

Lavaca-Navidad River Authority

Minutes of August 18, 2021 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, August 18, 2021, at 7:30 a.m. in the Board Meeting Room of the Lavaca Navidad River Authority Office Complex, 4631 FM 3131, located approximately seven (7) miles east of Edna, Jackson County, Texas off FM 3131 and was also available through video teleconference. Board members present were Vice President Adelman, Secretary-Treasurer Parker, Directors Aimone, Johs, Kucera, Mitchell, Steffek, Storz, and Taylor. Also present was LNRA Staff: Brzozowski, Anders, Gregory, Martin, Pearson, Terry, Hartl, Sklar, and Crenshaw; and Bill Dugat of Bickerstaff Heath Delgado Acosta LLP. Mike Rivet of Formosa Plastics, Mike Reedy of Freese and Nichols, and Blake Petrash of City of Ganado attended the meeting through video conferencing.

Vice President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Lavaca Regional Water Planning Group Meeting – August 23rd - Noon
- CDPP Review Committee Meeting – August 31st – 11:00 a.m.
- Community Education Center Update
- Sunset Review Update – Self Evaluation Review due September 1st
- Fence Line Maintenance
- Meeting with City of Corpus Christi
- Ganem and Kelly Survey
- Meeting with Judge Sklar regarding truck traffic on spillway

Consent Agenda

Vice President Adelman called for questions or comments to the Consent Agenda items as follows:

1. Consider approval of Board meeting minutes of July 21, 2021 and act as necessary.
2. Consider approval of Board workshop minutes of August 10, 2021 and act as necessary.
3. Consider acceptance of July 2021 financial statements and act as necessary.
4. Consider approval of invoices for payment and act as necessary.

Director Parker moved to approve the Consent Agenda items 1-4 as presented. Director Taylor seconded the motion. Motion passed.

Regular Agenda

Election for Board of Director Officers

Vice President Adelman informed the Board that it was necessary to conduct an election for Board President to replace Kubecka whose term as a Board member expired.

Director Taylor nominated and moved to elect Adelman as Board President. Director Callaway seconded the motion. Motion passed.

Director Steffek nominated and moved to elect Johs as Board Vice President. Director Parker seconded the motion. Motion passed.

Briefing on Board Committee Assignments

Adelman briefed the Board on the proposed Board of Directors Committee assignments. He asked the Board to let him know if they had an interest in serving on a particular committee. An updated copy will be distributed after all positions are filled.

Professional Services Agreement by Black & Veatch

As previously discussed in the July Board meeting, Brzozowski briefed the Board on the Professional Services Agreement from Black & Veatch for regional water planning for the Lavaca Regional Water Planning Group (LRWPG) 2026 Regional Water Plan. All costs associated with the performance of work under the agreement is to be paid through the funding arrangement (contract) with the Texas Water Development Board.

The Board was presented a copy of the agreement for their review.

Director Taylor moved to approve the Professional Services Agreement by Black & Veatch as presented. Director Johs seconded the motion. Motion passed.

Proposed Fiscal Year 2022 Budgets

A Board workshop was held on August 10, 2021 and the Board was briefed and presented copies of the proposed Fiscal Year 2022 budgets (General Fund, Recreation, Clean Rivers Program, Wastewater Treatment Plant, West Delivery System, Mary Rhodes Phase II, and East Delivery System) and Long-Term Capital Expenditures Accrual Plan.

Brzozowski informed the Board that the proposed Fiscal Year 2022 budgets presented today had no revisions from the copies reviewed at the Board workshop.

Director Aimone moved to approve the proposed Fiscal Year 2022 budgets and Capital Improvement Fund allocations as presented. Director Steffek seconded the motion. Motion passed.

Capital Improvement Plan Reallocations

Brzozowski briefed the Board on the proposed Capital Improvement Fund reallocations. The Board was presented a copy of the Capital Expenditures Accrual Plan indicating five (5) years of projected expenditures.

Director Storz moved to approve the proposed Capital Improvement Fund reallocations as presented. Director Kucera seconded the motion. Motion passed.

Proposed Reserve Contingency Fund Expenditures

Brzozowski briefed the Board on the proposed reserve contingency fund expenditures as follows:

Fleet Services Equipment

New Complete Crate Engine (2-year warranty)	\$ 15,736.56
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Unit D8, F-550 mechanic truck lost its engine. The diagnosis is that a glow plug broke and entered the engine, causing the damage. Repair was discussed but replacement with a new complete crate engine is only 5% more and includes a 2-year warranty.

AC Replacement at the Main Event Center and Texana Park Office

\$ 15,000.00

The package AC serving the west electrical room, Jackson Count Fair Board office and spare office need replacement. We plan to use three split units as the replacement.

The blower AC unit at the Texana Park Office needs replacement. The existing unit is a 2002 model. We have previously upgraded the compressor unit outside to the new refrigerant.

In accordance with LNRA BOARD POLICY 304 – PROCUREMENT, bids are solicited for proposed expenditures as applicable.

Director Aimone moved to approve the proposed reserve contingency fund expenditures as presented. Director Johs seconded the motion. Motion passed.

Proposed Capital Improvement Fund Expenditure

Brzozowski briefed the Board on the proposed capital improvement fund expenditure for the asphalt seal coat project.

Bids were solicited for asphalt seal coating of the Main Event Center (MEC) parking lots and around the building. The scope of work includes furnishing equipment, labor, and materials for applying a seal coat to all areas. Management recommends allocating \$72,300 from the Capital Improvement Fund, Roadways, for the project.

Director Parker moved to approve the capital improvement fund expenditure as presented. Director Steffek seconded the motion. Motion passed.

Texana Road Crossing Project

Brzozowski briefed the Board on the Texana Road crossing project. LNRA is working with Freese & Nichols to complete the design of the bridge. We are at a 30% design stage but have determined through geotechnical investigation that the embankment soils are such that additional input is needed.

Our intent is to close Texana Park from December through early March, given the expansion of construction effort likely required, construction timelines could be extended.

Management recommends allowing Freese & Nichols to complete the plans and arrange for an August 2022 bid date. This will allow our Recreation group to better plan for the extended outage and for our Accounting group to secure the funding needed.

LNRA Board Policy 401 Banking & Investment/Resolution

The Board is required under the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE to adopt a Banking and Investment Policy and to review the Policy and investment strategy no less than annually.

Gregory briefed the Board on the LNRA Board Policy 401, Banking and Investment, and related Resolution. No revisions were recommended.

The Board was presented a copy of Policy 401 and related Board Resolution for their review.

Director Taylor moved to approve LNRA Board Policy 401 – Banking and Investment and related Resolution as presented. Director Kucera seconded the motion. Motion passed.

Briefing on Freese & Nichols Work Order No. 38

Brzowski briefed the Board on Freese & Nichols (FNI) Work Order No. 38 for geotechnical investigation as follows:

The geotechnical firm contracted by FNI has compiled the installation of eleven (11) boreholes and have set nine (9) piezometers across the face of the main dam embankment.

Bore hole samples indicate multiple levels of course sandy materials unknown to exist.

Pressures and water levels indicate a gradient counter to the prediction/estimation given by Willowstick's geotechnical works.

FNI and LNRA are considering alternate placement of several piezometers and are evaluating the location and number of test wells.

Briefing on Community Development Partnership Program

Brzowski briefed the Board on the LNRA Community Development Partnership Program (CDPP). Grant applications were due on July 30, 2021. Seven (7) applications were received. The CDPP Review Committee will meet on August 31, 2021 to discuss, review, and recommend grant awards. The Board will consider approval of the Review Committee's recommendations at the September 22, 2021 Board meeting.

Briefing on Lake Texana Yield Enhancement Project

The Board was presented a copy of Freese and Nichols Status Report as of July 1-31, 2021.

Brzowski informed the Board that LNRA engaged a landman to investigate oil and gas related issues associated with the reservoir site property.

A meeting date has been set with the surveyor, Ganem & Kelly, to determine issues related with the survey and the schedule exceptions and associated notations on the survey.

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LNRA's latest communication with Texas Commission on Environmental Quality revealed the Commission is presently on a timeline that would allow them to release a draft permit to LNRA for review and comment as early as December 2021.

The Board meeting adjourned at 8:37 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer