

Lavaca-Navidad River Authority

Minutes of March 16, 2022 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, March 16, 2022, 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 Parker, Directors Aimone, Kucera, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Anders, Gregory, Martin, Pearson, Terry, Sklar, and Crenshaw, and Bill Dugat of Bickerstaff Heath Delgado Acosta LLP and Jason Ward of Freese and Nichols. Blake Petrash, Ganado Interim Mayor, attended via video teleconference.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Mid-Coast Cold Stunned Turtle Rescue
- Texana Bridge Culvert Project
- New Checking Account – TxDOT funds
- RFQ – Annual Audit – April 2022
- Personal Financial Statements due May 2, 2022
- City of Corpus Christi Quarterly Meeting – March 23rd
- Basin Summary Report – Draft Submitted – March 15th
- Recreation Master Plan 2017-2027 – Facility Upgrades
- Alligator Management
- Dam Safety Update – GM Memo
- TWCA Fort Worth Briefing

Consent Agenda

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

1. Consider approval of Board meeting minutes of February 16, 2022 and act as necessary.
2. Consider acceptance of February 2022 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.
4. Consider approval of proposed budget amendments and act as necessary.

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

Regular Agenda

Heavy Equipment Leases

Brzowski informed the Board that heavy equipment leases expired on February 15, 2022 for one (1) Caterpillar skid loader and two (2) Case backhoes. See below the proposed replacement of this equipment.

Equipment	Lease Term	Vendor	Current Pay Monthly	Proposed Pay Monthly
One (1) Cat Skid Loader	36 Months	Caterpillar Financial Services Corporation	\$ 1,151.04	\$ 1,366.74
Two (2) Case Backhoes	36 Months	Verdant Commercial Capital, LLC	\$ 3,475.45 (combined)	\$ 3,423.38 (combined)

Director Aimone moved to approve the proposed replacement of the heavy equipment as presented. Director Steffek seconded the motion. Motion passed.

Proposed Reserve Contingency Fund Expenditures

Brzowski briefed the Board on the following proposed reserve contingency fund expenditures:

General Fund

A/C Replacement Fund – To replace the a/c unit in the IT equipment room \$ 2,500.00

Brackenridge Park

Electrical Upgrades, Phase 2 \$ 50,000.00

Community Education Center

Custom shelving and miscellaneous hardware \$ 1,500.00

Texana Park

Texana Storage Building shelving and decking \$ 2,600.00

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

The Board was presented a copy of the proposed reserve contingency fund expenditures for their review.

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

Amended and Restated Water Supply Contract – Inteplast Group Corporation

Brzozowski briefed the Board on the Water Supply Contract by and between LNRA and Inteplast expiring on October 21, 2022.

LNRA Management has communicated with Inteplast on the draft Amended and Restated WSC to be extended to 2035. Inteplast has reviewed the draft documents and proposed revisions and additions to the Contract.

The Board was presented a copy of the proposed Amended and Restated Water Supply Contract for review.

Upon approval by the Board of the proposed Contract, the Contract will be presented to Inteplast for their final approval and signature.

Director Aimone moved to approve the proposed Amended and Restated Water Supply Contract as presented. Director Johs seconded the motion. Motion passed.

RFQs for Real Estate Appraisal Services

Brzozowski briefed the Board on the response to LNRA’s Request for Qualifications for Professional Services for real estate appraisal services. Two (2) firms submitted Statement of Qualifications (SOQ) as follows:

Texas Values Appraisal Services	Kyle R. Schroeder, MAI, ARA	San Antonio
Pyles Whatley Real Estate Services	Kreg Hodge	Dallas

Upon review of both responding SOQs, LNRA Management recommends engaging Texas Values to provide appraisal services to LNRA.

Director Steffek moved to approve engaging Texas Values to provide appraisal services to LNRA as presented. Director Parker seconded the motion. Motion passed.

Hach Service Partnership Agreement

Brzozowski informed the Board that after further review of the West Delivery MRPII water quality instrumentation, it was determined that replacement of the equipment is not necessary. The Hach equipment in place is adequate and functional.

LNRA Management recommends that LNRA enter into a Service Agreement with Hach so that the equipment remains operational, and LNRA can access service directly through Hach when needed.

The Board was presented a copy of the proposed Hach Service Partnership Quotation which includes service from March 1, 2022 through September 30, 2022.

Brzozowski recommended to negotiate an annual agreement for the 2023 fiscal year, October 1, 2022-September 30, 2023.

Director Taylor moved to approve the Hach Service Partnership agreement as presented. Director Steffek seconded the motion. Motion passed.

EDS Water Transmission Pipeline Relocation Project

Brzozowski briefed the Board on the EDS Water Transmission Pipeline Relocation Project as follows:

Freese and Nichols is working on the alignments for the relocated portion of the 36” and 54” pipelines. Simultaneously, LNRA is working on acquiring easements with Alcoa and Formosa. To accomplish both tasks, it became apparent that Item #5, Surveying, should have been included in the funding in last month’s Board action item.

The Board was presented a copy of the proposed budget amendment to make funds available for Item #5 in the East Delivery System Professional Services budget. Upon reimbursement from TxDOT, the budget will be refunded.

The Board was also presented a draft TxDOT Possession and Use Agreement for Transportation Purposes (funding agreement) for review. After review by Management and legal counsel, and TxDOT’s approval of recommended edits to the agreement, the Board will consider approval of the agreement at the April Board meeting.

Director Parker moved to authorize Freese and Nichols to proceed with Item #5 for topographic survey and approve associated budget amendment as presented. Director Johs seconded the motion. Motion passed.

West Delivery System – Auxiliary Electric Power Generation

Brzozowski briefed the Board on the proposed draft Contract Governing Improvements to West Delivery System and the Location and Construction of Auxiliary Electric Power Generation on LNRA Property. The Board was presented a copy for their review.

Management will present the proposed draft Contract to the City of Corpus Christi at the quarterly meeting on March 23rd.

Director Kucera moved to approve the draft Contract as presented. Director Taylor seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project

The Board was presented a copy of the Freese and Nichols Status Report, February 1-28, 2022.

Brzozowski updated the Board as follows:

- LNRA has engaged legal counsel to assist with the real estate transaction and an appraisal service to help with valuation of the mineral estate.

The Board meeting adjourned at 8:45 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer