1,520,185	18,810	1,538,996
East West Bank CD	5.08%	04/22/24	1,009,831	12,703	-	1,022,535	1,009,831	12,703	1,022,535
East West Bank CD	5.77%	05/16/24	-	1,509,018	-	1,509,018	-	1,509,018	1,509,018
BOK Financial CDARS	5.19%	05/16/24	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Third Coast Bank CD	5.72%	06/28/24	1,500,000	21,173	-	1,521,173	1,500,000	21,173	1,521,173
Third Coast Bank CD	5.72%	06/28/24	2,000,000	28,230	-	2,028,230	2,000,000	28,230	2,028,230
East West Bank CD	5.62%	07/22/24	-	1,010,848	-	1,010,848	-	1,010,848	1,010,848
Bank OZK CD	5.66%	08/23/24	-	2,009,381	-	2,009,381	-	2,009,381	2,009,381
East West Bank CD	5.77%	09/20/24	-	2,501,922	-	2,501,922	-	2,501,922	2,501,922
Total / Avg CDs/Securities	5.44%		\$ 25,458,274	\$ 12,210,739	\$ (10,300,857)	\$ 27,368,156	\$ 25,450,207	\$ 1,915,659	\$ 27,365,866
Total/Average	5.35%		\$ 37,785,326	\$ 13,394,581	\$ (10,300,857)	\$ 40,879,051	\$ 37,777,259	\$ 3,099,502	\$ 40,876,761

**CITY OF HARLINGEN WATERWORKS SYSTEM
BOOK VALUE ALLOCATED BY FUND
September 30, 2023**

Description/ Maturity	Operating Fund	Bond		Customer Deposits	Sewer Impact Fees	Water Impact Fees	Sewer RRR Fund	Water RRR Fund	Total
		Debt Service	Debt Service						
Plains Capital Bank	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Southside Bank MMA	996,573	-	-	249,000	-	-	-	-	1,245,573
Plains Capital Bank MMA	5,912,843	-	-	280,865	1,107,501	908,021	-	93,451	8,302,681
TexPool	1,224,327	-	-	-	225,896	751,621	202,684	164,254	2,568,783
TexSTAR	38,747	1,213,324	-	41,787	-	-	-	-	1,293,858
East West Bank CD	1,011,386	-	-	-	-	-	-	-	1,011,386
FFCB	799,967	-	-	399,984	199,992	599,975	-	-	1,999,918
East West Bank CD	1,000,798	-	-	-	-	-	-	-	1,000,798
Veritex Bank CD	1,815,026	-	-	259,289	-	-	-	-	2,074,316
Veritex Bank CD	1,549,021	-	-	1,032,680	-	-	-	-	2,581,701
East West Bank CD	1,095,669	-	-	-	-	-	106,048	345,848	1,547,566
East West Bank CD	1,509,195	-	-	-	-	-	-	-	1,509,195
East West Bank CD	1,501,176	-	-	-	-	-	-	-	1,501,176
East West Bank CD	1,538,996	-	-	-	-	-	-	-	1,538,996
BOK Financial CDARS	1,022,535	-	-	-	-	-	-	-	1,022,535
East West Bank CD	1,509,018	-	-	-	-	-	-	-	1,509,018
East West Bank CD	-	-	-	-	1,000,000	-	-	-	1,000,000
BOK Financial CDARS	1,521,173	-	-	-	-	-	-	-	1,521,173
Third Coast Bank CD	2,028,230	-	-	-	-	-	-	-	2,028,230
Third Coast Bank CD	1,010,848	-	-	-	-	-	-	-	1,010,848
East West Bank CD	1,004,690	-	-	401,876	602,814	-	-	-	2,009,381
Bank OZK CD	1,430,948	-	-	955,734	-	-	43,901	71,339	2,501,922
East West Bank CD	-	-	-	-	-	-	-	-	-
Total	\$ 29,621,165	\$ 1,213,324	\$ 3,621,216	\$ 3,136,203	\$ 2,259,618	\$ 674,892	\$ 352,634	\$ 674,892	\$ 40,879,051

**CITY OF HARLINGEN WATERWORKS SYSTEM
MARKET VALUE ALLOCATED BY FUND
September 30, 2023**

Description/ Maturity	Operating Fund	Bond		Customer Deposits	Sewer Impact Fees	Water Impact Fees	Sewer RRR Fund	Water RRR Fund	Total
		Debt Service	Debt Service						
Plains Capital Bank	\$ 100,000	\$ -	\$ -	-	-	-	-	-	\$ 100,000
Southside Bank MMA	996,573	-	249,000	-	-	-	-	-	1,245,573
Plains Capital Bank MMA	5,912,843	-	280,865	1,107,501	908,021	-	-	93,451	8,302,681
TexPool	1,224,327	-	-	225,896	751,621	-	202,684	164,254	2,568,783
TexSTAR	38,747	1,213,324	41,787	-	-	-	-	-	1,293,858
East West Bank CD	1,011,386	-	-	-	-	-	-	-	1,011,386
FFCB	799,051	-	399,526	199,763	599,288	-	-	-	1,997,628
East West Bank CD	1,000,798	-	-	-	-	-	-	-	1,000,798
Veritex Bank CD	1,815,026	-	259,289	-	-	-	-	-	2,074,316
Veritex Bank CD	1,549,021	-	1,032,680	-	-	-	-	-	2,581,701
East West Bank CD	1,095,669	-	-	-	-	-	106,048	345,848	1,547,566
East West Bank CD	1,509,195	-	-	-	-	-	-	-	1,509,195
East West Bank CD	1,501,176	-	-	-	-	-	-	-	1,501,176
BOK Financial CDARS	1,538,996	-	-	-	-	-	-	-	1,538,996
East West Bank CD	1,022,535	-	-	-	-	-	-	-	1,022,535
East West Bank CD	1,509,018	-	-	-	-	-	-	-	1,509,018
BOK Financial CDARS	-	-	-	1,000,000	-	-	-	-	1,000,000
Third Coast Bank CD	1,521,173	-	-	-	-	-	-	-	1,521,173
Third Coast Bank CD	2,028,230	-	-	-	-	-	-	-	2,028,230
East West Bank CD	1,010,848	-	-	-	-	-	-	-	1,010,848
Bank OZK CD	1,004,690	-	401,876	602,814	-	-	-	-	2,009,381
East West Bank CD	1,430,948	-	955,734	-	-	-	43,901	71,339	2,501,922
Total	\$ 29,620,249	\$ 1,213,324	\$ 3,620,758	\$ 3,135,974	\$ 2,258,931	\$ 674,892	\$ 352,634	\$ 674,892	\$ 40,876,761

**CITY OF HARLINGEN WATERWORKS SYSTEM
BOOK VALUE ALLOCATED BY FUND
June 30, 2023**

Description/ Maturity	Operating Fund	Bond				Sewer Impact Fees	Water Impact Fees	Sewer RRR Fund	Water RRR Fund	Total
		Debt Service	Customer Deposits	Sewer Impact Fees	Water Impact Fees					
Plains Capital Bank	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	
Southside Bank MMA	980,118	-	249,000	-	-	-	-	-	1,229,118	
Plains Capital Bank MMA	5,662,217	-	234,070	859,145	732,546	-	-	92,263	7,580,241	
TexPool	1,402,661	-	-	222,933	741,764	43,005	-	124,729	2,535,092	
TexSTAR	38,240	803,122	41,240	-	-	-	-	-	882,601	
East West Bank CD	2,060,441	-	-	-	-	-	-	-	2,060,441	
Texas Capital Bank CD	2,055,730	-	411,146	616,719	-	-	-	-	3,083,595	
FHLB	3,094,595	-	-	-	-	-	-	-	3,094,595	
East West Bank CD	963,412	-	984,713	-	-	43,467	-	70,634	2,062,226	
FFCB	799,908	-	399,954	199,977	599,931	-	-	-	1,999,771	
Veritex Bank CD	1,792,928	-	256,133	-	-	-	-	-	2,049,061	
Veritex Bank CD	1,530,276	-	1,020,184	-	-	-	-	-	2,550,460	
East West Bank CD	1,081,894	-	-	-	-	-	104,715	341,500	1,528,109	
BOK Financial CDARS	1,520,185	-	-	-	-	-	-	-	1,520,185	
East West Bank CD	1,009,831	-	-	-	-	-	-	-	1,009,831	
BOK Financial CDARS	-	-	-	1,000,000	-	-	-	-	1,000,000	
Third Coast Bank CD	1,500,000	-	-	-	-	-	-	-	1,500,000	
Third Coast Bank CD	2,000,000	-	-	-	-	-	-	-	2,000,000	
	\$ 27,592,437	\$ 803,122	\$ 3,596,439	\$ 2,898,774	\$ 2,074,241	\$ 191,187	\$ 629,126	\$ 37,785,326		

**CITY OF HARLINGEN WATERWORKS SYSTEM
MARKET VALUE ALLOCATED BY FUND
June 30, 2023**

Description/ Maturity	Operating Fund	Bond		Customer Deposits	Sewer		Water		Sewer RRR Fund	Water RRR Fund	Total
		Debt Service	Debt Service		Impact Fees	Impact Fees	RRR Fund	RRR Fund			
Plains Capital Bank	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Southside Bank MMA	980,118	-	-	249,000	-	-	-	-	-	-	1,229,118
Plains Capital Bank MMA	5,662,217	-	-	234,070	859,145	732,546	-	92,263	-	-	7,580,241
TexPool	1,402,661	-	-	-	222,933	741,764	43,005	124,729	-	-	2,535,092
TexSTAR	38,240	803,122	-	41,240	-	-	-	-	-	-	882,601
East West Bank CD	2,060,441	-	-	-	-	-	-	-	-	-	2,060,441
Texas Capital Bank CD	2,055,730	-	-	411,146	616,719	-	-	-	-	-	3,083,595
FHLB	3,092,739	-	-	-	-	-	-	-	-	-	3,092,739
East West Bank CD	963,412	-	-	984,713	-	-	43,467	70,634	-	-	2,062,226
FFCB	797,424	-	-	398,712	199,356	598,068	-	-	-	-	1,993,560
Veritex Bank CD	1,792,928	-	-	256,133	-	-	-	-	-	-	2,049,061
Veritex Bank CD	1,530,276	-	-	1,020,184	-	-	104,715	341,500	-	-	2,550,460
East West Bank CD	1,081,894	-	-	-	-	-	-	-	-	-	1,528,109
BOK Financial CDARS	1,520,185	-	-	-	-	-	-	-	-	-	1,520,185
East West Bank CD	1,009,831	-	-	-	-	-	-	-	-	-	1,009,831
BOK Financial CDARS	-	-	-	-	1,000,000	-	-	-	-	-	1,000,000
Third Coast Bank CD	1,500,000	-	-	-	-	-	-	-	-	-	1,500,000
Third Coast Bank CD	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
	\$ 27,588,097	\$ 803,122	\$ 3,595,197	\$ 2,898,153	\$ 2,072,377	\$ 191,187	\$ 629,126	\$ 37,717,259			

INVESTMENT POLICY COMPLIANCE
September 30, 2023

Authorized Investments	Maximum %	Actual Market Value	% of Portfolio	Status
Financial Institution Deposits	100%	\$ 35,016,492	86%	Pass
Repurchase Agreements	25%	—	0%	N/A
U.S. Treasury Notes/Bonds/Bills	100%	—	0%	N/A
U.S. Agencies	60%	1,997,628	5%	Pass
Money Market Mutual Funds	15%	—	0%	N/A
Local Gov't Investment Pools	60%	3,862,640	9%	Pass
Total		\$ 40,876,761	100%	

RESOLUTION NO. R2324-01

APPROVING A LICENSE RENEWAL FOR GIS SOFTWARE AND SERVICES

WHEREAS, since December 2017, Harlingen Waterworks System has been using geographic information system (GIS) enterprise software published and maintained by Environmental Systems Research Institute (Esri) as its system of record for water and wastewater system assets, its primary mapping tool, and the foundation for the System’s work order system; and

WHEREAS, the most recent 3-year license renewal expires December 13, 2023, and a renewal has been offered by Esri for an additional three-year term at a price of \$27,500 per year; and

WHEREAS, Esri’s GIS software and support services remain essential to maintaining the Waterworks’ water and wastewater asset information, system mapping capabilities, and work order processes; now, therefore:

BE IT RESOLVED, that the Harlingen Waterworks System Utility Board of Trustees does hereby approve a license renewal for GIS software and services provided by Esri, Inc. payable in equal annual installments for a three-year total amount of \$82,500.00.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary



MEMORANDUM

To: Timothy E. Skoglund, General Manager
From: Jose Rodriguez, IT Director
Date: October 13, 2023

Re: ESRI License Renewal

Date: October 13, 2023

Since December 2017, HWWS has been using geographic information system (GIS) software and maintenance services provided by Environmental Systems Research Institute, Inc. (Esri).

Esri's GIS has become the mapping system and asset database for all HWWS's water distribution and sewer collection infrastructure, and it now serves as our primary mapping system and the foundation for our computerized maintenance management system (CMMS) through which all work orders and maintenance programs are managed.

For the past six years, GIS has served as the system of record of infrastructure data, enabled efficient workflows across the organization, and provided a straightforward way to share information with others. We recently created an outage map using GIS technology on HWWS's website to improve customer experience.

To provide for continued access to the GIS software and Esri's maintenance services that are essential to maintain the GIS and the applications that depend on GIS integration, continued licensing of the GIS software is needed.

The current Esri contract will expire on December 13, 2023. The attached license renewal is proposed for a three-year term beginning December 14, 2023 for a total fee of \$82,500 payable in annual installments of \$27,500. This renewal represents a 10% increase over the annual licensing fee of \$25,000 that has been in effect since December 2017. HWWS's FY 2024 budget allocates \$27,500 for GIS licensing.

Staff recommends the renewal of the GIS license agreement.



Environmental Systems Research Institute, Inc.
 380 New York St
 Redlands, CA 92373-8100
 Phone: (909) 793-2853
 DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Quotation # Q-476897

Date: September 29, 2023

Customer # 560845 Contract # ENTERPRISE AGREEMENT

Harlingen Waterworks System
 134 E Van Buren Ave
 Harlingen, TX 78550-6828

ATTENTION: Rick Guerra
 PHONE: (956) 430-6123
 EMAIL: rguerra@hwws.com

*To expedite your order, please attach a copy of this quotation to your purchase order.
 Quote is valid from: 9/5/2023 To: 12/4/2023*

Material	Qty	Term	Unit Price	Total
168089	1	Year 1	\$27,500.00	\$27,500.00
Meter Counts 10,001 to 50,000 Small Utility Enterprise Agreement Annual Subscription				
168089	1	Year 2	\$27,500.00	\$27,500.00
Meter Counts 10,001 to 50,000 Small Utility Enterprise Agreement Annual Subscription				
168089	1	Year 3	\$27,500.00	\$27,500.00
Meter Counts 10,001 to 50,000 Small Utility Enterprise Agreement Annual Subscription				

Subtotal:	\$82,500.00
Sales Tax:	\$0.00
Estimated Shipping and Handling (2 Day Delivery):	\$0.00
Contract Price Adjust:	\$0.00
Total:	\$82,500.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jay Hoffman	Email: jhoffman@esri.com	Phone: 1-800-447-9778 x5675
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The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.



Quotation # Q-476897

Date: September 29, 2023

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: OAMS3

Customer # 560845 Contract # ENTERPRISE AGREEMENT

Harlingen Waterworks System
134 E Van Buren Ave
Harlingen, TX 78550-6828

ATTENTION: Rick Guerra
PHONE: (956) 430-6123
EMAIL: rguerra@hwws.com

*To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 9/5/2023 To: 12/4/2023*

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF \$_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

I agree to pay any applicable sales tax.

I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative

Date

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Jay Hoffman	Email: jhoffman@esri.com	Phone: 1-800-447-9778 x5675
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The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

Esri Use Only:

Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____



**SMALL ENTERPRISE AGREEMENT
SMALL UTILITY
(E215-2)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst,
ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst,
ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS
Schematics, ArcGIS Workflow Manager, ArcGIS Data
Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise (Advanced and Standard)
ArcGIS Monitor
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst,
ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst,
ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS
Workflow Manager, ArcGIS Data Reviewer

Enterprise Additional Capability Servers

ArcGIS Image Server

Developer Tools

ArcGIS Runtime Standard
ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer
Two (2) ArcGIS CityEngine Single Use Licenses
50 ArcGIS Online Viewers
50 ArcGIS Online Creators
10,000 ArcGIS Online Service Credits
50 ArcGIS Enterprise Creators
5 ArcGIS Insights in ArcGIS Enterprise
5 ArcGIS Insights in ArcGIS Online
10 ArcGIS Location Sharing for ArcGIS Enterprise
10 ArcGIS Location Sharing for ArcGIS Online
50 ArcGIS Utility Network User Type Extensions (Enterprise)
1 ArcGIS Business Analyst Web App Standard (Online)

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	2
Number of Tier 1 Help Desk individuals authorized to call Esri	3
Maximum number of sets of backup media, if requested*	2
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

RESOLUTION NO. R2324-02

AWARDING A CONTRACT FOR PURCHASE OF AMMONIA ANALYZERS

WHEREAS, Harlingen Waterworks System uses a combination of chlorine and ammonia for water disinfection, and minimizing the amount of excess ammonia above the required ratio minimizes chemical cost, the rate of disinfectant deterioration, and water system flushing;

WHEREAS, real-time measurement of ammonia in the water treatment process using ammonia analyzers will significantly improve the System’s ability to optimize the ammonia dose needed for disinfection; and

WHEREAS, Harlingen Waterworks System plans to use the Ammonia Analyzers to monitor free ammonia and optimization of ammonia dosing for disinfection, nitrification control, and minimization of water system flushing; and

WHEREAS, a sole bid, summarized in the table below, was received in response to a duly solicited invitation to bid for purchase of ammonia analyzers; and

Bidder	Location	Quantity	Unit Price	Total
Electro Chemical Devices, Inc.	Anaheim, CA	2	\$18,395	\$36,790

WHEREAS, the bidder has been found to be responsive and responsible, and the bid price fair and reasonable; now, therefore:

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does award a contract to Electro Chemical Devices, Inc. of Anaheim, CA for purchase of two (2) ammonia analyzers for the total amount of \$36,790.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez - Board Secretary

Memorandum

To: Timothy E. Skoglund, General Manager
 From: David Sanchez, Water Services Director
 Date: October 19, 2023
 Re: Purchase of Ammonia Analyzers

Harlingen Waterworks System’s water treatment process uses a combination of chlorine and ammonia to form a monochloramine disinfectant than inactivates pathogenic bacteria and viruses, making the water safe for consumption. Monochloramine disinfectant creates fewer undesirable disinfection byproduct compounds, and it does not deteriorate in the distribution system as quickly as chlorine alone. The ideal ratio of ammonia to chlorine must be closely matched to form monochloramine and minimize the amount of free ammonia that is not chemically bound to chlorine.

Nitrifying bacteria readily consume free ammonia as a food source for growth and produce nitrate as a byproduct. The proliferation nitrifying bacteria biofilm on the interior surface of the distribution system piping can also act to strip ammonia from the monochloramine molecule resulting in a faster loss of monochloramine disinfectant residual. This faster deterioration requires that water be flushed from the system to bring in newer water that has a sufficient concentration of monochloramine.

Waterworks’ water treatment plant staff currently take water samples from the treated water to test for free ammonia and adjust the amount of ammonia accordingly. This manual testing process is time consuming and limits staff’s ability to make timely adjustments to the ammonia feed rate. Commercially available ammonia analyzers can be installed in treatment plant piping to measure free ammonia in real time, enabling staff to make responsive process adjustments that minimize free ammonia thereby reducing nitrification and the amount of water that must be flushed to maintain acceptable water quality.

The FY 2024 budget, excerpted below, allocates funding for purchase of free ammonia analyzers at the MFR and Downtown water treatment plants.

Department Name	Item Description	Amount	Purpose/Need for Item
Water Treatment	Free Ammonia Analyzers (2)	40,000	One unit proposed at each water treatment facility to monitor free ammonia and optimize ammonia dosing for disinfection, nitrification control, and minimization of water system flushing.

On October 19, 2023, one bid, summarized below, was received in response to a duly solicited invitation for bids.

Vendor	Location	Quantity	Unit Price	Total Price
Electro-Chemical Devices, Inc.	Anaheim, CA	2	\$18,395.00	\$36,790.00

Staff recommends award of a purchase contract for Ammonia Analyzers to Electro-Chemical Devices, Inc. at their submitted bid price.

RESOLUTION NO. R2324-03

**APPROVING CONTRACT AMENDMENT NO. 1 FOR
ON-CALL HYDRAULIC MODELING SERVICES**

WHEREAS, Harlingen Waterworks System has needed of on-call hydraulic modeling services to quickly assess proposed development demands for water and sewer, determine available system capacity, and develop infrastructure options to meet operational system challenges; and

WHEREAS, the Waterworks entered into a master services agreement on August 20, 2023, with Freese and Nichols, Inc. for on-call hydraulic modeling services, authorizing a not-to-exceed total amount of \$25,000 for task orders; and

WHEREAS, fees for task orders issued to date are nearing the authorization limit and additional authorization is needed to continue providing ready access to expert hydraulic modeling services; and

WHEREAS, an amendment to the agreement increasing the not-to-exceed authorization has been determined to be necessary to respond quickly and definitively to time-sensitive development proposals and operational needs; now, therefore:

BE IT RESOLVED that the Harlingen Waterworks System Utility Board of Trustees does hereby approve Amendment No. 1 to the master services agreement with Freese & Nichols, Inc. for On-Call Hydraulic Modeling Services, increasing the not-to-exceed authorized amount to \$75,000.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion Carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for the Harlingen Waterworks System at a Board meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

MEMORANDUM

To: Utility Board of Trustees for the Harlingen Waterworks System
From: Tim Skoglund, P.E., General Manager
Date: November 26, 2023
Subject: Amendment No. 1 to the Master Agreement for On-Call Hydraulic Modeling Services

HWWS Engineering staff frequently reviews utility plans submitted by developers as part of the subdivision process, and from time to time, prospective commercial or industrial customers inquire through Harlingen EDC about water and sewer capacity availability in areas where they consider locating their operations. In many of these cases where large water and/or sewer demands are anticipated, hydraulic modeling is needed to determine available capacity.

To meet such time-sensitive needs, I executed a master agreement for on-call hydraulic modeling services on August 20, 2023, with Freese & Nichols, Inc. who developed and calibrated our water and sewer hydraulic models for the recent Master Plan. The agreement authorized up to \$25,000 for task orders to assist with model updates, development review, and operational analysis, as fully detailed in Exhibit B of the agreement, attached hereto.

To date, staff has issued three task orders under the agreement:

1. Water and Sewer capacity evaluation for a prospective industry in the Industrial District proposing extraordinarily large water demands. The report for this task order was used to demonstrate capacity availability for a subsequent economic development inquiry in the vicinity of the Industrial District.
2. Sewer system capacity evaluation in the Lift Station 9 sewershed near S. Ed Carey Blvd. and Lamb Ave. where several high-density, multi-family developments are being proposed and constructed. A follow-on to this task order requested evaluation of equalization storage tanks as a temporary measure to resolve system overloading and enable approval of additional development in the area.
3. Updating of Master Plan CIP cost estimates for use in the currently on-going rate and impact fee studies.

Fees for these task orders are approaching the \$25,000 authorization limit, and additional authorization will require approval by the Board of Trustees.

Continued, ready access to expert hydraulic modeling services provides essential support for our Engineering operations, giving us the ability to respond quickly and definitively to time-sensitive development proposals and operational needs. I recommend approval of the attached Amendment No. 1 to the Master Agreement for On-Call Hydraulic Modeling Services that would authorize a revised, not-to-exceed contract total amount of \$75,000.

EXHIBIT B

Compensation for Services

Section 2 of the Agreement is supplemented to include the following agreement of the parties:

PART 1 – TOTAL COMPENSATION

A1.1 Total Compensation Distribution

- A. The total compensation for Consultant's Services shall be the cumulative sum of amounts established by individual Task Orders issued under the Agreement.
- B. The total compensation for Consultant's services included in a task order shall account for all labor, direct expenses, overhead, profit, and Consultant's subconsultant charges.
- C. To the extent necessary to verify Consultant's charges and upon Client's timely request, Consultant shall make copies of such records available to Client at no additional cost.

A1.2 Standard Hourly Rates

- A. For services of Consultant's personnel engaged directly on the Project pursuant to *Exhibit C – Consultant's Services* and specified in a task order to be paid on an hourly basis, the amounts billed for Consultant's services will be based on the cumulative hours charged to the Project during the billing period by each class of Consultant's employees times the Standard Hourly Rates for each applicable billing class.
- B. Standard Hourly Rates charged by Consultant shall constitute full and complete compensation for Consultant's services, including labor costs, direct expenses, overhead, and profit. Standard Hourly Rates shall be burdened with Consultant's direct expenses other than Consultant's subconsultant charges.
- C. Standard Hourly Rates shall be as listed in *Appendix B1* to this *Exhibit B*.

A1.3 Reimbursable Expenses

The only amounts payable to Consultant for Reimbursable Expenses will be Consultant's charges as identified in the task order which shall be fully burdened with Consultant's overhead and profit.

Appendix B1

Compensation to FNI shall be computed on the basis of the following Schedule of Charges, but shall not exceed Twenty Five Thousand Dollars (\$25,000).

If FNI sees the Scope of Services changing so that Additional Services are needed, FNI will notify OWNER for Owner's approval before proceeding. Additional Services shall be computed based on the following Schedule of Charges.

<u>Position</u>	<u>Hourly Rate</u>	
	<u>Min</u>	<u>Max</u>
Professional 1	97	169
Professional 2	124	193
Professional 3	138	302
Professional 4	158	347
Professional 5	223	388
Professional 6	244	457
Construction Manager 1	114	155
Construction Manager 2	121	193
Construction Manager 3	145	196
Construction Manager 4	172	244
Construction Manager 5	206	289
Construction Manager 6	275	340
Construction Representative 1	79	86
Construction Representative 2	100	114
Construction Representative 3	127	182
Construction Representative 4	127	182
CAD Technician/Designer 1	86	117
CAD Technician/Designer 2	103	189
CAD Technician/Designer 3	148	241
Corporate Project Support 1	73	151
Corporate Project Support 2	83	213
Corporate Project Support 3	103	313
Intern / Coop	55	93

Rates for In-House Services and Equipment

<u>Mileage</u>	<u>Bulk Printing and Reproduction</u>		<u>Equipment</u>	
Standard IRS Rates		<u>B&W</u>	<u>Color</u>	Valve Crew Vehicle (hour) \$75
	Small Format (per copy)	\$0.10	\$0.25	Pressure Data Logger (each) \$200
<u>Technology Charge</u>	Large Format (per sq. ft.)			Water Quality Meter (per day) \$100
\$8.50 per hour	Bond	\$0.25	\$0.75	Microscope (each) \$150
	Glossy / Mylar	\$0.75	\$1.25	Pressure Recorder (per day) \$100
	Vinyl / Adhesive	\$1.50	\$2.00	Ultrasonic Thickness Gauge (per day) \$275
				Coating Inspection Kit (per day) \$275
	Mounting (per sq. ft.)	\$2.00		Flushing / Cfactor (each) \$500
	Binding (per binding)	\$0.25		Backpack Electrofisher (each) \$1,000
				<u>Survey Grade</u> <u>Standard</u>
				Drone (per day) \$200 \$100
				GPS (per day) \$150 \$50

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office. For other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members, these services will be billed at a cost times a multiplier of 1.15. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and/or rates will be adjusted annually in February. Last updated 2023.

EXHIBIT C

Consultant's Services

Section 3 of the Agreement is supplemented to include the following agreement of the parties:

PART 1 - PROJECT DESCRIPTION

Consultant shall provide hydraulic modeling and operations support services for Client's water and sewer conveyance systems. Such services shall be related to: (1) updating Client's water and sewer hydraulic models; (2) reviewing land development and assessment of engineering design and water system operations related to water and sewer system modifications and investigations; (3) analysis of proposed land developments; (4) water and sewer system operational analysis and updating the water and sewer models to keep them properly calibrated and reflective of existing infrastructure and conditions.

C1.1 Water and Wastewater Model Updates

- A. Semiannual water model update tasks may include: (1) importing new or changed conveyance system information, checking connectivity, and refining data; (2) reviewing and modifying future-year model runs to eliminate Capital Improvement Plan demand duplication; (3) assigning C-factors; (4) calculating updated water demands; (5) assigning node information such as elevations and demands; (6) running the hydraulic model and checking for errors; (7) and performing quality control on the model.
- B. Semiannual sewer model update tasks shall include: (1) importing new or changed conveyance system information, checking connectivity and refining data; (2) reviewing and modifying future-year model runs to eliminate Capital Improvement Plan and load duplication; (3) assigning Manning's N values; (4) calculating updated wastewater loads; (5) assigning node information such as rim and invert elevations and as; (6) running the hydraulic model and checking for errors; (7) and performing quality control on the model.

C1.2 Land Development Review

- A. Water model development review tasks may include: (1) calculating average day, maximum day and peak hours demands for new development; (2) adding proposed water lines and nodes to model; (3) assigning C-factors, water demands, and elevations; (4) running the model at maximum day demand for required fire flow; (5) writing a memorandum detailing results of model runs and proposed recommendations; (6) and submitting reports as stated in Attachment "2" to this Scope of Services.
- B. Sewer model development review tasks may include: (1) calculating average day peak 2-hour loads for new developments; (2) adding proposed sewer lines, manholes and lift stations and associated sizing and rim and invert elevations to the model; (3) assigning Manning's N values; (4) estimating and assigning wastewater loads within the model; (5) running the model peak wet weather flow conditions; (6) writing a memorandum detailing results of model runs and proposed recommendations; (7) and submitting report as stated in Attachment "2" to this Scope of Services.

C1.3 Operational Analysis Assistance

- A. Tasks related to development and assessment of operational options related to water and sewer system modifications shall include: (1) researching engineering design and operational options; (2) conducting field investigations when necessary and as approved by Client; (3) conceptualizing and

modeling various design and operational scenarios resulting from the research; (4) developing recommendations and cost estimates for selected options; (5) writing a memorandum detailing results of model runs and proposed recommendations.

PART II - TASK ORDERS

C2.1 Issuance of Individual Task Orders

- A. Client will issue in writing individual Task Order(s) to Consultant, authorizing Consultant to perform work under this Agreement. Consultant shall not perform work and/or services outside the Scope of Services of this Agreement and its duly executed Task Orders. An example of the Task Order format to be used under this Agreement is provided in *Appendix C1* to this *EXHIBIT C*.

C2.2 Issuance of Individual Task Orders across Project Categories

- A. HWWS, at its sole discretion, will issue Individual Task Orders to Consultant, authorizing work in a specific category as defined in the Scope of Services or among various work categories defined in the Scope of Services. HWWS reserves the right to solely determine the need for issuance of Individual Task Orders to Consultant for work in all applicable work categories or among specific work categories for any reason or no reason at all.

APPENDIX C1 Task Order Template

TASK ORDER NO. []

Client: Harlingen Waterworks System 134 Van Buren Harlingen, TX 78550 Attn: Timothy E. Skoglund, P.E.	FNI Project No.: _____ Client Contract: 19-027-B _____ Date: _____			
This Task Order is authorized in accordance with the terms and conditions outlined in the Master Agreement for On-Call Hydraulic Modeling Services, executed on July 21, 2023.				
Task Description: Description of Task Order Services: <ol style="list-style-type: none"> 1. _____ 2. <u>Technical Memorandum</u>: FNI will develop a technical memorandum to summarize assumptions, analysis and recommendations for _____ and submit one (1) electronic PDF copy of the technical memorandum. 3. <u>Meetings</u>: FNI will attend up to _____ meetings with HWWS staff to coordinate _____ and discuss the results. <p>Deliverables: Deliverables will include _____ and one (1) electronic PDF copy of the technical memorandum summarizing results and assumptions.</p>				
Compensation to FNI for this Task Authorization shall be: A total fee not to exceed _____ Dollars (\$ _____).				
Beginning Balance of Master Agreement Authorization	\$ _____		Amount of this Task Order	\$ _____
Schedule shall be as follows: FNI will complete this task within _____ days of the notice to proceed.				

The above-described services shall proceed upon return of this executed Task Order. Services will be billed as they are performed. All other provisions, terms, and conditions of the agreement for services which are not expressly amended shall remain in full force and effect.

This Task Authorization will serve as notice to proceed.

FREESE AND NICHOLS, INC.:

HARLINGEN WATERWORKS SYSTEM:

BY: _____
 Jessica Vassar, P.E.

BY: _____
 Timothy E. Skoglund, P.E.

TITLE: Associate

TITLE: General Manager

DATE: _____

DATE: _____

**AMENDMENT NO. 1
TO THE MASTER AGREEMENT FOR
ON-CALL HYDRAULIC MODELING SERVICES**

Contract No. 19-027-B

THIS AMENDMENT NO. 1 is made as of _____ between **Harlingen Waterworks System** (“HWWS” or “Waterworks” or “Client”), a department of the City of Harlingen, Texas, a home-rule municipal corporation, and **Freese and Nichols, Inc.** (“Consultant” or “FNI”), whose offices are located at 801 Cherry St #2800 Fort Worth, Texas 76102.

Client and Consultant in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by Consultant and the payment of those services by Client as set forth below.

WHEREAS, the Client and the Consultant entered into the original Master Agreement for On-Call Hydraulic Modeling Services effective on August 20, 2023.

WHEREAS, it has become necessary to amend the contract increase the not-to-exceed compensation amount to \$75,000.

NOW, THEREFORE, premises considered, the Client and Consultant agree that said Agreement is amended to include the following modifications:

1. Replace the first paragraph of *Section 2. COMPENSATION* with the following:

“In consideration for all professional services to be performed and furnished by Consultant under this master Agreement, Client agrees to pay Consultant a total amount not to exceed Seventy-Five Thousand and 00/100 Dollars (\$75,000.00) in accordance with this Agreement and as set forth in *Exhibit B – Compensation for Services.*”

DULY EXECUTED and delivered by the parties to this Agreement, effective on the date last counter signed.

Client:

HARLINGEN WATERWORKS SYSTEM

By:

Timothy E. Skoglund, P.E. – General Manager

Date:

Consultant:

FREESE AND NICHOLS, INC.

By:

Jessica Brown, P.E. – Vice President

Date:

RESOLUTION NO. R2324-04

**AWARDING A CONTRACT FOR PURCHASE OF
POWER QUALITY MONITORS FOR THE WATER
TREATMENT PLANTS**

WHEREAS, Harlingen Waterworks System has need of five (5) Power Quality Monitors to record and document disruptions in the electric grid power feed occasionally occurring at both water treatment plants; and

WHEREAS, power electric grid power feed quality disturbances have caused damage to treatment equipment requiring costly repairs and equipment replacement, and documentation of power quality problems will provide a means to seek recourse from the transmission and distribution power provider; and

WHEREAS, Elspec North America of Rockford, IL is a sole source provider for their patented Power Quality Monitors that have been recommended by an electrical engineering consultant who the Waterworks engaged to study power quality problems, and

WHEREAS, Elspec’s quotation, summarized in the table below, for five (5) power quality monitors to be installed for continuous power quality monitoring at both water treatment plants, has been determined to be fair and reasonable; and

Vendor	Item	Total
ELSPEC North America	ELSPEC G4431 Power Quality BlackBox (5)	\$ 35,660.00
	PQSCADA Sapphire Enterprise server	\$ 3,040.00
	Shipping & Handling Fee	\$ 414.00
Total		\$39,114.00

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does hereby award a contract for purchase of five (5) Power Quality Monitors from Elspec North America of Rockford, IL in the total amount of \$39,114.00.

Board Member _____ moved, seconded by Board Member _____, that the Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

Memorandum

To: Timothy E. Skoglund, General Manager
From: David R. Sanchez, Water Services Director
Date: November 6, 2023
Re: WTP Power Monitors/Recorders

Harlingen Waterworks System's water treatment plants (WTP) use electric power in most every part of the treatment process, and the plants are highly dependent on electrical power to produce potable water.

Over the years, the WTPs have experienced numerous equipment failures because of poor power quality. Equipment failures have occurred on plant control components, uninterruptable power supply's, soft starters, HVAC compressors, and large electric motors. The cost of equipment repairs and replacements has been significant and failed equipment jeopardized the plants' ability to provide reliable water to our customers. These failures prompted us to hire consulting electrical engineer.

In August of 2019 HWWS entered into an agreement with Grubb Engineering to perform an investigative power quality study and provide a detailed report on their findings. As part of the study, power recorders were placed on all facility service entry points, and electrical power was monitored continuously for 68 consecutive days.

The study revealed some internal harmonic issues, but no disturbances were recorded in the incoming power during the monitoring period, so no definitive cause for our past equipment failures was revealed from the study.

Four years had passed since the study was conducted and the facilities had not experienced any equipment or control failures that could be attributed to electrical power quality. Unfortunately, this past summer the plants experienced a rash of failures including:

- Two (2) large electric motor (winding failure)
- One (1) HVAC system 10 ton (total electrical system failure & hole in compressor)
- Four (4) Uninterruptible Power Supply (UPS) (total failure-units had just been replaced)
- One (1) 250 hp Electric Motor Soft Starter (burnt)

These failures are an indication that electric grid power quality issues exist but are not constant and can materialize unexpectedly. Of the equipment listed above, the clear indicator a power quality issues is the failure of the UPS units.

UPSs are installed on critical equipment to provide backup power in the event of power loss and offer some degree of protection from power quality issues. UPSs can protect equipment from under or over voltage, spikes or surges and harmonic distortion. Our UPS units performed their duty as the sacrificial component and protected the equipment from the effects of the power quality disturbance.

The equipment failures occurred during the mid-summer months, which is normally our peak production period. Because failures occurred on high service electric motors at both plants, we experienced limited overall high service capacity for approximately three months.

WTP equipment is highly specialized, and repairs and even replacement take time because of the limited availability of parts or equipment. It is not uncommon for equipment replacement or repairs to take weeks or even months to be repaired or received.

A sobering reality is that we have no control over this issue, and if we were to experience a more severe event it could result in our inability to produce water for an extended period.

To gain a more comprehensive understanding of the power quality that our WTPs are receiving, we believe that power monitoring equipment would aid in obtaining documented information on power feed quality and identify the root cause for our equipment failures. Once documented information is obtained indicating an electric grid power quality issue, we can use the data to demonstrate to our power transmission and distribution provider the need for corrective action within its system to resolve this ongoing issue.

To obtain proper guidance, staff request Grubb Engineering to provide a recommendation on the type of monitors that would provide the detailed, documentable, information we were seeking.

Grubb Engineering recommended the Elspec G4431 power quality monitoring system. The accompanying quote, summarized below, was obtained from Elspec to equip both WTPs with continual power monitors:

Item	Qty	Unit Cost	Cost
Elspec G4431	5	\$7,132.00	\$35,660.00
PQSCADA software	3	\$3,040.00	\$3,040.00
S&H fee	1	\$414.00	\$414.00
Total			\$39,114.00

Our WTPs have a total of five (5) power feed entry points, and to properly monitor the incoming power, one device is required for each entry point.

Elspec holds a patent on their technology and are the sole source provider for this equipment as documented in the accompanying sole source letter. Consequently, Elspec would be the only qualifying bidder if a formal bid solicitation were to be issued.

The total price is 5.7% over the budgeted amount of \$37,000, but it is below the statutory threshold requiring formal bid. Board approval is requested for the purchase of this equipment from Elspec for the amount of \$39,114.



1437 S. Bell School Road.
Suite 2,
Rockford. Illinois 61108

Sales Quotation

Date	Quotation #
10/30/2023	Q17589-1

Name/Address

Harlingen Waterworks System
121 E. Harrison Ave.
Harlingen, TX 78550
Attn: David Sanchez
(956)430-6100

Ship To

Harlingen Waterworks System
121 E. Harrison Ave.
(956)430-6100
Harlingen, TX 78550
Attn: David Sanchez

Project
17589- 4431x5

Item	Description	Qty	Unit Cost	Total
SPG-4431-0090	ELSPEC G4431 Power Quality BlackBox, 1024 samples/cycle, 511th harmonic measurement, 16GB internal memory, transient detection to 16 microseconds, 25 sec ride-through. INCLUDES Multi-I/O Module with 8 x Digital Input, 4 x Digital Output, 3 x Form C Relay, 4 x Analog Output, 4 x Analog Input, 1 x IRIG-B input, 1 x RS232 (9-pin)	5	7,132.00	35,660.00
SPS-0310-5030	PQSCADA Sapphire Enterprise server - Comprising 5 ELSPEC Components (Devices) and 3 Concurrent Users. ELSPEC Logo		3,040.00	3,040.00
ENA-SHIP	Shipping & Handling Fee		414.00	414.00

This Sales Quotation is subject to Elspec North America's Standard Terms & Conditions, unless otherwise specified in this document.

This quotation is valid for a period of 30 days from the date at the top of this form, unless otherwise specified in writing from ENA.

Subtotal	\$39,114.00
Sales Tax (0.0%)	\$0.00
Total	\$39,114.00

Phone 815/616-5472

Fax 815/616-8265

Website www.elspecna.com

29/10/2023

To Whom It May Concern,

Subject: Sole Source Letter for PQSCADA Sapphire Software and G4k Meters

This letter is to certify that Elspec is the sole source provider of PQSCADA Sapphire software and our G4k power quality meters. The unique features, proprietary technologies, and patents associated with both the software and meters establish Elspec as the exclusive manufacturer and provider of these products.

PQSCADA Sapphire software, developed by Elspec, boasts unparalleled capabilities in power quality monitoring and analysis. The proprietary algorithms, cutting-edge functionalities, and innovative design make it a distinctive solution in the market. Elspec holds the intellectual property rights, including patents and copyrights, that safeguard the uniqueness and excellence of the PQSCADA Sapphire software.

Similarly, our G4k power quality meters stand out as a result of their advanced design, unmatched precision, and patented technologies. The proprietary features embedded in the G4k meters make them an exclusive offering by Elspec, and we hold the necessary intellectual property rights to protect our innovations.

We appreciate your understanding of the proprietary nature of our products and the necessity to maintain their exclusivity in the market. As the sole source provider, Elspec is dedicated to delivering unmatched quality and performance to meet your specific requirements.

Please feel free to contact us if you require any additional information or clarification regarding the exclusivity of PQSCADA Sapphire software and G4k meters.

Asaf Laifer

Metering and protection division manager

RESOLUTION NO. R2324-05

AWARDING A CONTRACT FOR REMOVAL AND DISPOSAL OF WATER TREATMENT PLANT SLUDGE

WHEREAS, Harlingen Waterworks System has need to remove and dispose of water treatment sludge that has accumulated in the sludge lagoons at the Downtown and MFR Water Treatment Plants; and

WHEREAS, Denali Water Solutions LLC of Russellville, AR is a sole source provider for land application of water wastewater treatment sludge; and

WHEREAS, Denali Water Solutions LLC has proposed to dredge and dispose of the Waterworks’ water treatment sludge for the unit prices listed in the table below; and

WHEREAS, because of Denali’s stated annual limitation on the quantity of Waterworks’ sludge that it can land apply, it is in the best interests of the Waterworks to contract for removal of the estimated quantities listed in the table below; and

Disposal Method	Estimated Quantity	Unit Price	Estimated Total Cost
Land Application (MFR)	600 tons	\$367.30/ton	\$225,780.00
Land Application (Downtown)	4,000 cu. yd.	\$84.71/CY	\$338,840.00
Estimated Land Application Cost in FY 2024			\$564,620.00

WHEREAS, Denali Water Solutions has a long history of providing land application disposal service for the Waterworks’ wastewater treatment sludge, and its propose pricing has been determined to be fair and reasonable; now, therefore:

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does hereby award a contract to Denali Water Solutions LLC of Russellville, AR for removal and disposal of water treatment plant sludge at its proposed unit prices in a total amount not exceed \$600,000.00.

Board Member _____ moved, seconded by Board Member _____, that the Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

Memorandum

To: Timothy E. Skoglund, General Manager
From: David R. Sanchez, Water Services Director
Date: November 6, 2023
Re: WTP Sludge Disposal

Harlingen Waterworks System’s water treatment process uses coagulants to settle out organics that are found naturally in raw water. The coagulant and organics form floc which is settled and collected in the clarifiers. This settled floc is known as sludge and is removed from the water at base of the clarifiers.

This waste is then piped from the clarifiers to a sludge transfer basin that accumulates the sludge and pumps it to a lagoon for extended storage. Over time, the lagoons become filled to their capacity and must be dredged, and the sludge must be ultimately disposed of using a method approved by EPA and TCEQ. The two (2) most cost-effective, approved disposal methods for water treatment sludge disposal include landfilling and land application.

For approximately the last 16 years, sludge generated at the Downtown WTP has been periodically removed from plant’s lagoons and transported to the MFR WTP lagoons where it has been stored together with sludge generated at the MFR WTP. Currently, the lagoons at Downtown and MFR are nearing capacity with an estimated volume of 4,000 cubic yards (900.5 tons) at Downtown and 5,400 tons (approximately 24,000 cubic yards) at MFR.

The attached quotes to dredge and dispose of all sludge stored at the Downtown WTP and MFR WTP lagoons were obtained from Denali Water Solutions LLC. Denali is the only waste management company in the Rio Grande Valley that offers land application disposal for water treatment and wastewater treatment sludge and is consequently a sole source vendor.

Because of a 1,500-ton (approximately 6,664-cu.yd.) annual limitation that Denali indicated regarding its ability to land apply Waterworks’ sludge, all 4,000 cubic yards from the Downtown lagoon and approximately 2,665 cubic yards from the MFR lagoon are proposed to be dredged and disposed of in the current fiscal year. The estimated volume of sludge that will remain in the MFR lagoon is 23,000 cubic yards.

Denali’s quoted unit prices for dredging and disposal, and the proposed FY 2024 quantities, are summarized in the table below.

Disposal Method	Estimated Quantity	Unit Price	Estimated Total Cost
Landfill	4,000 cu.yd.	\$102.00/CY	\$408,000.00
Land Application (MFR)	600 tons	\$367.30/ton	\$225,780.00
Land Application (Downtown)	4,000 cu.yd.	\$84.71/CY	\$338,840.00
Estimated Land Application Cost in 2024			\$564,620.00

Land application is the preferred option because of its lower cost.

Because of Denali's annual land application limit for Waterworks' sludge, staff proposes to remove the entire volume of sludge stored in all WTP lagoons in annual phases. The total stored volume plus the annual sludge projected to be generated at the WTPs will take six (6) years to remove at an estimated annual cost of \$565,000 per year. Phasing has the benefit of avoiding a large, single-year operating cost, but will be subject to unit price increases beyond FY 2024.

The FY 2024 budget allocated \$600,000 to remove and dispose of all Downtown lagoon sludge and up to 700 tons of MFR lagoon sludge.

Our WTP sludge was recently tested and verified to be under the heavy metals concentration limits set forth by EPA and TCEQ for land application.

Staff recommends contracting with Denali Water Solutions LLC for dredging and disposal of sludge from the Downtown and MFR WTP lagoons using the land application disposal method in a total amount not to exceed \$600,000.

08/11/2023

Via Email Delivery

To: David Sanchez
Harlingen Waterworks System
134 E Van Buren Ave.
Harlingen, TX 78550
(956) 440-6582
drsanchez@hwws.com

REFERENCE: Harlingen Lagoon Cleanout

Dear David,

Denali Water Solutions LLC (“Denali”) is pleased to present this proposal to Harlingen Waterworks for the lagoon cleanout at the DTWP water treatment plant. We appreciate this opportunity and look forward to working with you on this project.

Company Information

Denali is a non-hazardous, organic waste management company that takes a scientific and environmentally responsible approach to managing wastewater residuals such as DAF skimmings, sludge, pulp, paper wastewater residuals, compost grease trap, food scrap, blood, manure, and paunch.

Formed in 2014, Denali is led by Andy McNeill and a highly experienced team focused on delivering safe, exemplary customer service. By reinvesting in our infrastructure, Denali ensures that our customer’s residuals will be picked up promptly and repurposed in an environmentally friendly manner. This philosophy has been rewarded with healthy growth that has included the recent acquisitions of WeCare Organics (2016); Enviro-Organic Technologies and Nebo Residuals (2017); Terra Renewal Services, Oros and Busch Application Technologies (2018); Harvest New England and Harvest Mid-Atlantic (2019); Sustainable Resources Group (2020); Organix Recycling (2021); and Imperial Western Products (2022).

We believe our process and approach to residuals management is unique to the marketplace and contributes to us being the #1 handler of organic industrial waste streams in the United States.

Denali’s Process –

1. Our fleet of professional drivers uses clean, well-maintained vehicles to collect your organic waste residuals.
2. The organic residuals materials are either land-applied and converted into repurposed, renewable resources or disposed of in equally environmentally-friendly methodologies.
3. You and your company are then rewarded with a renewed sense of environmental stewardship.

Our professional team includes more than 1,400 dedicated full-time employees with years of experience in soil science, agronomy, geology, regulatory permitting and compliance, transportation, logistics, public relations, and customer service. In 2022, Denali will handle more than 120,000 daily haul loads (~660,000,000 gallons) of liquid and semi-solid organic waste residuals.

For our Industrial and Food Processing customers, we collect organic residuals from their facilities, often many times per day, and transport the material directly to Denali permitted fields for beneficial reuse by land-applying the material using specialized state-of-the-art sub-soil injection equipment, thus minimizing



any odors, and repurposing the residual waste stream into eco-friendly fertilizer. When suitable, we will deliver material to a composting operation or anaerobic digester to produce a soil amendment or clean energy.

Our service footprint is headquartered in Russellville, Arkansas, extends coast to coast, covering 40 states with over 60 operating centers.

By allowing Denali to handle your organic residuals, you are not only improving the preservation of our planet’s natural resources for future generations, but you are also simultaneously improving the current ecological state of affairs for today’s existence by reducing the size of our landfills, lessening agricultural erosion and making effluent water discharges safe and eco-friendly.

Denali owns over 300 difficult-to-obtain permits that provide access to more than 450,000 acres of permitted farmland for land application and more than 40 million gallons of storage capacity, strategically disbursed for use during inclement weather and unforeseen emergencies.

Denali’s strong reputation for providing environmentally compliant collection and final disposition of highly regulated waste streams minimizes the risk of unforeseen environmental liabilities for waste generators. It reduces the potential for public relations issues. Deep permitting expertise across numerous states uniquely sets Denali apart from the competition. At Denali, we proactively help shape regulatory initiatives in the states where we operate.

Scope of Work

Denali to remove an estimated 4,000 cubic yards of residuals from the lagoons located at the Harlingen DTWP WTP. We will use pumps to remove the sludge, load into trucks, and land apply on nearby farmland.

Denali’s cubic yard price for this job is \$84.71. The estimated total for the job is \$338,840.00.

This proposal expresses discussions to date and is not intended to be a binding agreement. It is understood that a definitive contract between the parties will contain other terms and conditions which will have to be negotiated and agreed to before finalizing a Scope of Work. I look forward to hearing from you in order to begin finalizing an agreement between our companies.

Sincerely,

Gary Emery

Gary Emery
Sales VP
479-747-6188
gary.emery@denaliwater.com

07/31/2023

Via Email Delivery

To: David Sanchez
Harlingen Waterworks System
134 E Van Buren Ave.
Harlingen, TX 78550
(956) 440-6582
drsanchez@hwws.com

REFERENCE: Harlingen Lagoon Cleanout

Dear David,

Denali Water Solutions LLC (“Denali”) is pleased to present this proposal to Harlingen Waterworks for the lagoon cleanout at the MFR water treatment plant located at 2525 Dixieland Rd. We appreciate this opportunity and look forward to working with you on this project.

Company Information

Denali is a non-hazardous, organic waste management company that takes a scientific and environmentally responsible approach to managing wastewater residuals such as DAF skimmings, sludge, pulp, paper wastewater residuals, compost grease trap, food scrap, blood, manure, and paunch.

Formed in 2014, Denali is led by Andy McNeill and a highly experienced team focused on delivering safe, exemplary customer service. By reinvesting in our infrastructure, Denali ensures that our customer’s residuals will be picked up promptly and repurposed in an environmentally friendly manner. This philosophy has been rewarded with healthy growth that has included the recent acquisitions of WeCare Organics (2016); Enviro-Organic Technologies and Nebo Residuals (2017); Terra Renewal Services, Oros and Busch Application Technologies (2018); Harvest New England and Harvest Mid-Atlantic (2019); Sustainable Resources Group (2020); Organix Recycling (2021); and Imperial Western Products (2022).

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2. The organic residuals materials are either land-applied and converted into repurposed, renewable resources or disposed of in equally environmentally-friendly methodologies.
3. You and your company are then rewarded with a renewed sense of environmental stewardship.

Our professional team includes more than 1,400 dedicated full-time employees with years of experience in soil science, agronomy, geology, regulatory permitting and compliance, transportation, logistics, public relations, and customer service. In 2022, Denali will handle more than 120,000 daily haul loads (~660,000,000 gallons) of liquid and semi-solid organic waste residuals.

For our Industrial and Food Processing customers, we collect organic residuals from their facilities, often many times per day, and transport the material directly to Denali permitted fields for beneficial reuse by land-applying the material using specialized state-of-the-art sub-soil injection equipment, thus minimizing



any odors, and repurposing the residual waste stream into eco-friendly fertilizer. When suitable, we will deliver material to a composting operation or anaerobic digester to produce a soil amendment or clean energy.

Our service footprint is headquartered in Russellville, Arkansas, extends coast to coast, covering 40 states with over 60 operating centers.

By allowing Denali to handle your organic residuals, you are not only improving the preservation of our planet’s natural resources for future generations, but you are also simultaneously improving the current ecological state of affairs for today’s existence by reducing the size of our landfills, lessening agricultural erosion and making effluent water discharges safe and eco-friendly.

Denali owns over 300 difficult-to-obtain permits that provide access to more than 450,000 acres of permitted farmland for land application and more than 40 million gallons of storage capacity, strategically disbursed for use during inclement weather and unforeseen emergencies.

Denali’s strong reputation for providing environmentally compliant collection and final disposition of highly regulated waste streams minimizes the risk of unforeseen environmental liabilities for waste generators. It reduces the potential for public relations issues. Deep permitting expertise across numerous states uniquely sets Denali apart from the competition. At Denali, we proactively help shape regulatory initiatives in the states where we operate.

Scope of Work

Denali to remove an estimated 5,400 dry tons of residuals from the lagoons located at the Harlingen WTP. We will use pumps to remove the sludge, load into trucks, and land apply on nearby farmland.

Denali’s dry ton price for this job is \$376.30. The estimated total for the job is \$2,032,020.00.

This proposal expresses discussions to date and is not intended to be a binding agreement. It is understood that a definitive contract between the parties will contain other terms and conditions which will have to be negotiated and agreed to before finalizing a Scope of Work. I look forward to hearing from you in order to begin finalizing an agreement between our companies.

Sincerely,

Gary Emery

Gary Emery
Sales VP
479-747-6188
gary.emery@denaliwater.com

10/31/23

Via Email Delivery

To: David Sanchez
Harlingen Waterworks System
134 E Van Buren Ave
Harlingen, TX 78550
(956) 440-6582
drsanchez@hwws.com

REFERENCE: City of Harlingen Lagoon Cleanout

Dear Sean Davis,

Denali Water Solutions LLC (“Denali”) is pleased to present this proposal to Harlingen Waterworks for the lagoon cleaning at the DTWP water treatment plant. We appreciate this opportunity and look forward to working with you on this project.

Company Information

Denali is a non-hazardous, organic waste management company that takes a scientific and environmentally responsible approach to managing wastewater residuals such as DAF skimmings, sludge, pulp, paper wastewater residuals, compost grease trap, food scrap, blood, manure, and paunch.

Formed in 2014, Denali is led by Andy McNeill and a highly experienced team focused on delivering safe, exemplary customer service. By reinvesting in our infrastructure, Denali ensures that our customer’s residuals will be picked up promptly and repurposed in an environmentally friendly manner. This philosophy has been rewarded with healthy growth that has included the recent acquisitions of WeCare Organics (2016); Enviro-Organic Technologies and Nebo Residuals (2017); Terra Renewal Services, Oros and Busch Application Technologies (2018); Harvest New England and Harvest Mid-Atlantic (2019); Sustainable Resources Group (2020); Organix Recycling (2021); and Imperial Western Products (2022).

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For our Industrial and Food Processing customers, we collect organic residuals from their facilities, often many times per day, and transport the material directly to Denali permitted fields for beneficial reuse by land-applying the material using specialized state-of-the-art sub-soil injection equipment, thus minimizing any odors, and repurposing the residual waste stream into eco-friendly fertilizer. When suitable, we will deliver material to a composting operation or anaerobic digester to produce a soil amendment or clean energy.

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Denali's strong reputation for providing environmentally compliant collection and final disposition of highly regulated waste streams minimizes the risk of unforeseen environmental liabilities for waste generators. It reduces the potential for public relations issues. Deep permitting expertise across numerous states uniquely sets Denali apart from the competition. At Denali, we proactively help shape regulatory initiatives in the states where we operate.

Scope of Work

Denali will provide labor and equipment to remove an estimated 4000 cubic yards of residuals from the lagoon at the Harlingen DTWP WTP. Residuals will be removed, dried and taken to the landfill for disposal.

Denali proposes a price of \$ 102.00 per cubic yard. The tipping fees are included.

This proposal expresses discussions to date and is not intended to be a binding agreement. It is understood that a definitive contract between the parties will contain other terms and conditions which will have to be negotiated and agreed to before finalizing a Scope of Work. I look forward to hearing from you in order to begin finalizing an agreement between our companies.

Sincerely,

Gary Emery
Vice-President, Sales
(479) 747-6188
Gary.emery@denaliwater.com

RESOLUTION NO. R2324-06

**APPROVING CHANGE ORDER NO. 4 –
PRIORITY SEWER RENEWAL PACKAGE NO. 1 PROJECT**

WHEREAS on October 13, 2021, the Utility Board of Trustees for Harlingen Waterworks System awarded a contract to Southern Trenchless Solutions for the construction of the Priority Sewer Renewal Package No. 1 project in the amount of \$2,283,700.60, and subsequently approved Change Orders No. 1 through 3 for additional work in the amount of \$760,836.25, for a revised contract amount of \$3,044,536.85; and

WHEREAS, Southern Trenchless Solutions has completed construction of the project; and

WHEREAS, the Engineer of Record and Waterworks staff have completed an extensive review of the as-built quantities for the completed project, and the contractor has reviewed the as-built quantities and has agreed with said quantities; now, therefore:

BE IT RESOLVED that the Harlingen Waterworks System Utility Board of Trustees does hereby approve Change Order No. 4 – Final Reconciliation of As-Built Quantities for Priority Sewer Renewal Project No. 1 decreasing the contract amount by \$732,080.82, for a total revised contract amount of \$2,312,456.04.

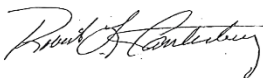
Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for the Harlingen Waterworks System at a Board meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

MEMORANDUM

To: Tim Skoglund, P.E. – General Manager
From: Robert L. Canterbury, P.E. – Consulting Engineer 
Date: November 8, 2023
Subject: Approving Change Order No. 4, Final Reconciliation of As-Built Quantities, to the Construction Contract for Priority Sewer Renewal Package #1 Project

STATEMENT OF ISSUE

Southern Trenchless Solutions has completed all construction of the Priority Sewer Renewal Package #1 project. Change Order No. 4 is proposed to adjust the contract amount based on the final as-built quantities and line-item adjustments that were made during the construction process and to extend the contract time to address additional work and delays experienced during construction.

BACKGROUND

The original contract, awarded on October 13, 2021, in the amount of \$2,283,700.60, provided for replacement of approximately 6,571 feet of failing clay sewer pipelines ranging in size from 6 to 10 inches in diameter. This work included improvements at five project sites: Taft, Cleveland, Sam Houston, J Street, and Treasure Hills at 25th Street. The Notice to Proceed was issued with an effective date of January 31, 2022.

During construction, two additional project sites were added to the scope of work: Darrell Street and Clifford. Change Orders No. 1 through 3 were previously approved in the amount of \$760,836.25, for a revised total contract amount of \$3,044,536.85. The work was completed using a combination of open cut and pipe bursting methods to minimize disruption to existing infrastructure and to minimize disruption to the developed residential and commercial areas.

CHANGE ORDER NO. 4

The Contractor has completed 100% of the project, and an extensive review of the as-built quantities has been completed. Based on these quantities, the value of the final contract amount has been determined from the original contract unit prices and for new items authorized via Work Change Directives issued during the construction process. The contractor has reviewed the final as-built quantities and agrees with the adjustments.

The requested change order will be a net reduction in the overall contract amount from \$3,044,536.85 to \$2,312,456.04, resulting in a reduction of \$732,080.82 (24.05%). Please refer to the attached Final Reconciliation of As-Built Quantities.

Also, during construction, the project was delayed due to weather related events, granted additional time to address several Work Change Directives, and placed on hold for many months because of

permitting issues related to the railroad crossing at the 'J' Street project site. It should be noted that during this delay period, the contractor commenced with work associated with the Priority Sewer Renewal Package #2.

RECOMMENDATION

Staff recommends approval of Change Order No. 4 in the deductive amount of (\$732,080.82) and that the contract days be extended 209 calendar days, for a final completion date of September 7, 2023.



PRIORITY SEWER RENEWAL PACKAGE NO. 1
FINAL RECONCILIATION OF AS-BUILT QUANTITIES

A	B	C	D	E	F	G	H	I	J	K	L	M
AUTHORIZATION	ITEM NO.	DESCRIPTION OF WORK	UNITS	CONTRACT QUANT	BASE UNIT \$	CONTRACT VALUE (\$)	AS-BUILT QUANTITY	QUANTITY DEVIATION	AS-BUILT VALUE ADJUSTMENT (\$)	AS-BUILT VALUE (\$)	TOTAL PERCENT COMPLETE (%)	NOTES
ORIG CONTRACT	101	MOBILIZATION / DEMOBILIZATION	EA	7.0	\$ 7,500.00	\$ 52,500.00	7.0	-	\$ -	\$ 52,500.00	100.00%	
ORIG CONTRACT	102	TRAFFIC CONTROL	DAYS	82.0	\$ 550.00	\$ 45,100.00	82.0	-	\$ -	\$ 45,100.00	100.00%	
ORIG CONTRACT	103	CLEARING & GRUBBING	SF	4,915.0	\$ 1.00	\$ 4,915.00	-	(4,915.0)	\$ (4,915.00)	\$ -	0.00%	
ORIG CONTRACT	104	TRENCH SAFETY	LF	1,878.0	\$ 11.00	\$ 20,658.00	1,682.0	(196.0)	\$ (2,156.00)	\$ 18,502.00	89.56%	
ORIG CONTRACT & CO#2	105	6" CLEAN AND TV SANITARY SEWER	LF	7,075.0	\$ 5.50	\$ 38,912.50	6,050.0	(1,025.0)	\$ (5,637.50)	\$ 33,275.00	85.51%	
ORIG CONTRACT & CO#2	106	8" CLEAN AND TV SANITARY SEWER	LF	4,947.0	\$ 5.50	\$ 27,208.50	4,418.5	(528.5)	\$ (2,906.75)	\$ 24,301.75	89.32%	
ORIG CONTRACT	107	10" CLEAN AND TV SANITARY SEWER	LF	3,086.0	\$ 6.50	\$ 20,059.00	3,977.0	891.0	\$ 5,791.50	\$ 25,850.50	128.87%	
ORIG CONTRACT	108	BYPASS SETUP 4" PUMP	EA	2.0	\$ 550.00	\$ 1,100.00	-	(2.0)	\$ (1,100.00)	\$ -	0.00%	
ORIG CONTRACT	109	BYPASS SETUP 4" PIPING	LF	3,055.0	\$ 5.50	\$ 16,802.50	-	(3,055.0)	\$ (16,802.50)	\$ -	0.00%	
ORIG CONTRACT	110	BYPASS OPERATE 4" PUMP	DAY	18.0	\$ 110.00	\$ 1,980.00	-	(18.0)	\$ (1,980.00)	\$ -	0.00%	
ORIG CONTRACT	111	BYPASS SETUP 6" PUMP	EA	1.0	\$ 1,375.00	\$ 1,375.00	1.0	-	\$ -	\$ 1,375.00	100.00%	
ORIG CONTRACT	112	BYPASS SETUP 6" PIPING	LF	436.0	\$ 16.50	\$ 7,194.00	645.0	209.0	\$ 3,448.50	\$ 10,642.50	147.94%	
ORIG CONTRACT	113	BYPASS OPERATE 6" PUMP	DAY	5.0	\$ 1,045.00	\$ 5,225.00	10.0	5.0	\$ 5,225.00	\$ 10,450.00	200.00%	
ORIG CONTRACT	114	BYPASS SETUP 8" PUMP	EA	3.0	\$ 2,200.00	\$ 6,600.00	2.0	(1.0)	\$ (2,200.00)	\$ 4,400.00	66.67%	
ORIG CONTRACT	115	BYPASS SETUP 8" PIPING	LF	3,086.0	\$ 16.50	\$ 50,919.00	775.0	(2,311.0)	\$ (38,131.50)	\$ 12,787.50	25.11%	
ORIG CONTRACT	116	BYPASS OPERATE 8" PUMP	DAY	38.0	\$ 1,815.00	\$ 68,970.00	13.0	(25.0)	\$ (45,375.00)	\$ 23,595.00	34.21%	
ORIG CONTRACT	117	ACCESS PIT (0'-8' DEEP)	EA	13.0	\$ 4,500.00	\$ 58,500.00	13.0	-	\$ -	\$ 58,500.00	100.00%	
ORIG CONTRACT	118	ACCESS PIT (8'-12' DEEP)	EA	11.0	\$ 9,500.00	\$ 104,500.00	14.0	3.0	\$ 28,500.00	\$ 133,000.00	127.27%	
ORIG CONTRACT	119	ACCESS PIT (12'-15' DEEP)	EA	6.0	\$ 27,500.00	\$ 165,000.00	3.0	(3.0)	\$ (82,500.00)	\$ 82,500.00	50.00%	
ORIG CONTRACT	120	BURST EXISTING 6" OR 8" TO 8" ISP SDR 19 (0'-8' DEEP)	LF	1,525.0	\$ 60.50	\$ 92,262.50	1,525.0	-	\$ -	\$ 92,262.50	100.00%	
ORIG CONTRACT	121	BURST EXISTING 6" OR 8" TO 8" ISP SDR 19 (>8'-12' DEEP)	LF	1,280.0	\$ 66.00	\$ 84,480.00	1,280.0	-	\$ -	\$ 84,480.00	100.00%	
ORIG CONTRACT	122	BURST EXISTING 8" OR 10" TO 10" ISP SDR 19 (0'-8' DEEP)	LF	177.0	\$ 66.00	\$ 11,682.00	177.0	-	\$ -	\$ 11,682.00	100.00%	
ORIG CONTRACT	123	BURST EXISTING 8" OR 10" TO 10" ISP SDR 19 (>8'-12' DEEP)	LF	1,694.0	\$ 71.50	\$ 121,121.00	1,694.0	-	\$ -	\$ 121,121.00	100.00%	
ORIG CONTRACT	124	BURST EXISTING 8" OR 10" TO 10" ISP SDR 19 (>12' DEEP)	LF	1,215.0	\$ 119.50	\$ 145,192.50	1,215.0	-	\$ -	\$ 145,192.50	100.00%	
ORIG CONTRACT	125	4" TO 8" OPEN CUT INSTALLATION SEWER/WATER (0'-6' DEEP)	LF	1,728.0	\$ 75.00	\$ 129,600.00	1,728.0	-	\$ -	\$ 129,600.00	100.00%	
ORIG CONTRACT	126	EXTERNAL RECONNECT (0'-8')	EA	38.0	\$ 1,375.00	\$ 52,250.00	37.0	(1.0)	\$ (1,375.00)	\$ 50,875.00	0.00%	
ORIG CONTRACT	127	EXTERNAL RECONNECT (>8'-12')	EA	20.0	\$ 1,925.00	\$ 38,500.00	15.0	(5.0)	\$ (9,625.00)	\$ 28,875.00	75.00%	
ORIG CONTRACT	128	EXTERNAL RECONNECT (>12')	EA	7.0	\$ 6,500.00	\$ 45,500.00	4.0	(3.0)	\$ (19,500.00)	\$ 26,000.00	0.00%	
ORIG CONTRACT	129	REMOVE & REPLACE CLEANOUT	EA	52.0	\$ 1,500.00	\$ 78,000.00	45.0	(7.0)	\$ (10,500.00)	\$ 67,500.00	86.54%	
ORIG CONTRACT	130	INSTALL NEW 4' TO 8' DIA MANHOLE (0'-6' DEEP)	SF	1,933.9	\$ 150.00	\$ 290,085.00	1,577.6	(356.3)	\$ (53,445.00)	\$ 236,640.00	81.58%	
ORIG CONTRACT	131	INSTALL EXTRA DEPTH 4' TO 8' MANHOLE (>6' DEEP)	SF	893.6	\$ 150.00	\$ 134,040.00	549.0	(344.6)	\$ (51,690.00)	\$ 82,350.00	61.44%	



PRIORITY SEWER RENEWAL PACKAGE NO. 1

FINAL RECONCILIATION OF AS-BUILT QUANTITIES

A	B	C	D	E	F	G	H	I	J	K	L	M
AUTHORIZATION	ITEM NO.	DESCRIPTION OF WORK	UNITS	CONTRACT QUANT	BASE UNIT \$	CONTRACT VALUE (\$)	AS-BUILT QUANTITY	QUANTITY DEVIATION	AS-BUILT VALUE ADJUSTMENT (\$)	AS-BUILT VALUE (\$)	TOTAL PERCENT COMPLETE (%)	NOTES
ORIG CONTRACT	132	PREMIUM MANHOLE RING & COVER (COMPOSITE)	EA	28.0	\$ 1,700.00	\$ 47,600.00	23.0	(5.0)	\$ (8,500.00)	\$ 39,100.00	82.14%	
ORIG CONTRACT	133	GRANULAR BACKFILL	TON	789.6	\$ 85.00	\$ 67,116.00		(789.6)	\$ (67,116.00)	\$ -	0.00%	
ORIG CONTRACT	133	SELECT BACKFILL	TON	-	\$ 57.00	\$ -	611.9	611.9	\$ 34,879.44	\$ 34,879.44	#DIV/0!	
CO#3		SAND BACKFILL, NON-STABILIZED (CLIFFORD ONLY)	TON	232.5	\$ 65.00	\$ 15,112.50	63.7	(168.8)	\$ (10,972.00)	\$ 4,140.50	27.40%	
ORIG CONTRACT	134	CEMENT STABILIZED SAND BACKFILL	TON	1,661.2	\$ 75.00	\$ 124,590.00	1,541.3	(119.9)	\$ (8,992.50)	\$ 115,597.50	92.78%	
ORIG CONTRACT	135	REPAIR / REHAB 8" FLEX BASE	SY	553.5	\$ 42.50	\$ 23,523.75	678.7	125.2	\$ 5,322.28	\$ 28,846.03	122.63%	
ORIG CONTRACT	136	REPAIR / REHAB 24" FLEX BASE	SY	61.6	\$ 94.50	\$ 5,821.20	-	(61.6)	\$ (5,821.20)	\$ -	0.00%	
ORIG CONTRACT	137	REPAIR / REHAB 2" ASPHALT PAVEMENT	SY	609.3	\$ 65.00	\$ 39,604.50	235.8	(373.5)	\$ (24,277.50)	\$ 15,327.00	38.70%	
ORIG CONTRACT	138	REPAIR / REHAB 6" CONCRETE DRIVEWAY	SF	317.0	\$ 62.50	\$ 19,812.50	486.0	169.0	\$ 10,562.50	\$ 30,375.00	153.31%	
ORIG CONTRACT	139	REPAIR / REHAB 4" CONCRETE SIDEWALK	SF	310.0	\$ 30.50	\$ 9,455.00	90.0	(220.0)	\$ (6,710.00)	\$ 2,745.00	29.03%	
ORIG CONTRACT	140	REPAIR / REHAB CONCRETE CURB & GUTTER	LS	116.0	\$ 55.00	\$ 6,380.00	25.0	(91.0)	\$ (5,005.00)	\$ 1,375.00	21.55%	
ORIG CONTRACT	141	SOD	SY	1,699.4	\$ 11.00	\$ 18,693.40	424.2	(1,275.2)	\$ (14,027.20)	\$ 4,666.20	24.96%	
ORIG CONTRACT	142	6" - 18" POST TV INSPECTION AFTER REHABILITATION	LF	7,625.0	\$ 2.50	\$ 19,062.50	7,625.0	-	\$ -	\$ 19,062.50	100.00%	
ORIG CONTRACT	143	PAVEMENT MARKINGS	LS	1.0	\$ 3,500.00	\$ 3,500.00	-	(1.0)	\$ (3,500.00)	\$ -	0.00%	
ORIG CONTRACT	144	TEMP RELOCATE & REINSTALL EX. MAILBOX	LS	1.0	\$ 3,500.00	\$ 3,500.00	-	(1.0)	\$ (3,500.00)	\$ -	0.00%	
ORIG CONTRACT	145	REMOVE & REPLACE WOOD FENCE	LF	160.0	\$ 40.00	\$ 6,400.00	77.0	(83.0)	\$ (3,320.00)	\$ 3,080.00	48.13%	
ORIG & CO#2 & CO#3	201	8" - 12" POINT REPAIR (0' - 8' DEEP)	EA	65.0	\$ 4,675.00	\$ 303,875.00	53.0	(12.0)	\$ (56,100.00)	\$ 247,775.00	81.54%	
ORIG CONTRACT & CO#2	202	8" - 12" POINT REPAIR (8' - 12' DEEP)	EA	15.0	\$ 5,225.00	\$ 78,375.00	7.0	(8.0)	\$ (41,800.00)	\$ 36,575.00	46.67%	
ORIG CONTRACT	203	8" - 12" POINT REPAIR (> 12' DEEP)	EA	5.0	\$ 35,000.00	\$ 175,000.00	-	(5.0)	\$ (175,000.00)	\$ -	0.00%	
ORIG CONTRACT	204	FLOWABLE FILL	CY	5.0	\$ 250.00	\$ 1,250.00	17.6	12.6	\$ 3,150.00	\$ 4,400.00	352.00%	
ORIG CONTRACT	901	PAYMENT & PERFORMANCE BONDS	LS	1.0	\$ 58,286.75	\$ 58,286.75	1.0	-	\$ -	\$ 58,286.75	100.00%	
ORIG CONTRACT	901	BONDS & INSURANCE (ADDITION)(CONTINGENCY)	LS	1.0	\$ 6,772.50	\$ 6,772.50		(1.0)	\$ (6,772.50)	\$ -	0.00%	
ORIG CONTRACT	999	CONTINGENCY	LS	1.0	\$ 50,000.00	\$ 50,000.00		(1.0)	\$ (50,000.00)	\$ -	0.00%	
CO#01	146	INSTALL NEW CLEANOUT CONCURRENT W/ EXTERNAL CONNECTION	EA	12.0	\$ 1,500.00	\$ 18,000.00	12.0	-	\$ -	\$ 18,000.00	100.00%	
CO #02		6" - 10" BACKYARD EASEMENT SETUP	LF	1,739.0	\$ 6.60	\$ 11,477.40	-	(1,739.0)	\$ (11,477.40)	\$ -	0.00%	
CO#03		EXTERNAL DROP CONNECTION	EA	1.0	\$ 4,500.00	\$ 4,500.00	1.0	-	\$ -	\$ 4,500.00	100.00%	
CO#03		CLIFFORD - INSURANCE & BONDS	LS	1.0	\$ 6,604.15	\$ 6,604.15	1.0	-	\$ -	\$ 6,604.15	100.00%	
WCD #4		TAFT ST - STORM DRAIN REPAIRS	LS		\$ 2,500.00	\$ -	1.0	1.0	\$ 2,500.00	\$ 2,500.00	#DIV/0!	
WCD #5		CLEVAND ST - WM ADJUSTMENTS	LS		\$ 3,500.00	\$ -	1.0	1.0	\$ 3,500.00	\$ 3,500.00	#DIV/0!	
WCD #6		CLEVAND ST - SAN MH S-11 MODIFICATION	LS		\$ 5,363.72	\$ -	1.0	1.0	\$ 5,363.72	\$ 5,363.72	#DIV/0!	
WCD #8		INTERNAL BYPASS	DAYS		\$ 2,250.00	\$ -	4.0	4.0	\$ 9,000.00	\$ 9,000.00	#DIV/0!	



PRIORITY SEWER RENEWAL PACKAGE NO. 1

FINAL RECONCILIATION OF AS-BUILT QUANTITIES

A	B	C	D	E	F	G	H	I	J	K	L	
AUTHORIZATION	ITEM NO.	DESCRIPTION OF WORK	UNITS	CONTRACT QUANT	BASE UNIT \$	CONTRACT VALUE (\$)	AS-BUILT QUANTITY	QUANTITY DEVIATION	AS-BUILT VALUE ADJUSTMENT (\$)	AS-BUILT VALUE (\$)	TOTAL PERCENT COMPLETE (%)	NOTES
ACTUAL COSTS, ORIGINAL SCOPE, CHANGE ORDERS, AND WORK CHANGE DIRECTIVES						\$ 3,044,543.65				\$ 2,309,056.04	75.84%	

PROJECT COSTS SUMMARY BASED ON BOARD APPROVALS			
ORIGINAL CONTRACT AMT			\$ 2,283,700.60 250 DAYS
CHANGE ORDER #1	3/31/2022	DARRELL STREET SITE ADDITION	\$ 146,273.50 30 DAYS
CHANGE ORDER #2	7/6/2022	PACKAGE 2 CLEANING AND CCTV	\$ 154,070.40 - DAYS
CHANGE ORDER #3	1/30/2023	ADDITIONAL POINT REPAIRS & CLIFFORD SITE ADDITION	\$ <u>460,492.35</u> <u>95</u> <u>DAYS</u>
TOTAL OF ORIGINAL CONTRACT PLUS CHANGE ORDERS			\$ 3,044,536.85 375 DAYS
FINAL PROJECT COSTS			\$ 2,309,056.04
FINAL RECONCILIATION CHANGE ORDER AMOUNT			\$ (735,480.82)

RESOLUTION NO. R2324-07

**AUTHORIZING THE GENERAL MANAGER TO EXECUTE DOCUMENTS
RELATED TO THE MANAGEMENT OF WATER RIGHTS**

WHEREAS, Harlingen Waterworks System depends on water rights from the Rio Grande River as its only raw water source for providing water service to its customers; and

WHEREAS, the Waterworks currently maintains a portfolio of water rights of varying priority and classification under several account numbers as summarized in the accompanying table; and

WHEREAS, from time to time, the Waterworks purchases water rights acting on the statutes in Sections 49.501 through 49.512 of the Texas Water Code, requiring various amendments be filed with the Texas Commission on Environmental Quality (TCEQ), or it has need to request changes to existing water rights to enhance the administration of its water rights portfolio; and

WHEREAS, the Texas Commission on Environmental Quality regulates and maintains records of water rights held in the State of Texas and requires that the executor of water rights transactions be authorized by the governing body of the water rights owner; now, therefore:

BE IT RESOLVED, that the Harlingen Waterworks System Utility Board of Trustees does hereby authorize Timothy E. Skoglund, General Manager of the Harlingen Waterworks System, to execute all documents related to the management of the System’s existing water rights and all water rights it may acquire in the future, as may be required to be executed and filed with the Texas Commission on Environmental Quality.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for the Harlingen Waterworks System at a Board meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

HWWS WATER RIGHTS PORTFOLIO AND PENDING MANAGEMENT ACTION

as of 11/27/2023

Certificate No.	Account No.	Priority	Purpose	Transporting District	Granted	Acre-feet	REQUESTED ACTION
23-834B	0834-001	Class A	Agricultural	Adam's Gardens	4-Apr-17	1,625.0000	Reactivate and combine/merge of these Class A rights into one single Class A Agricultural account
	0840-002	Class A	Agricultural	Adam's Gardens	22-May-18	116.3250	
23-19A	0019-000	Class B	Agricultural	HID	20-Apr-17	98.7500	Convert into municipal right under 831 account
	0831-011	Class A	Agricultural	HID	20-Jul-18	747.8000	Convert to municipal right under 831 muni account
		Class A	Agricultural	HID		339.6000	Convert to municipal right under 831 muni account
23-831L	0831-002	Municipal	Municipal & Domestic	HID	20-Apr-17	22,488.1725	- none-
N/A		Class A	Agricultural	HID		625.0375	Convert to municipal right under 831 muni account
N/A		Municipal	Municipal & Domestic	HID (pending transfer)		81.4775	Transfer to HID under 831 muni account

Proposed as Municipal Rights 23,465.37
Proposed as Class A Agricultural Rights 1,741.33

RESOLUTION NO. R2324-08

**AWARDING A CONTRACT FOR PURCHASE OF A
SUBMERSIBLE WASTEWATER LIFT STATION PUMP**

WHEREAS, Harlingen Waterworks System has need of a replacement submersible pump in the Headworks Lift Station at the Wastewater Treatment Plant to replace a 2006 unit that has logged over 6,000 hours and has reached the end of its useful life; and

WHEREAS, Xylem Water Solutions USA, Inc. of Corpus Christi, TX is a sole source provider for submersible pumps compatible with the control system and other submersible pumps and at the Headworks Lift Station; and

Vendor	Item	Total	Est. Delivery
Xylem Water Solutions USA, Inc.	Flygt Model NP-3202.185 12" Volute Submersible Pump	\$ 43,986.20	One week after receipt of order

WHEREAS, the FY 2024 Budget allocates \$42,500 for purchase the purchase of a 60 HP Headworks Pump, and the proposed price is 3.5% over budget; and

WHEREAS, Xylem Water Solutions USA, Inc. of Corpus Christi and the Flygt pumps it distributes have performed well for the Waterworks without issue; now, therefore:

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does hereby award a contract to Xylem Water Solutions USA, Inc of Corpus Christi, TX for purchase of a Submersible Wastewater Lift Station Pump in the total amount of \$43,986.20.

Board Member _____ moved, seconded by Board Member _____, that the Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

RESOLUTION NO. R2324-09

**AWARDING CONTRACTS FOR PURCHASE OF
HALF-TON PICKUP TRUCKS**

WHEREAS, Harlingen Waterworks System has need of vehicles to replace failing units at or near the end of their useful lives; and

WHEREAS, one bid was received for purchase of multiple half-ton pickup on November 10, 2023 as summarized in the table below; and

Vendor	Vehicle	Unit Price	Fee	Total Bid	Est. Delivery
Sames Harlingen Ford	2023 1/2-Ton Truck V8	\$34,510.00	\$183.75	\$34,693.75	Immediate Availability
	2023 1/2-Ton Truck V6	\$31,675.00	\$183.75	\$31,858.75	Immediate Availability
	2023 1/2-Ton Truck V8 Super Cab (Qty 2)	\$40,275.00	\$183.75	\$80,917.75	Immediate Availability

WHEREAS, one proposal via BuyBoard Contract 601-19 was received from Grapevine Dodge Chrysler Jeep of Grapevine, TX for purchase of four (4) pickup trucks; and

Vendor	Vehicle	Price	Fee	Total	Est. Delivery
Grapevine Dodge Chrysler Jeep	2023 1/2-Ton Truck V6 Quad Cab	\$38,253.00	\$400	\$38,653.00	In Transit
	2023 1/2-Ton Truck V8 Crew Cab	\$41,884.00	\$400	\$42,284.00	Immediate Availability
	2023 1/2-Ton Truck V8 Crew Cab	\$46,373.00	\$400	\$46,773.00	Immediate Availability
	2023 1/2-Ton Truck V8 Crew Cab	\$51,504.00	\$400	\$51,904.00	Immediate Availability

WHEREAS, the bid and proposals for vehicles have been determined to be fair and reasonable; now, therefore:

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does hereby award contracts to Sames Harlingen Ford of Harlingen, TX for the purchase of four (4) pickup trucks in the total amount of \$147,470.25; and to Grapevine Dodge Chrysler Jeep of Grapevine, TX for the purchase of four (4) half-ton trucks in the total amount of \$137,330.00.

Board Member _____ moved, seconded by Board Member _____, that the Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

Memorandum

To: Timothy E. Skoglund P.E. - General Manager
 From: Michael Chamberlain – Purchasing Manager
 Date: November 17, 2023
 Re: Purchase of Eight (8) Pickup Trucks

The FY 2024 Budget appropriated funds for the replacement of eight service trucks as presented in the budget excerpt below.

Department	Description	Budget	Purpose/Need for Item
Safety & Fleet	1/2-Ton Pickup Truck (2)	\$ 82,000	Unit 322, a 2009 F150 with over 130,000 miles, is used daily to pick up parts and for service calls. Over \$13,500 has been expended in repairs to date and more repairs will be needed soon. Additional unit for fleet coordinator in lieu of car allowance elected by former fleet coordinator.
Water Treatment	1/2-Ton Pickup Truck	\$ 42,000	Unit 1302, a 2007 truck with 109,265 miles, used for daily operations at WTPs is past its useful life.
Distribution Maintenance	1/2-Ton Pickup Truck	\$ 42,000	Unit 321 (2009) has 114,203 miles and is in extremely poor condition.
Laboratory	Light Duty Truck	\$35,000	Unit 151 (2008) at 105,519 miles has a failed engine is no longer operable. Truck needed for sample collection and daily operations of the laboratory.
Facilities Maintenance	1/2-Ton Extended Cab Truck	\$55,000	Unit #421 is a 2011 truck with 73,000 miles. Unit is aging but still useful. Replacement will allow existing unit to replenish spare vehicle fleet.
Engineering	1/2-Ton Crew Cab 4x4 Pickup Truck	\$60,000	New Senior Inspector position requires a pickup truck for travel to/within jobsites

One additional Pickup Truck that was not budgeted is needed for the Customer Service to replace a vehicle that was totaled in an accident. Funds received from insurance disbursements will be applied toward the replacement purchase.

An advertisement soliciting bids for the above listed pickup trucks was duly posted in accordance to purchasing statutes. Sealed bids were received and opened on November 10, 2023, at 2:00 pm. One bid was received as tabulated below. The unit and total bid amounts for these vehicles are under budget.

Vendor	Vehicle	Unit Price	Fee	Total Bid	Est. Delivery
Sames Harlingen Ford	2023 1/2-Ton Truck V8	\$34,510.00	\$183.75	\$34,693.75	Immediate Availability
	2023 1/2-Ton Truck V6	\$31,675.00	\$183.75	\$31,858.75	Immediate Availability
	2023 1/2-Ton Truck V8 Super Cab (Qty 2)	\$40,275.00	\$183.75	\$80,917.75	Immediate Availability

Sames did not submit a bid for light duty pickup trucks solicited for the laboratory; however, a proposal was solicited and received from Grapevine Dodge Chrysler Jeep of Grapevine, TX for the light duty trucks as well as all other vehicles requested based on BuyBoard Contract 601-19 as summarized in the table below. Sames' total proposal amount is under budget.

Vendor	Vehicle	Price	Fee	Total	Est. Delivery
Grapevine Dodge Chrysler Jeep	2023 1/2-Ton Truck V6 Quad Cab	\$38,253.00	\$400	\$38,653.00	In Transit
	2023 1/2-Ton Truck V8 Crew Cab	\$41,884.00	\$400	\$42,284.00	Immediate Availability
	2023 1/2-Ton Truck V8 Crew Cab	\$46,373.00	\$400	\$46,773.00	Immediate Availability
	2023 1/2-Ton Truck V8 Crew Cab	\$51,504.00	\$400	\$51,904.00	Immediate Availability

Staff recommends award of a purchase contract to Sames Harlingen Ford of Harlingen, Texas for the four (4) vehicles included in its bid for a total amount of \$147,470.25.

Staff also recommends accepting Grapevine Dodge Chrysler Jeep's proposal for three (3) trucks offered via BuyBoard-based proposal in the total amount of \$137,330.00.

RESOLUTION NO. R2324-10

**APPROVING A CONTRACT EXTENSION FOR
MANHOLE REHABILITATION**

WHEREAS, Harlingen Waterworks System has continuing need of construction services for rehabilitation of deteriorating manholes within the wastewater collection system; and

WHEREAS, the Waterworks has contracted with Southern Trenchless Solutions for manhole rehabilitation starting in April 2018 and in each subsequent fiscal year until the present; and

WHEREAS, Southern Trenchless has offered to continue providing construction services for rehabilitation of manholes based on its BuyBoard cooperative purchasing contract unit pricing, and is offering a superior GeoPolymer product at an equivalent price in substitution for the cementitious and epoxy coatings formerly used, as summarized in the table below; and

Item Description	Unit Price
Manhole Bench Rebuild	\$400.00 each
Cementitious Coating*	\$18.00 per square foot
Epoxy Coating*	\$18.00 per square foot
GeoPolymer (<i>substitution for *cementitious and epoxy coatings</i>)	\$36.00 per square foot
Cavity Filling	\$75.00 per cubic foot

WHEREAS, pricing has been determined to be fair and reasonable, and no other local options are known with comparable successful references or established track record with the Waterworks; now, therefore:

BE IT RESOLVED, that the Harlingen Waterworks System Utility Board of Trustees does hereby approve a contract extension to Southern Trenchless Solutions of La Feria, Texas, for manhole rehabilitation based on BuyBoard Contract No. 635-21 unit pricing for a term expiring November 30, 2024.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion Carried _____ Yeas, _____ Nays

I hereby certify the following Resolution was adopted by the Utility Board of Trustees for the Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

RESOLUTION NO. R2324-11

**AWARDING A CONTRACT FOR PURCHASE OF
BACKHOE LOADERS**

WHEREAS, Harlingen Waterworks System has need of one (1) replacement and two (2) additional Backhoe Loaders for replacing a failing unit in the Construction Department frequently out of service for repairs, equipping an additional Construction Department crew dedicated to performing large meter installation upgrades, and providing an additional unit for the Wastewater Collection Department experiencing reduced productivity because of shared use of two units among three crews; and

WHEREAS, one proposal offered under BuyBoard Contract No. 685-22 was received from Doggett Heavy Machinery Services, LLC as summarized in the table below; and

Vendor	Item	Total	Est. Delivery
Doggett Heavy Machinery Services, LLC	410 P-Tier Backhoe Loader Total with Options	\$ 237,751.00	8-10 Months from Date of Order
	Freight, Inspection, fees, and 36 Month Warranty	\$ 8,596.00	
	BuyBoard Contract #685-22 Discounts	\$ 102,100.40	
Total Each		\$144,246.60	
Total Purchase price of Three (3) Backhoe Loaders		\$432,739.80	

WHEREAS, the FY 2023 Budget allocates \$145,000 for the purchase of each Backhoe Loader, and the proposed unit price is below budget for each; and

WHEREAS, Doggett Heavy Machinery Services’ proposal for the Backhoe Loaders has been determined to be fair and reasonable; now, therefore:

BE IT RESOLVED, that Harlingen Waterworks System Utility Board of Trustees does hereby award a contract to Doggett Heavy Machinery Services, LLC of San Juan, TX for the purchase of three (3) Backhoe Loaders in the total amount of \$432,739.80.

Board Member _____ moved, seconded by Board Member _____, that the Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for Harlingen Waterworks System at a Board Meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

RESOLUTION NO. R2324-12

AUTHORIZING A CONTRACT FOR PUBLIC OUTREACH AND COMMUNICATIONS SERVICES RELATED TO RATE SETTING

WHEREAS, Harlingen Waterworks System’s cost of operation has increased significantly since the end of the last rate adjustments implemented in 2014, and additional revenue will soon be required to cover operating expenses, pay for capital asset purchases, fund debt service, and provide funding for capital improvements identified in the Waterworks Capital Improvement Plan; and

WHEREAS, the Harlingen Waterworks System Utility Board of Trustees awarded a contract in May 2023 to provide a comprehensive rate study for the development of a financial plan, analysis of cost of service among the various customer classes, and design of rate adjustments; and

WHEREAS, public outreach and communications support is needed to most effectively communicate the operating, capital, and revenue needs of the Waterworks and any rate adjustments that may be adopted as a result of the rate study; and

WHEREAS, it has been determined that Tripepi Smith, a communication consultant who has extensive public communications experience related to rate studies, has proposed a scope of services that that would effectively meet the public outreach and communications needs of the Waterworks’ ratepayers; and

WHEREAS, a rate study communications plan would be most effectively developed with input from the Utility Board of Trustees and elected officials of the City of Harlingen for a not-to-exceed fee; now, therefore:

BE IT RESOLVED, that the Harlingen Waterworks System Utility Board of Trustees does hereby authorize a contract with Tripepi Smith for public outreach and Communications Services related to rate setting in a total amount not-to-exceed \$30,000.

Board Member _____ moved, seconded by Board Member _____, that the above Resolution be adopted.

Motion carried _____ Yeas, _____ Nays

I hereby certify the foregoing Resolution was adopted by the Utility Board of Trustees for the Harlingen Waterworks System at a Board meeting held on the 29th day of November 2023.

Nilda Sanchez – Board Secretary

MEMORANDUM

To: Utility Board of Trustees of Harlingen Waterworks System
From: Tim Skoglund, P.E. – General Manager
Date: November 27, 2023
Subject: Propsoed Contract for Public Outreach and Communication Services Related to Rate Study

STATEMENT OF ISSUE

Harlingen Waterworks System engaged a consultant in June 2023 to perform a rate study including the evaluation of operating cost of service, capital cost projections, revenue requirements, and the development of rate plan options. High inflation affecting the cost of goods and services, even higher construction costs inflation, and a high volume of capital improvement projects needed to resolve current sewer system capacity deficiencies will require a significant increase in revenues.

Because of the water and sewer rate implications, there will be a significant need for public outreach to adequately communicate the need for many high-cost capital improvements and the operational cost increases that will need to be funded.

During interviews of candidate rate consultants, staff learned that many of the traditional outreach approaches may not be productive, and that utilities often find great value in engaging communications experts who are familiar with the most effective practices for public outreach and engagement.

Our rate study consultant, Willdan Financial Services, has worked extensively with, and recommends engaging, the firm Tripepi Smith to help HWWS and the City of Harlingen in communicating the message about our rate study and the revenue needs that can only be met through rate adjustments.

PROPOSED SERVICES

In response to a request from staff, Tripepi Smith submitted the attached proposal containing qualifications and an example list of services and outreach modes that the firm suggested to support HWWS's rate study.

During an unplanned conversation on the topic, one of the Harlingen City Commissioners indicated to me a strong interest in having a robust public communications effort and recommended emphasizing *Social Media Management and Monitoring* and the *Animated Video* activities of the proposal.

Tripepi Smith noted that they had recently completed a project for a water district with a similar scope, and provided links to examples of its work product:

Animated video (<https://www.youtube.com/watch?v=NaARU8qJk-U>)
Website content (<https://www.delpasomanorwd.org/2023-rate-study>).

Examples of other services the firm can offer include:

Dedicated website (<https://fostercitylevee.org/>)
National publicity (<https://apwa.partica.online/reporter/june-2023/flipbook/36/>)
Animated video (<https://www.youtube.com/watch?v=xllZnkVb8kk>)

Tripepi Smith also recommended translating our capital improvement master plan into simplified graphics and videos that would be easily understood by HWWS ratepayers to help justify and support the adjustments that will ultimately be adopted.

RECOMMENDATION

Given the recent acceleration of the Rate Study into a subject of public meetings, I recommend engaging Tripepi Smith for an amount not to exceed \$30,000 for the development and execution of a communications plan to be designed with the input of the Board of Trustees and Harlingen's elected officials.



TRIPEPI SMITH
marketing • technology • public affairs

Proposal submitted for:
Communications and Marketing Services

HARLINGEN WATERWORKS SYSTEMS

Submission Date: August 2, 2023
VALID FOR 30 DAYS

Submitted By:
Ryder Todd Smith, Co-Founder & President
Jennifer Vaughn, Director





Executive Summary

Thank you for the opportunity to present Harlingen Waterworks Systems a proposal for communication and outreach on potential upcoming rate increases. We've enjoyed a longstanding partnership with Willdan and welcome another opportunity to work together on this project. This proposal offers a brief overview of some suggested outreach tools along with the breadth of Tripepi Smith's services remaining available as needed.

Tripepi Smith is a team of over 50 communication experts—robust enough to offer experienced and effective professionals for the job, yet small enough to be nimble and responsive. We offer a spectrum of skills that allow us to match the appropriate resource to the task at hand, letting us execute faster and reduce engagement costs. These resources vary by both years of experience and core hard skills (graphic design versus videography versus writing versus social media, for example). The result: we have an ability to tell a complete story across mediums, all within our one team.

We look forward to the opportunity to assist Harlingen Waterworks in engaging with residents and businesses regarding the essential infrastructure investments required to foster a thriving and resilient community.

Respectfully,

Ryder Todd Smith
Co-Founder & President
Tripepi Smith & Associates, Inc.
PO Box 52152, Irvine, CA 92619
(626) 536-2173 • ryder@tripepismith.com



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Tripepi Smith Testimonial

“ Being transparent about water quality with our residents and addressing their questions is important to the City of Lomita. Tripepi Smith brought technical skills and an understanding of water policy in California to the table that enabled the City to complete the website in less than four weeks.

Tripepi Smith offered a quick single-stop solution to the City’s needs, and they were a great partner to us.



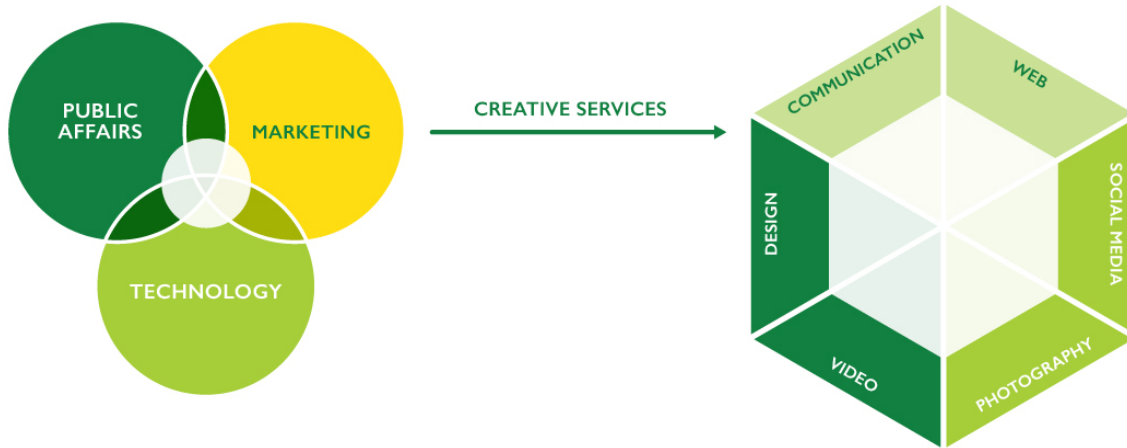
Ryan Smoot
City Manager, Lomita





COMPANY OVERVIEW

Tripepi Smith excels at public affairs. We work in a complex environment where successful communications go hand-in-hand with marketing and technical expertise. As a full-service public affairs and creative services firm, Tripepi Smith delivers strategy, outreach and design tailored for local government, public agencies, nonprofits and private companies—each strongly represented in our client list.



At Tripepi Smith, experienced Directors and Analysts drive strategy and implement messaging. Full-time creative professionals generate compelling branding, websites, design, social media, photography and video. The collaboration between Creative Services and Analysts keeps communications engaging and on-message, and a diversity of skillsets and expertise allows Tripepi Smith to offer clients exactly the level of service they need.

Additionally, printing, niche website development needs or for mailing, we may use subcontractors. These are often determined at the time of the need, so it is difficult to predict who that will be. However, here is a list of potential firms or people we routinely subcontract with:

- **InfoSend** – Print and Mail House Services
- **DLS Printer Services** – High-end Printing for Collateral
- **Emily Baker** – Voiceover Work



Grounded in civic affairs: Co-founder and CFO Nicole Smith is a 2nd-generation civic affairs professional (her father was a city manager for 30 years). Meanwhile, co-founder and president of Tripepi Smith, Ryder Todd Smith, brings over a decade of public agency marketing and communications experience to the table. Legal Structure and Financial Matters
Tripepi Smith is a California S Corporation. Ownership is equally split between Co-Founders Nicole D. Smith and Ryder Todd Smith. Tripepi Smith has been incorporated since 2002 and has generated a profit every year it has been in operation. We have never had a legal claim filed against us and have never failed to fulfill a contract commitment.

Implementing Strategy and Engaging Audiences

Tripepi Smith recognizes the important interplay of public affairs and design. It's about presenting ideas that advance communities and public institutions. An important corollary to this is providing the creative services that can build materials to engage audiences and make ideas resonate. Tripepi Smith's multi-faceted design team enables us to reach these goals and lead effective creative strategy.

Strategic

Tripepi Smith is a provider of technology, communications and public affairs services. We leverage our skills and experiences in each of these areas to deliver efficient, technologically driven communication solutions that reflect our deep understanding of local government. Our team has a strong record of working with public agencies, joint powers authorities and not-for-profit organizations to better engage and connect with their stakeholders and community.

Creative

Tripepi Smith's creative professionals have worked with public and private clients on imagery, colors and graphic design in an array of projects. Our firm offers creative services that address not only traditional media such as print, websites, logo design and advertising but also non-traditional marketing services around email campaigns, social media, blogging, SEO, video production and more. This integrated approach to content development makes the process more efficient and more effective for clients.

Content x Distribution = IMPACT

Tripepi Smith was born in the digital era and brings significant technical skills to the table. Members of our team carry technical certifications in Hootsuite Social Media Marketing, Facebook Blueprint, Google

Tripepi Smith Testimonial

“ Thanks to Tripepi Smith, we've made significant strides in our outreach. In four years, we've achieved several milestones with the team.

Tripepi Smith fully immerses themselves in our situations to get a clear understanding of the developments and challenges that the Paramount community faces. They then provide input and recommendations which I have found to be immensely valuable for our City's communication efforts. The team at Tripepi Smith have truly become a valued partner in our City's ongoing success.

”

John Moreno
City Manager, Paramount



“...solutions that reflect our deep understanding of local government.”



Advertising, Google Analytics and Twitter Flight School, among others. We take digital platforms seriously and recognize how *critical* it is to not only develop great visuals and messaging, but to ensure the audiences we want to reach *actually see* that content. Without content distribution, there is no impact.



Our Full Set of Services

Strategy, Marketing, Communications

- Strategic development, research, surveys, messaging
- Social media management
- Web and social media strategy, optimization (SEO), metrics
- Web hosting and support
- Email campaigns
- Relations (media, stakeholders, public, government)
- Support and training for events, presentations and virtual gatherings
- Google AdWords, LinkedIn and Facebook advertising

Creative Services

- Full-service graphic design for digital, print and outdoor
- Brand and logo development
- Content generation, writing and editorial
- Output services (digital distribution, print management, mail management)
- Photography, illustration and information graphics
- Video and animation
- Web design and implementation



Client Roster

Triepi Smith has been selected to work with over 200 local government agencies to help with their communications. Notable agencies listed below:

- Costa Mesa Sanitary District
- Santa Clarita Valley Water Agency
- Rowland Water District
- Palmdale Water District
- Del Paso Manor Water District
- Water Replenishment District
- Citrus Heights Water District
- Inland Empire Utilities Agency
- El Toro Water District
- City of Lomita (Water Communications)
- City of Manteca (Water Conservation Outreach)
- City of Oxnard Water Utility
- Orange County Sanitation District
- South Orange County Wastewater Authority

Work Samples

We encourage you to see all the work we have done for clients through our online portfolio at <https://www.triepismith.com/work>



Team Tripepi Smith – Org Chart

You can learn more about our individual backgrounds and qualifications at <https://www.tripepismith.com/our-team>.

Ryder Todd Smith
Co-founder & President

Nicole Smith
Co-founder & CFO

CREATIVE SERVICES	Katherine Griffiths, APR Principal, Editorial Lead	Jennifer Nentwig, APR Principal	Jon Barilone Principal	
	Kevin Bostwick Creative Director	Cameron Grimm Director	Jennifer Vaughn Director	Amy Conrad Director
	Kjerstin Wingert Sr. Designer, Photography	Melanie James Sr. Analyst, Web, Design, Video	Saara Lampwalla Sr. Business Analyst	Karen Villaseñor Sr. Business Analyst
	Sara Madsen Sr. Analyst, Web, Design	Nolan Voge Bus. Analyst, Video, Photo	Kaitlyn Wu Sr. Business Analyst	Sydni Overly Sr. Business Analyst
	Josh Hernandez Jr. Analyst, Video	Jenni Wechsler Jr. Analyst, Design	Allison Torres Business Analyst	Kaetlyn Hernandez Business Analyst
	Sophie Doane Jr. Analyst, Design	John Balliet Jr. Analyst, Video	Kevork Kurdoghlian Business Analyst	Cailyn Thompson Business Analyst
	Ethan De La Peña Jr. Analyst, Video	Audrin Baghaie Jr. Analyst, Video	Charlie Mounts Business Analyst	Kalee Cummings Business Analyst
	Tristan Thompson Jr. Analyst, Video	Daniel Ceruti Jr. Analyst, Video	Kylie Sun Business Analyst	Melanie Moore Business Analyst
Skyler Addison Business Analyst	Peter Johnson Business Analyst	Kayla Cao Jr. Business Analyst	Amy Gallagher Jr. Business Analyst	
Morgan Mock Jr. Business Analyst	Alyson Nichols Jr. Business Analyst	Amanda Avery Jr. Business Analyst	Kendall Lowery Jr. Business Analyst	
Sophia Silane Jr. Business Analyst	Noelle Feaster Jr. Business Analyst	Madeline Pettit Jr. Business Analyst	Mackenna Morrice Jr. Business Analyst	
Maximilian Weirauch Jr. Web Developer	Abigail Wolf Jr. Business Analyst	Cole Williams Jr. Business Analyst	Devin Antonio Jr. Business Analyst	
Mia Valenzuela Jr. Business Analyst	Olivia Rizzuto Jr. Business Analyst	Jacob Lyle Jr. Business Analyst	Madison Garra Jr. Business Analyst	
Sarah Klem Jr. Business Analyst				



PROJECT APPROACH

The service will be provided on a Time & Materials basis, billed in the nearest fifteen-minute increment, using the rates for 2023/2024 (listed below for reference). Below is a list of the typical services we offer for education/outreach campaigns; HWWS would advise on the degree to which we provide these services and the timeframe. These estimates cover a 5-month period.

Cost Estimates for Ad Hoc Work

Activity	Price	Notes
Project Management	\$7,340	Including agendized Check-In Calls: every-other-week, up to 60 minutes each for 5 months.
Strategic Messaging/Talking Points	\$2,280	Including talking points for HWWS officials, FAQs, and similar messaging.
Website Updates	\$1,620	Advising on webpage development and content improvements when requested.
Social Media Management & Monitoring	\$3,385	Providing all content production, including graphic design and publishing 4 posts. Monitoring and responding to relevant comments, mentions, messages, etc.
Media Engagement	\$450/press release	Tripepi Smith can author and distribute press releases and/or answer relevant inquiries.
Digital Ad Creation, Placement & Management	\$1,040	Providing content production, including graphic design. HWWS will directly pay any digital placement fees.
Informational Mailer	\$3,330	Tripepi Smith will design with content provided by HWWS. Includes 2 drafts and final version.
Animated Video	\$5,420	Includes voiceover, captions and stock media, such as music instrumental tracks.
Infographic	\$3,840	Tripepi Smith will design with content provided by HWWS.



Time & Materials Billing

Time at Tripepi Smith is billed in 15-minute increments – i.e. we invoice our time in the following examples: 1.25, 0.75, 4.0 or 6.5 hours. This work will be invoiced at the end of the month in which the work was done. Terms are net 30 days.

Annual Increase

Tripepi Smith will increase the hourly rates for all resources by five percent (5%) or the [national BLS Consumer Price Index](#) — whichever is higher — each year on the anniversary of the contract, starting on the first anniversary of any contract when the contract duration is longer than one year. Otherwise, new rates will be negotiated with each new contract renewal period.

Hourly Rates for FY 2023-24

	Hourly - Standard
Principal	\$350
Director	\$240
Art/Creative Director	\$240
Senior Business Analyst	\$190
Business Analyst	\$130
Junior Business Analyst	\$105
Senior Videographer/Animator	\$190
Senior Photographer	\$160
Videographer/Photographer	\$120
Senior Graphic Designer	\$175
Graphic Designer	\$120
Junior Graphic Designer	\$105
Web Developer	\$195
Drone Operator	\$195

Other Costs

Because Tripepi Smith offers a broad set of services, including extensive content production, we have some other content production-related fees that may come up during our engagement that we want to tell you about.



Media Intelligence Services

As media and technology constantly evolve, organizations are trying to find the latest and greatest ways of staying ahead of the news cycle.

Enter Meltwater, an enterprise-class media monitoring tool that uses complex search functions to scan news outlets and social media for mentions of your organization, delivering findings straight to your inbox. Our team of Meltwater experts turned all the tool has to offer into a set of media intelligence services designed to take your communication to the next level. Our media intelligence services can help with:

- Crisis Communications
- Social Media Monitoring
- Media Monitoring
- Media Relations
- Media Data & Analytic Reporting
- Market Research

	BASIC PACKAGE	EXTENSIVE PACKAGE
Monthly Cost	\$495	\$825
Custom Content Streams – News	1	3
Custom Content Streams – Social Media	1	3
Automated Media Digest Frequency	Weekly	Daily
Analytics Dashboard Frequency	Monthly	Weekly

Travel Costs

Travel costs must be pre-authorized and then will be reimbursed by the City for any requested travel. Travel costs to be covered are for airfare, lodging and car rental. If Tripepi Smith is requested to be onsite, we will invoice for travel time at half rate of the resource’s applicable Hourly Rate.

Service Fees

	Client Pays Directly	Client Reimburses TS
Print costs, digital advertising, media placement, voiceover/captions	No Fees	10%

Typically, Tripepi Smith prefers to have service providers bill the client directly to avoid additional administrative costs and because we have no economic interest in the service provider selection. If Tripepi Smith is asked to pay the bill for the client, we will apply a ten percent (10%) agency fee to the reimbursement expense. Typical services include, but are not limited to:



Print Costs: Tripepi Smith is happy to use a printer of the client’s choosing for print production work, or to recommend a printer with whom we have experience.

Digital Advertising: Tripepi Smith is a Google Partner and Constant Contact Solution Provider and has Facebook Certified staff. We consider digital platforms to be a cornerstone element of any outreach strategy; often this comes with digital advertising fees.

Media Placement: Tripepi Smith can help liaise on behalf of the City for advertising space within various mediums, such as newspapers, magazines or websites.

Voiceover, Translation and Closed Caption Fees: Tripepi Smith occasionally uses third-party resources to record voiceovers for videos, generate closed captions for videos, and for non-English language translations.

Tripepi Smith Partnership Discounts

Tripepi Smith has financial interest in certain related entities. These partnerships allow Tripepi Smith to offer clients extra media reach or additional services at partner pricing. Partnerships include:

FlashVote

- planning, implementing, measuring civic surveys
<https://www.flashvote.com>

TS Talent Solutions

- talent search services for local government and related agencies
<https://tstalentsolutions.com>

Top Customers by Revenue – October 2023

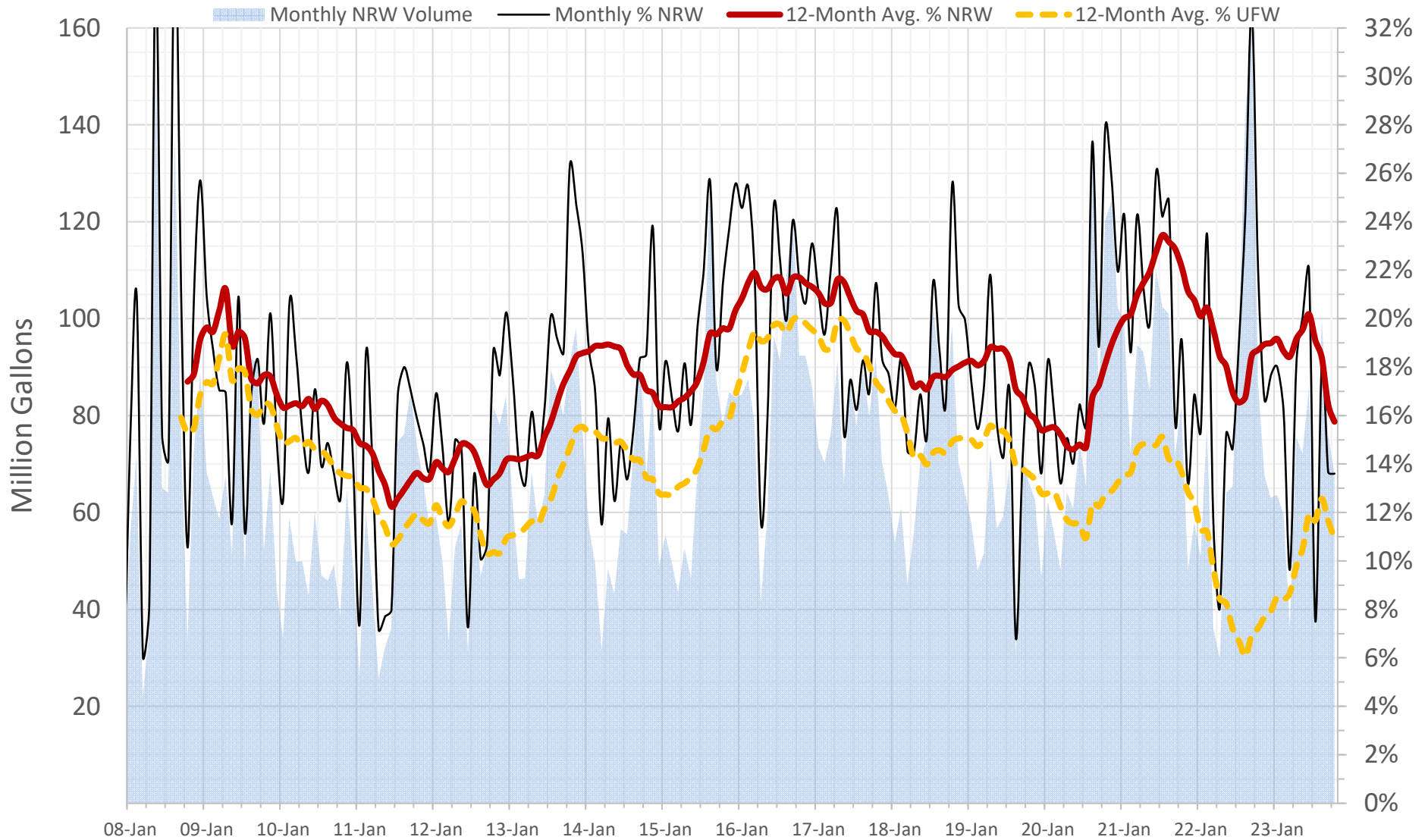
Account Name	Rank	Rank Change	Total Water Gallons	Meter Count	Avg. Water Per Meter	Total Sewer Gallons	Total Revenue
H C I S D	1	0	16,078,700	138	116,512	5,636,700	\$ 54,231
City of Harlingen	2	1	12,045,200	153	78,727	3,546,400	\$ 37,964
Valley Baptist Medical Center	3	-1	7,171,000	38	188,711	5,686,000	\$ 35,211
City of Primera	4	1	12,954,300	1	12,954,300	7,204,000	\$ 33,588
City of Combes	5	1	8,509,300	6	1,418,217	5,680,300	\$ 29,740
City of Palm Valley	6	-2	16,515,500	2	8,257,750	-	\$ 28,242
Military Water Supply Corp.	7	1	9,708,000	1	9,708,000	-	\$ 16,701
Texas Industrial Service	8	1	2,924,800	2	1,462,400	2,883,000	\$ 16,128
PC Highland Gardens, LP	9	1	2,639,900	4	659,975	2,623,700	\$ 15,038
T. S. T. C.	10	2	3,775,100	44	85,798	1,431,800	\$ 13,632
Harlingen Medical Center	11	0	2,780,000	10	278,000	2,205,000	\$ 13,411
Valley International Airport	12	10	3,879,800	26	149,223	676,100	\$ 10,085
Paradise Park	13	0	1,675,700	3	558,567	1,431,200	\$ 8,766
Reddy Ice Corporation	14	1	1,590,300	2	795,150	1,590,300	\$ 8,754
RAYBEC	15	1	1,561,400	2	780,700	1,561,400	\$ 8,635
Valley Baptist Missions	16	-9	1,424,500	4	356,125	1,424,500	\$ 8,389
Vantage at Harlingen	17	3	1,401,200	5	280,240	1,391,400	\$ 7,808
Marine Academy	18	1	1,275,100	2	637,550	1,275,100	\$ 7,554
Sundance Apartments	19	-5	1,268,100	5	253,620	1,200,300	\$ 7,341
Toreros Investments V LLC	20	-2	1,224,000	2	612,000	1,224,000	\$ 7,274
Mexican Snacks, Inc	21		1,710,767	2	855,384	1,625,134	\$ 6,465
Idea Public Schools	22		2,282,900	5	456,580	97,600	\$ 6,386
Camelot Village LLC	23		1,146,300	42	27,293	935,200	\$ 6,180
East Rio Hondo Water Supply	24	6	3,565,432	1	3,565,432	-	\$ 6,097
Valco Chem. Co.	25	1	1,068,500	3	356,167	1,068,500	\$ 5,986
The University of Texas Rio Grande Valley	26	-3	1,911,700	14	136,550	583,300	\$ 5,976
Blue Wave Harrison, (TXST-03)	27	-2	1,071,200	2	535,600	1,020,300	\$ 5,747
Boyer Harlingen L.C.	28	-7	1,090,200	6	181,700	908,600	\$ 5,547
Cornerstone Apartment Homes LLC	29		1,045,000	16	65,313	693,700	\$ 5,239
Windsor Nursing and Rehabilitation Center	30	-3	1,354,300	2	677,150	718,100	\$ 5,115
Willow Ridge 168, LLC	31		918,100	1	918,100	918,100	\$ 5,090
Sierra Apartments	32	-4	912,100	2	456,050	912,100	\$ 5,077
Park Place Estates, Inc	33	-9	871,500	3	290,500	871,500	\$ 4,952
Santiago Healthcare, INC	34		893,200	4	223,300	831,400	\$ 4,845
CPLC Texas Affordable Housing, LLC	35		816,200	8	102,025	816,200	\$ 4,828

WATER LOSS ANALYSIS

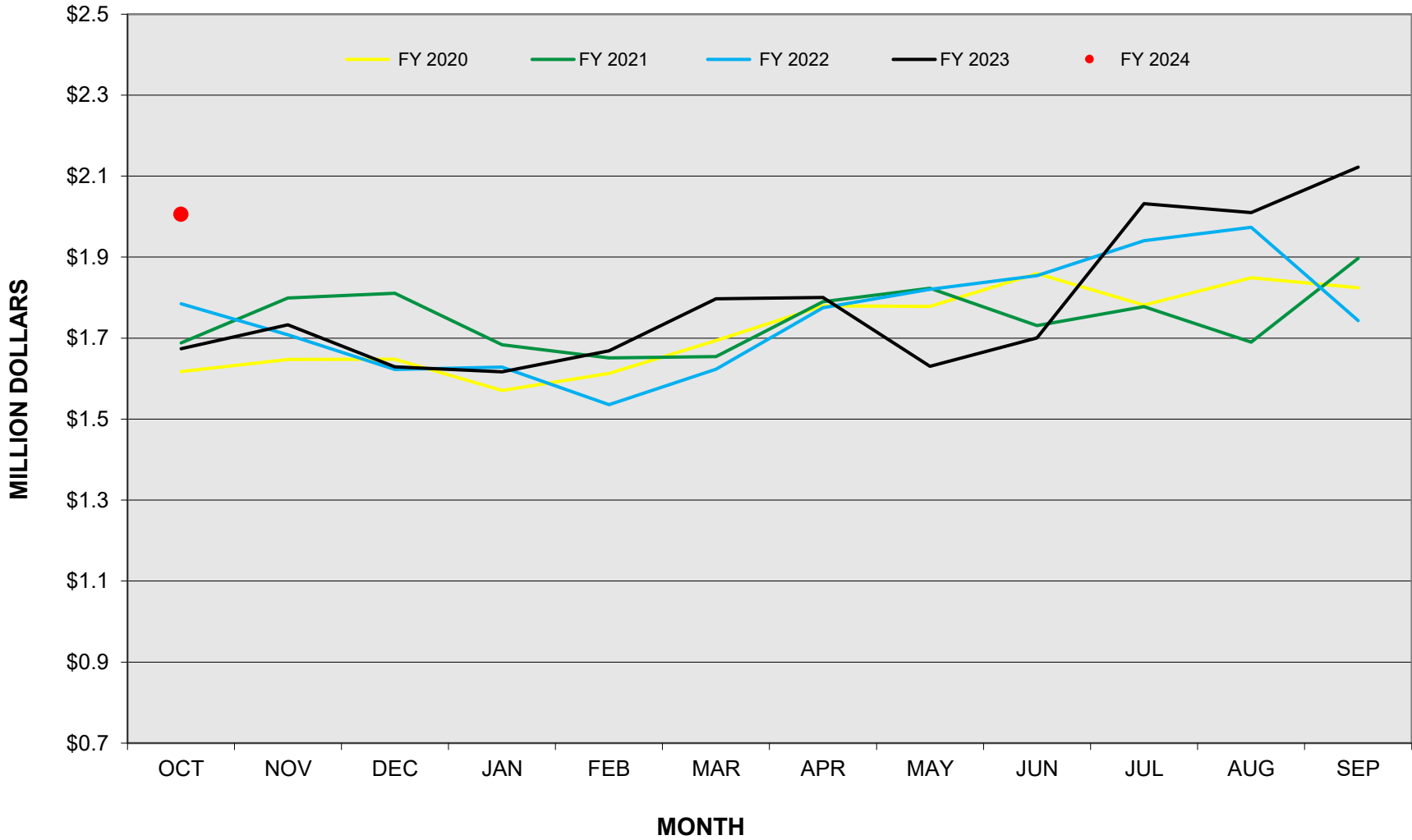
(in million gallons)

WATER	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23
Plant Pumping (60-day avg)	397.7	385.5	358.8	344.2	359.2	393.8	402.4	366.6	373.9	454.6	544.0
- Retail Volume	258.5	299.2	255.3	246.6	267.9	292.2	305.3	247.1	263.2	379.2	391.4
- Wholesale Volume	47.9	39.1	38.3	43.3	39.9	47.4	35.9	40.3	42.6	56.7	58.3
- Flushing	22.0	23.7	22.2	21.1	16.1	17.6	14.7	16.1	22.0	25.0	25.6
= Unaccounted Water	69.4	23.6	43.0	33.1	35.3	36.6	46.4	63.2	46.0	-6.4	68.7
Monthly %	17%	6%	12%	10%	10%	9%	12%	17%	12%	-1%	13%
12-Month Average %	7.4%	7.3%	7.6%	7.8%	7.6%	7.7%	8.3%	8.9%	10.0%	9.3%	11.1%
Non-Revenue Water	91.4	47.2	65.1	54.3	51.4	54.2	61.1	79.2	68.0	18.6	94.3
Monthly %	23%	12%	18%	16%	14%	14%	15%	22%	18%	4%	17%
12-Month Average %	18.7%	18.5%	18.6%	18.6%	17.9%	17.7%	18.0%	18.4%	18.7%	17.2%	16.9%

Non-Revenue (NRW) & Unaccounted-For Water (UFW)



Billed Water & Sewer

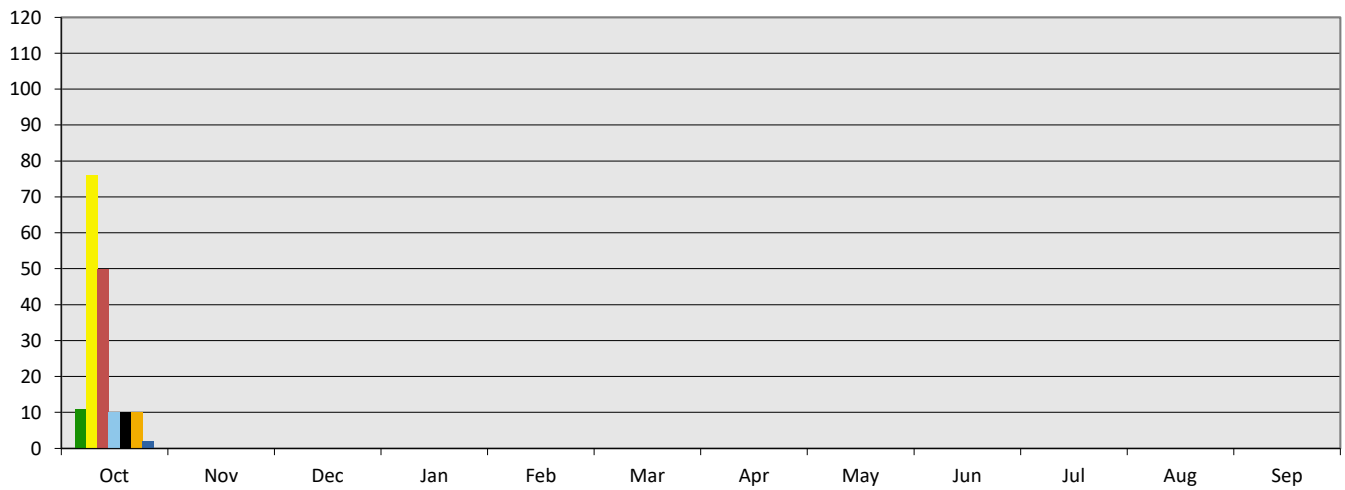


FY 2024 SEWER OPERATIONS

Operations Events

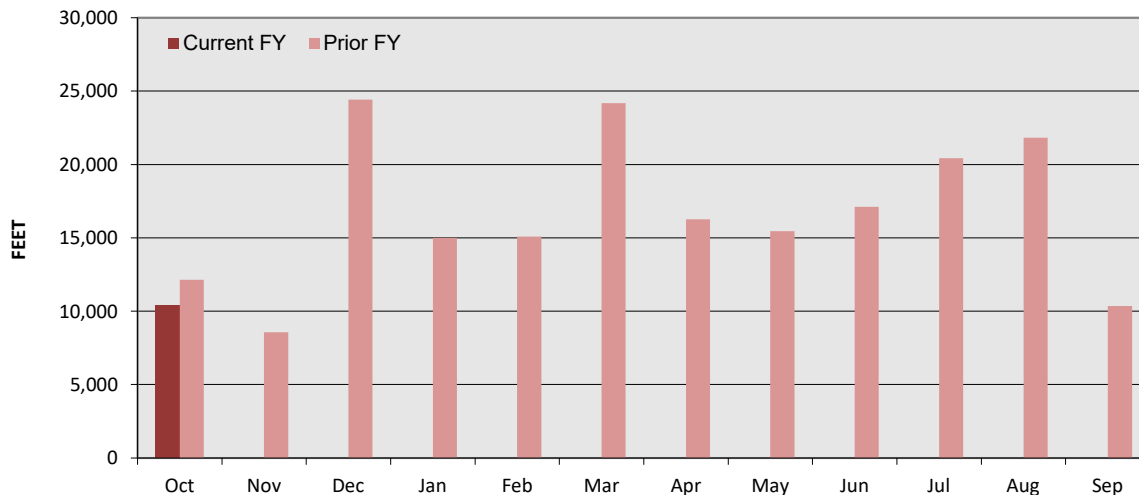
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FYTD
Lift Station Alarms & Maint.	11												11
Manhole & Mainline Maint.	76												76
Sewer Backup	50												50
Sewer Odor Complaints	10												10
Washdowns	4												4
Miscellaneous	10												10
Sewer Taps	10												10
Cust. Svc. TV/Inspection	2												2
Electrical Maintenance	50												50
TOTALS	223	-	-	-	-	-	-	-	-	-	-	-	223

■ Lift Station Alarms & Maint.
 ■ Manhole & Mainline Maint.
 ■ Sewer Backup
 ■ Sewer Odor Complaints
 ■ Miscellaneous
 ■ Sewer Taps
 ■ Cust. Svc. TV/Inspection



Length of Sewer Lines Tested, Cleaned & Maintained (feet)

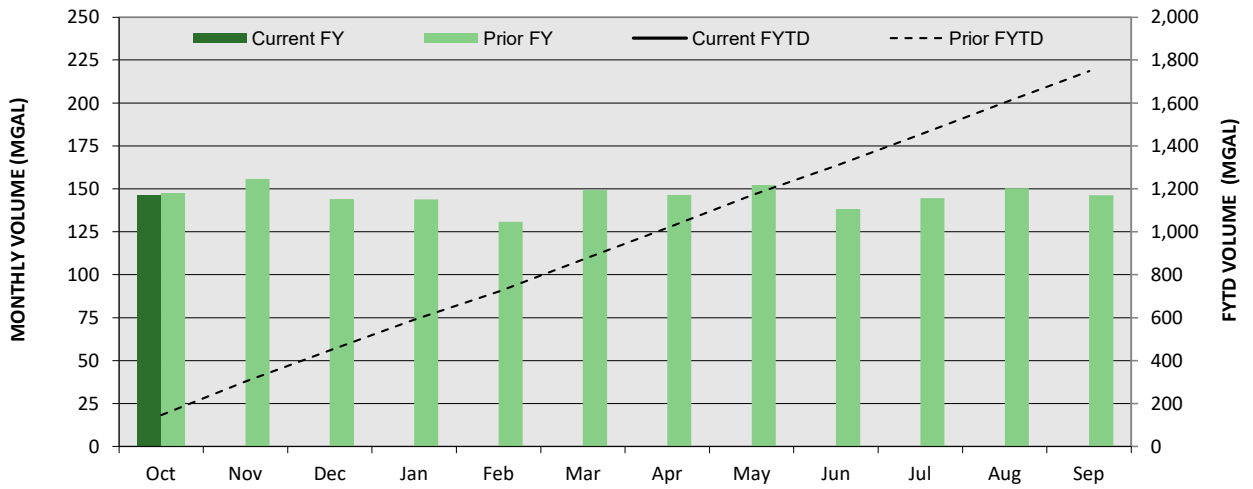
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FYTD
Current FY	10,376												10,376



FY 2024 WASTEWATER TREATMENT, REUSE, SLUDGE

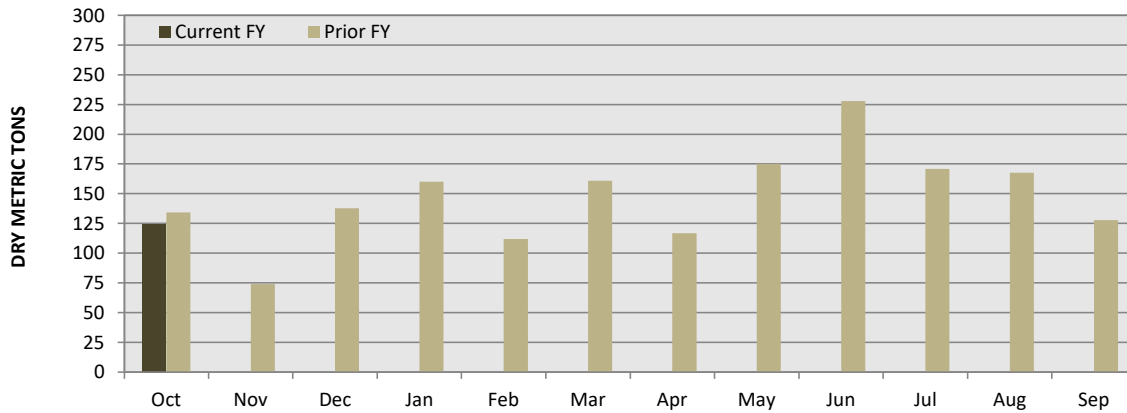
Wastewater Treated

(million gallons)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FYTD
Discharge to Arroyo	133												133
Total Reclaimed Water	13.3												13
Treasure Hills GC	7.9												7.9
Ramsey Park	0.8												0.8
Soccer Complex	2.8												2.8
Plant Reuse	1.8												1.8
Monthly Total	147												
FYTD	147												



Sludge Production

(dry metric tons)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FYTD
Current FY	124.4												124



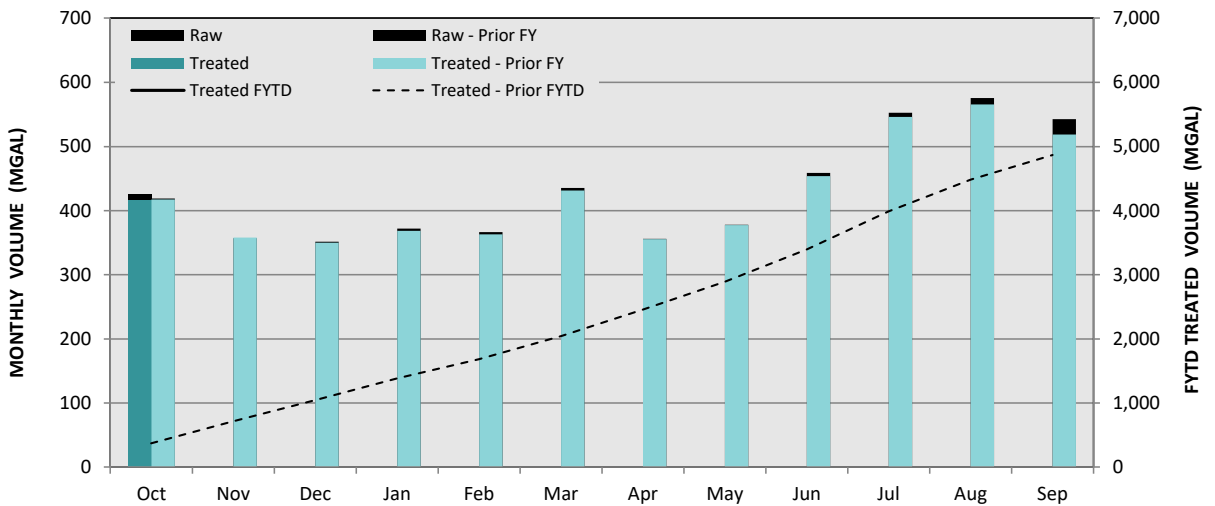
FY 2024 WATER PUMPAGE & WEATHER

Raw Water

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Monthly Total (mgal)	426	-	-	-	-	-	-	-	-	-	-	-
Daily Average	13.7	-	-	-	-	-	-	-	-	-	-	-
Max Day	15.9	-	-	-	-	-	-	-	-	-	-	-
FYTD	426											

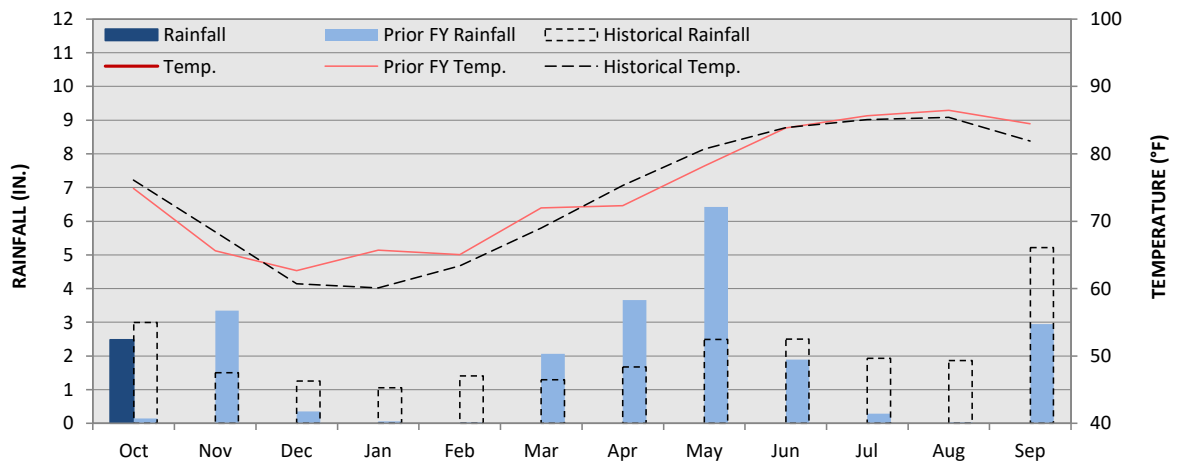
Treated Water

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Monthly Total (mgal)	416	-	-	-	-	-	-	-	-	-	-	-
Daily Average	13.4	-	-	-	-	-	-	-	-	-	-	-
Max Day	15.0	-	-	-	-	-	-	-	-	-	-	-
FYTD	416											



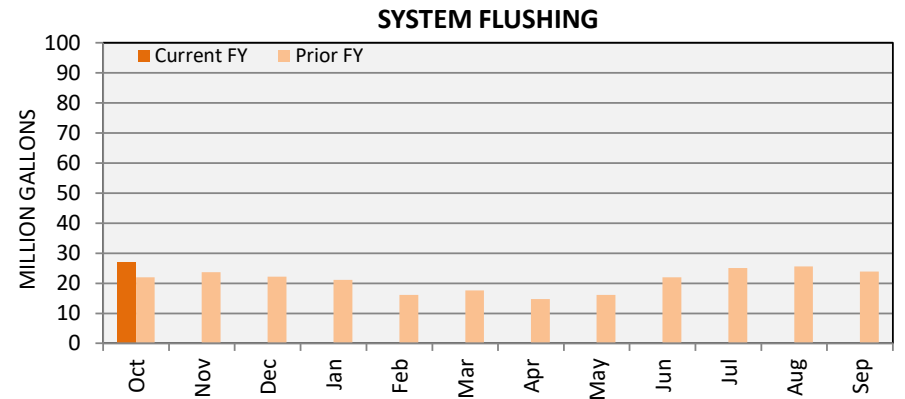
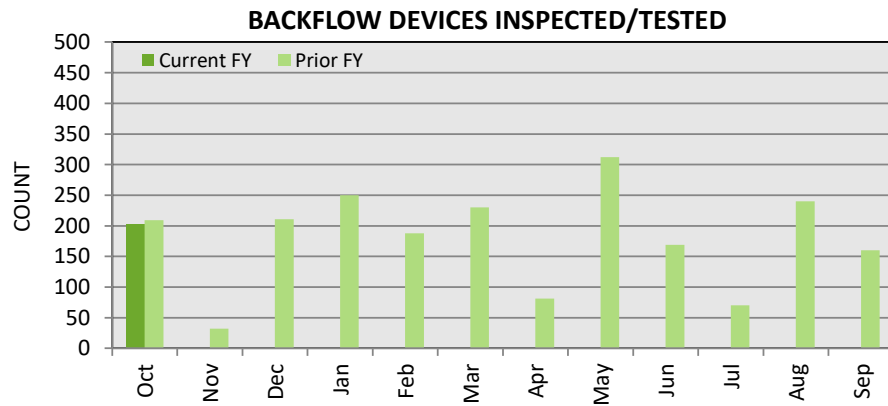
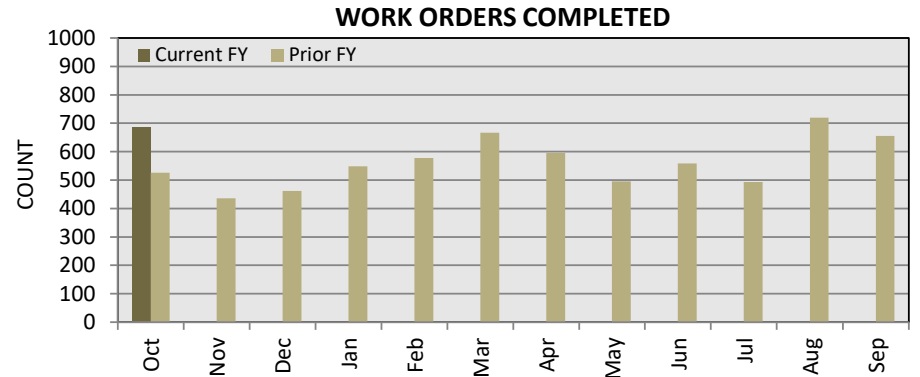
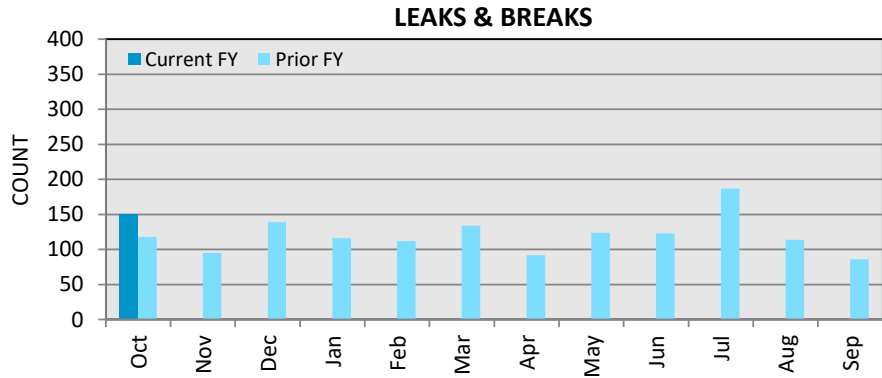
Weather

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FYTD
Rainfall (in.)	2.48												2.5
Historical Rainfall	2.99	1.50	1.26	1.06	1.41	1.29	1.67	2.49	2.50	1.93	1.86	5.22	25.2
Average Temp. (°F)	75.0												75.0
Historical Avg. Temp.	76.1	68.4	60.7	60.1	63.4	69.0	75.3	80.7	83.9	85.1	85.4	81.9	76.1



FY 2024 WATER DISTRIBUTION OPERATIONS

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Leaks & Breaks	151											
Work Orders Completed	686											
New Meters Installed	6											
Water Taps	6											
Backflow Devices Inspected/Tested	203											
Hydrants Flushed	104											
Flushed Water (mgal)	27.0											
Hydrant Count	2,747											



FY 2024 Customer Service Operations

Customer Service Representatives

Description	FY21	FY22	FY23	FY23	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Connects Taken in CS	3,704	3,419	3,282	295	295											
Disconnects Taken in CS	3,412	3,230	3,137	272	272											
Accounts Billed	326,245	331,282	333,006	27,874	27,874											
Past Due Notices Issued	156,034	88,471	80,174	8,315	8,315											
Emails Handled	7,498	8,859	17,606	2,387	2,387											
Returned Items	228	591	534	67	67											
Phone Calls Handled	128,697	102,329	109,648	8,553	8,553											

Service Technicians

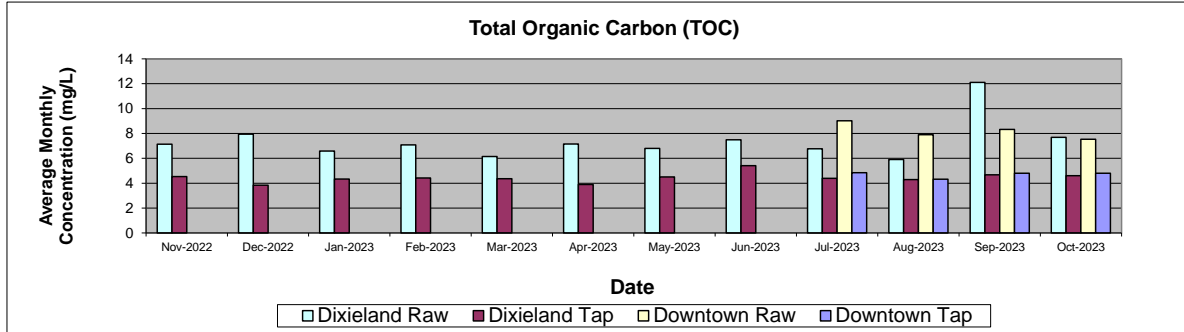
Description	FY21	FY22	FY23	FY23	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Connects	3,784	3,419	3,282	295	295											
Disconnects	3,412	3,230	3,137	272	272											
Non Pay Cut Offs	6,148	5,858	5,408	587	587											
Non Pay Reconnects	4,920	4,773	3,964	465	465											
After Hours Calls	217	298	254	20	20											
Meter Installs	301	300	293	30	30											
Bullhead Taps	42	59	45	8	8											
Meter Changes	691	1,135	506	61	61											
General Work Orders	2,746	4,089	3,518	468	468											
Meters Read	356,294	360,909	367,443	30,531	30,531											

Cashiers/Payment Analysis

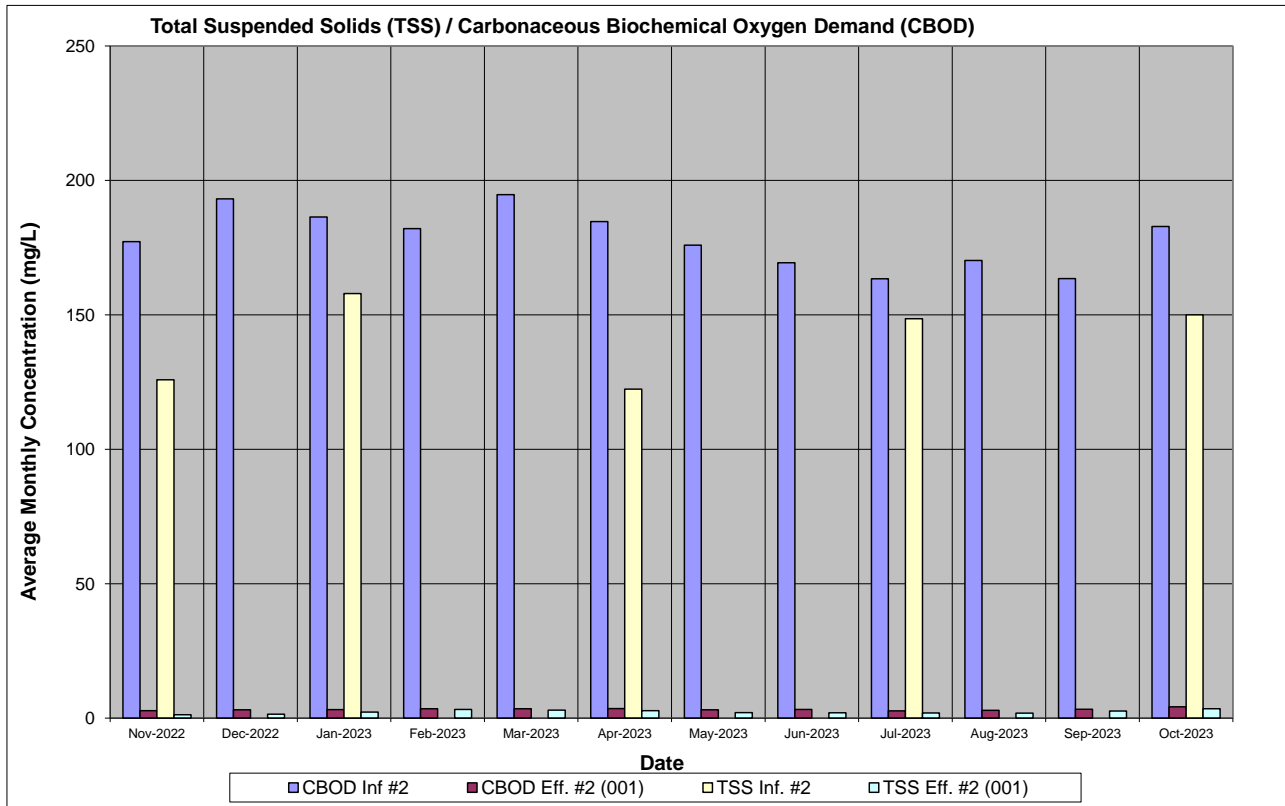
Description	FY21	FY22	FY23	FY23	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	%
Cash	52,041	49,869	46,286	3,557	3,557												14.2
Checks	39,312	37,154	34,450	2,776	2,776												11.1
Kiosks	-	-	-	-	-												0.0
Onlines	61,760	76,425	91,380	7,809	7,809												31.1
Phone System IVR	30,673	30,344	28,505	2,372	2,372												9.4
Mail/Drop Box	30,616	23,968	21,933	1,491	1,491												5.9
Bank Drafts	51,028	53,207	54,902	4,621	4,621												18.4
Fiserv	25,529	23,147	21,633	1,650	1,650												6.6
Credit Cards in Office	7,080	7,605	8,769	794	794												3.2
Wire Transfers	422	588	524	52	52												0.2
Payments Taken	298,461	302,307	308,382	25,122	25,122												100.0

Environmental Compliance Division

Client Samples Analyzed Each Month												
	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023
TOC	2	2	2	2	4	2	2	6	6	12	6	5
CBOD	44	49	50	44	49	51	47	49	47	47	45	50
TSS	34	31	33	28	32	28	33	29	33	32	30	35



The above graph shows the reduction in concentration of TOC obtained at both Drinking Water Treatment Plants. TOC describes any organic (carbon containing compounds) in water. TOC is broken down by microorganisms consuming oxygen in the process. At high TOC concentrations, so much oxygen is consumed that other aquatic species cannot survive. Also, drinking water TOC reduction is required when disinfection byproducts such as THMs (trihalomethanes) start to increase.



The above graph shows the reduction in concentration of both TSS and CBOD obtained at WWTP #2 each month.

FY 2024 Activity Report

October

	FY 2023	FY 2023	FY 2024			
Retail Billing	AUG	SEP	OCT	FYTD	PRIOR FYTD	% CHANGE
WATER						
Volume (mgal)	391.4	423.6	380.2	380.2	258.5	47.1%
Charges	\$ 965,452	\$ 1,022,611	\$ 942,529	\$ 942,529	\$ 721,091	30.7%
Base	\$ 262,384	\$ 263,025	\$ 263,434	\$ 263,434	\$ 259,425	1.5%
Fuel	\$ 23,486	\$ 25,429	\$ 22,811	\$ 22,811	\$ 15,504	47.1%
Commodity	\$ 679,581	\$ 734,157	\$ 656,284	\$ 656,284	\$ 446,162	47.1%
SEWER						
Volume (mgal)	200.9	215.4	204.9	204.9	171.6	19.4%
Charges	\$ 928,194	\$ 984,242	\$ 941,607	\$ 941,607	\$ 817,458	15.2%
Base	\$ 171,483	\$ 171,819	\$ 172,364	\$ 172,364	\$ 170,064	1.4%
Fuel	\$ 22,106	\$ 23,721	\$ 22,550	\$ 22,550	\$ 18,881	19.4%
Commodity	\$ 734,604	\$ 788,702	\$ 746,693	\$ 746,693	\$ 628,512	18.8%

Wholesale Billing	AUG	SEP	OCT	FYTD	PRIOR FYTD	% CHANGE
WATER						
Volume (mgal)	58.3	56.9	51.3	51.3	47.9	7.0%
Charges	\$ 98,252	\$ 96,037	\$ 86,484	\$ 86,484	\$ 80,740	7.1%
Combes	\$ 14,794	\$ 14,354	\$ 13,293	\$ 13,293	\$ 15,129	-12.1%
East Rio Hondo	\$ 5,225	\$ 5,130	\$ 6,097	\$ 6,097	\$ 8,419	-27.6%
Palm Valley	\$ 35,512	\$ 35,304	\$ 28,242	\$ 28,242	\$ 26,606	6.1%
Military Highway	\$ 17,161	\$ 16,747	\$ 16,701	\$ 16,701	\$ 8,869	88.3%
Primera	\$ 25,560	\$ 24,502	\$ 22,152	\$ 22,152	\$ 21,717	2.0%
SEWER						
Volume (mgal)	10.4	11.6	12.9	12.9	12.9	0.0%
Charges	\$ 24,878	\$ 25,865	\$ 27,883	\$ 27,883	\$ 28,074	-0.7%
Combes	\$ 17,311	\$ 15,883	\$ 16,447	\$ 16,447	\$ 16,638	-1.1%
East Rio Hondo	\$ -	\$ -	\$ -	\$ -	\$ -	NA
Primera	\$ 7,567	\$ 9,981	\$ 11,436	\$ 11,436	\$ 11,436	0.0%

Total Billing	AUG	SEP	OCT	FYTD	PRIOR FYTD	% CHANGE
Water Volume (mgal)	449.7	480.5	431.4	431.4	306.4	40.8%
Water Charges	\$ 1,063,704	\$ 1,118,647	\$ 1,029,013	\$ 1,029,013	\$ 801,831	28.3%
Sewer Volume (mgal)	211.3	227.0	217.8	217.8	184.5	18.0%
Sewer Charges	\$ 953,072	\$ 1,010,107	\$ 969,491	\$ 969,491	\$ 845,532	14.7%

FY 2024 Activity Report

October

	FY 2023	FY 2023	FY 2024			
Accounts	AUG	SEP	OCT	FYTD*	PRIOR FYTD*	% CHANGE
WATER						
Billed	27,807	27,846	27,879	27,879	27,503	1.4%
ICL	24,454	24,480	24,512	24,512	24,171	1.4%
OCL	3,353	3,366	3,367	3,367	3,332	1.1%
All Meters	30,492	30,526	30,551	30,551	30,182	1.2%
Active	27,704	27,780	27,812	27,812	27,499	1.1%
Inactive	2,788	2,746	2,739	2,739	2,683	2.1%
Sprinkler Meters	2,320	2,330	2,336	2,336	2,285	2.2%
Active	2,046	2,057	2,060	2,060	2,022	1.9%
Inactive	274	273	276	276	263	4.9%
Turnover + New	296	284	295	295	306	-3.6%
Residential	268	268	272	272	255	6.7%
Commercial	28	16	23	23	51	-54.9%
Industrial	0	0	0	0	0	NA
Potential	980	959	1,234	1,234	1,019	21.1%
SEWER						
Billed	21,758	21,799	21,843	21,843	21,529	1.5%
ICL	20,501	20,534	20,580	20,580	20,271	1.5%
OCL	1,257	1,265	1,263	1,263	1,258	0.4%
Total Accounts	22,654	22,697	22,739	22,739	22,486	1.1%
Active	21,791	21,835	21,878	21,878	21,613	1.2%
Inactive	863	862	861	861	873	-1.4%

New Connections	AUG	SEP	OCT	FYTD	PRIOR FYTD	% CHANGE
WATER						
Total	37	26	43	43	33	30.3%
Non-Sprinkler	34	21	36	36	31	16.1%
Sprinkler	3	5	7	7	2	250.0%
Residential	27	16	36	36	29	24.1%
ICL Domestic	24	13	29	29	25	16.0%
ICL Sprinkler	1	1	3	3	0	NA
OCL Domestic	2	2	3	3	4	-25.0%
OCL Sprinkler	0	0	1	1	0	NA
Commercial	10	10	7	7	4	75.0%
ICL Non-Sprinkler	8	6	4	4	1	300.0%
ICL Sprinkler	2	4	3	3	2	50.0%
OCL Non-Sprinkler	0	0	0	0	1	-100.0%
OCL Sprinkler	0	0	0	0	0	NA
SEWER						
Total	30	18	33	33	27	22.2%
ICL Residential	23	14	29	29	25	16.0%
OCL Residential	0	0	0	0	1	-100.0%
ICL Commercial	7	4	4	4	1	300.0%
OCL Commercial	0	0	0	0	0	NA
Septic Tanks	4	3	3	3	4	-25.0%

Miscellaneous	AUG	SEP	OCT	FYTD*	PRIOR FYTD	% CHANGE
Requested Disconnects	273	252	272	272	268	1.5%
Delinquent Disconnects	343	432	587	587	507	15.8%
Penalties Total	\$ 30,227	\$ 26,188	\$ 35,541	\$ 35,541	\$ 22,302	59.4%
Penalties Residential	\$ 26,432	\$ 21,001	\$ 25,037	\$ 25,037	\$ 17,475	43.3%
New Meters Installed	32	24	38	38	27	40.7%
Active Subdivisions	11	11	9	9	9	0.0%



TEMPORARY STAFFING REPORT
October 2023

Temporary Staffing - Water							Hours as of	Billing	Total
PO	Vacancy	Dept	Temp Name	Replacing	Start Date	End Date	End of Month	Rate (\$/hr)	Billing
212487	Building Maintenance	35	Aurelio Meza	Jose A. Rodriguez	9/26/2022	2/10/2023	0	\$ 14.20	\$ -
212486	Groundskeeper	35	Hector Barrios	Jesus Hernandez-Martinez	9/26/2022	11/11/2022	0	\$ 17.04	\$ -
									\$ -
									\$ -
									\$ -
Totals							0		\$ -

**NOTES: Meza hired 2/13/2023

Temporary Staffing - Wastewater							Hours as of	Billing	Total
PO	Vacancy	Dept	Temp Name	Replacing	Start Date	End Date	End of Month	Rate (\$/hr)	Billing
	None								\$ -
									\$ -
									\$ -
									\$ -
									\$ -
Totals							0		\$ -