

Lavaca-Navidad River Authority

Minutes of November 17, 2021 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, November 17, 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 President Adelman, Vice President Johs, Secretary-Treasurer Parker, Directors Aimone, Kucera, Mitchell, Parker, Steffek, and Storz. Also present was LNRA Staff: Brzozowski, Anders, Gregory, Martin, Pearson, Terry, Hartl, Sklar, and Crenshaw; Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, Michael Brzozowski and Jeff Vinklarek of TxDOT, and Jessica Coleman of Jackson County Herald Tribune. Mike Rivet of Formosa attended via video teleconference.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Janik Alligators 2021 Report
- City of Corpus Christi Meeting
- Veterans Appreciation Dinner and Texana Chili Spill Update
- Update on Community Education Center
- Community Education Center Grand Opening November 17th (following Board meeting)

Consent Agenda

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

1. Consider approval of Board meeting minutes of October 20, 2021 and act as necessary.
2. Consider acceptance of October 2021 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.
4. Consider approval of proposed budget amendment and act as necessary.

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

Regular Agenda

Security and Vulnerability Testing and Assessment

In accordance with LNRA Policy 700, bids were solicited for the security and vulnerability testing of LNRA's Supervisory Control and Data Acquisition (SCADA) and business environments. The Board was presented a summary of the three (3) bids received.

Management recommends accepting the bid from DataVox in the amount of \$20,102.40. Funds are available in the reserve contingency fund.

Director Taylor moved to approve the bid from DataVox as recommended by LNRA Management. Director Aimone seconded the motion. Motion passed.

LNRA's SCADA Virtualization Project

Brzozowski briefed the Board on LNRA's Supervisory Control and Data Acquisition (SCADA) virtualization project. LNRA's IT department evaluated LNRA's critical services to ensure availability and support system. After a thorough evaluation, IT proposes that we upgrade the server hardware, network switches, and virtualize the operating computers. These changes will enhance security, scalability, and reliability. The manageability of the system will be greatly improved. The new proposed method will allow remote monitoring, single click updating for security, and quick scaling when needed.

Bids were solicited for the new hardware, installation, and migration of each computer to the new VMWare HyperVisor. LNRA IT and Management recommend accepting the bid from DataVox in the amount of \$96,301.75. Funds are available in the West and East Delivery System operating budget.

Director Kucera moved to approve the bid from DataVox as recommended for LNRA's SCADA virtualization project. Director Taylor seconded the motion. Motion passed.

Request for Qualification for Engineering Services

Brzozowski informed the Board that TxDOT had received funding for widening FM 1593 in Calhoun and Jackson County. This TxDOT project will require LNRA to relocate East Water Delivery (EDS) 36" and 54" water transmission pipelines.

LNRA issued a Request for Qualification for engineering services in connection with the relocation of the pipelines. RFQs are due on November 30th. Information and possible recommendation for engineering services firm will be discussed in the December Board meeting.

Brzozowski discussed project impacts to LNRA, project funding and pipeline easement acquisition. Vinklerek of TxDOT briefed the Board on possible funding options and will keep LNRA informed as information is available.

Proposed Inteplast Amendment No. 3 and Restated Water Contract

Brzozowski reminded the Board that the water supply contract by and between LNRA and Inteplast Corporation expires on October 21, 2022.

Dugat briefed the Board on the proposed Amendment No. 3 and Restated Water Supply Contract. If the Amendment is approved, the termination date would be extended to August 1, 2035. The Board was presented a copy of the proposed Amendment and the Restated Water Supply Contract for their review.

Director Aimone moved to approve the proposed Amendment No. 3 to the Water Supply Contract by and between LNRA and Inteplast as presented. Director Johs seconded the motion. Motion passed.

Briefing on Lake Texana Yield Enhancement Project

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

Brzowski briefed the Board as follows:

Don Sachtleben has been engaged for the second time to provide landman services in connection with the property purchase work.

Dugat and Brzowski are working with Formosa, the surveyor of record, and the title company to clear up Schedule B exceptions.

Dugat announced that the firm's real estate attorney, Denise Cheney, is leaving the firm LNRA will need to consider a replacement.

Brzowski and Dugat have been discussing the best approach to the treatment of the mineral estate and surface rights connected with the property.

President Adelman declared the Board to convene in Executive Session, 551.071 (Consultations with Attorney) under Texas Government Code at 8:50 a.m.

Executive Session ended at 9:14 a.m. and President Adelman declared the full Board to be in Open Session.

The Board meeting adjourned at 9:14 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer