

## **Lavaca-Navidad River Authority**

### **Minutes of December 15, 2021 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, December 15, 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, Steffek, Taylor, and Storz. Also present was LNRA Staff: Brzozowski, Anders, Gregory, Martin, Pearson, Terry, Hartl, Sklar, Clark, and Crenshaw; Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, and Jason Ward of Freese and Nichols. Mike Rivet of Formosa Plastics, Mike Reedy of Freese and Nichols, and Joel Perez, Katherine Lutz, and Stephanie Harris of RSM US LLP attended via video teleconference.

President Adelman called the meeting to order.

### **Public Comments**

There were no public comments.

### **General Manager's Report**

- Release and Settlement Agreement between LNRA and Gourley Contracting
- Community Education Center Grand Opening
- Hay Meadow and Grazing Leases
- TxDOT 1593 Project Update
- Brackenridge Park Rules
- City of Corpus Auxiliary Generation

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of November 17, 2021 and act as necessary.
2. Consider acceptance of November 2021 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.

Director Taylor moved to approve the Consent Agenda items 1-3 as presented. Director Steffek seconded the motion. Motion passed.

### **Regular Agenda**

### **Fiscal Year 2021 Financial Audit Report**

Perez (RSM US LLP) addressed the Board and expressed his appreciation for LNRA's participation in the audit process and commended the LNRA audit team for their expertise.

Lutz (RSM US LLP) briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report, Representation Letter, and Internal Control Letter for the year ended September 30, 2021. The Board was presented a copy of the draft Financial Report and the related Letters for their review.

Director Parker moved to accept the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2021 as performed by RSM US LLP. Director Kucera seconded the motion. Motion passed.

### **Engineering Firm to Provide Professional Services**

Brzowski informed the Board that in compliance with LNRA Board Policy 302 – Use of Professional and Consulting Services, LNRA advertised a request for qualifications (RFQ) in the newspaper and directly solicited qualification statements from three (3) engineering firms in connection with LNRA’s planned East Water Delivery Water Transmission Pipeline Relocation Project.

LNRA received two (2) qualification statements from responding engineering firms; MRB Group and Freese & Nichols. The information was reviewed by Brzowski, Hartl, and Gregory and was scored by Hartl and Brzowski.

Management recommends the selection of Freese and Nichols to provide professional services in connection with the relocation of portions of LNRA’s East Water Delivery (EDS) water transmission pipelines and associated appurtenances.

Director Johs moved to approve the selection of Freese and Nichols to provide professional services as recommended by LNRA Management. Director Aimone seconded the motion. Motion passed.

### **Disposition of Personal Property**

Brzowski informed the Board that in accordance with LNRA Board Policy 306 – Disposition of Personal Property, LNRA Management proposes to sell the 40x14 square foot building formerly known as the LNRA Nature Center.

According to Board Policy, a sale of a single item of personal property will be advertised in a local newspaper indicating the item for sale, the price, and where it may be viewed.

Director Kucera moved to approve the disposition of personal property as presented. Director Steffek seconded the motion. Motion passed.

### **Proposed Reserve Contingency Fund Expenditures**

Brzowski informed the Board of the following proposed Reserve Contingency Fund expenditures:

|   |          |
|---|----------|
| Community Education Center Reserve Fund   | \$ 3,800 |
| Reimburse the Recreation operating budget for the cleaning service needed prior to CEC opening. |          |
| Cabin Replacement Items   | \$ 4,000 |
| To replace the French doors and storm door at Texana Park Cabin No.1                            |          |
| Heavy Equipment Replacement/Repair  | \$ 9,000 |
| To repair John Deere 1982 4640 tractor  |          |

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

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

**Proposed Capital Improvement Fund Expenditures**

Brzozowski informed the Board of the following proposed Capital Improvement Fund expenditures:

Management proposes to purchase two (2) replacement fleet vehicles as follows:

One (1) 2022 Ford F-150 Extended Cab – Law Enforcement                      \$ 38, 642.50  
The cost for the LE vehicle includes accessories for LE specification.

One (1) 2022 Ford Explorer - Administration                                      \$ 29,330.75

In accordance with LNRA BOARD POLICY 304- PROCUREMENT, bids were obtained from GoodBuy Purchasing Cooperative.

Funds are available in the Capital Improvement Fund, Vehicles.

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

**West Delivery System MRPII**

Brzozowski briefed the Board on the necessary replacement of the water quality instrumentation at the Bay City diversion location. The water quality system continues to be plagued with issues, most of which have been maintenance related.

The City and LNRA agree that it is necessary to replace the equipment with an alternate brand of instrumentation that would provide reliable operations with a service agreement in place that would provide needed repairs and services as needed.

LNRA has obtained two (2) bids for the replacement equipment as follows:

ABB Inc.                                      \$ 65,697.00  
Includes equipment and two days start up onsite.

Endress+Hauser                              \$ 59,072.80  
Includes equipment and commissioning service

LNRA Management recommends accepting the bid from Endress+Hauser for \$59,072.80. LNRA proposes to purchase the equipment and bill the City for reimbursement. A budget amendment transferring funds from WDS Capital to WDS Maintenance is necessary to purchase the equipment. LNRA will be reimbursed by the City for the expenditure.

Information regarding the associated service agreement for the water quality instrumentation equipment will be presented to the Board in January.

Director Steffek moved to approve the WDS MRPII expenditure and budget amendment as presented. Director Taylor 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 November 1-30, 2021.

President Adelman declared the Board to convene in Executive Session, 551.071 (Consultations with Attorney) under Texas Government Code at 8:13 a.m.

Executive Session ended at 8:37 a.m. and President Adelman declared the full Board to be in Open Session.

No action was taken.

The Board meeting adjourned at 8:43 a.m.

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Jerry Adelman  
President

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Terri Parker  
Secretary-Treasurer