

Lavaca-Navidad River Authority

Minutes of July 20, 2022 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, July 20, 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, and Directors Aimone, Kucera, Mitchell, Steffek, Storz, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Martin, Pearson, Terry, Sklar, and Crenshaw; Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, Jonas Titas and Sharon Barnard of Victoria Economic Development Corporation. Sunset Review Committee members Robert Romig, Chris Keslar, Will Bucknell, and Katherina Wierschke and Mike Rivet of Formosa Plastics Corporation attended via video teleconference.

President Adelman called the meeting to order.

Public Comments

Jonas Titas introduced himself and Sharon Barnard from the Victoria Economic Development Corporation.

General Manager's Report

- General Manager's Quarterly Report as of June 30, 2022
- 64" Pipeline Leak – Refugio
- Stage II Drought Condition Announcement
- Update to LNRA Recreation Master Plan
- Youth Rodeo Association Agreement 2022-2027
- End of Summer Bash – July 23, 2022
- Community Development Partnership Program Grant Applications due July 29, 2022
- Youth Alligator Hunt – September 24, 2022

Consent Agenda

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

1. Consider approval of Board meeting minutes of June 15, 2022 and act as necessary.
2. Consider approval of Recreation, Fish and Wildlife Committee and Recreation Advisory Committee meeting minutes of May 19, 2022 and June 7, 2022 and act as necessary.
3. Consider acceptance of June 2022 financial statements and act as necessary.
4. Consider approval of invoices for payment and act as necessary.
5. Consider approval of proposed budget amendments and act as necessary.
6. Consider approval of Quarterly Investment Report as of June 30, 2022 and act as necessary.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of June 30, 2022. Texpool earned an average rate of .64% while Prosperity Bank earned .20% for the quarter. The Board was presented a copy of the quarterly report for their review.

Director Taylor moved to approve the Consent Agenda items 1-6 as presented. Director Johs seconded the motion. Motion passed.

Regular Agenda

Agreement between LNRA and U.S. Geological Survey

Brzowski briefed the Board on the proposed standard joint-funding agreement between LNRA and U.S. Geological Survey (USGS) for surface-water and water-quality data collection activities for the period from October 1, 2022 to September 30, 2023.

LNRA will contribute budgeted funds of \$87,091 and USGS will contribute \$29,810 to cover the cost of the necessary field and analytical work related to the agreement for a total of \$116,901.

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

Director Aimone moved to approve the agreement between LNRA and USGS as presented. Director Johs seconded the motion. Motion passed.

Capital Improvement Expenditure

Brzowski briefed the Board on the proposed capital improvement expenditure of \$21,500 for limestone for the Main Office and Boat Ramp parking lots.

Director Storz moved to approve the proposed capital improvement expenditure as presented. Director Mitchell seconded the motion. Motion passed.

Reallocation/Expenditure of Reserve Contingency Funds

Brzowski briefed the Board on the proposed reallocation and expenditure of reserve contingency funds. The Board previously approved \$45,000 for the Marina roof replacement. The approved bidder is not able to do the work. The second bidder, Pope Construction, has agreed to provide the roof replacement for \$49,000.

Johs moved to approve the following proposed reallocation and expenditure of reserve contingency funds for the Marina roof replacement.

Reallocation of funds in reserve contingency to make total funds available	\$ 2,000
Expenditure of additional funds needed for Marina Roof Replacement	\$ 4,000

Director Kucera seconded the motion. Motion passed.

EDS Expenditure

Brzowski briefed the Board on the East Delivery System Intake Pump Station necessity to procure a replacement pump assembly including a vertical turbine pump, pump shafting and bowl assembly, and a 300-horsepower motor. The replacement equipment will be spec'd identical to the existing pump assembly as provided by Cascade Pump Company.

The Board was presented a copy of the quotation from Cascade Pump Company for \$224,000.00. Funds are available in the EDS Capital budget category.

Director Mitchell moved to approve the proposed EDS expenditures for pump and motor as presented. Director Steffek seconded the motion. Motion passed.

Briefing on Drought Contingency Plan

Brzowski briefed the Board on the current LNRA Drought Contingency Plan (DCP). Stage 2 Drought Condition was initiated. In accordance with LNRA's 2019 DCP and LNRA's Water Rights, B&E releases will be reduced to base flow of five (5) cfs. No water customer water delivery restrictions will be required.

Brzowski informed the Board that LNRA has worked with the Texas Water Development Board (TWDB) on finalizing the 2020 Volumetric Survey. Once the final report is received from TWDB, LNRA will recommend changes to the DCP that will affect the implementation of future drought contingency measures. The Board will review the proposed changes to the DCP at a future meeting.

A copy of LNRA's 2019 DCP and a copy of the proposed reductions was presented to the Board for their review.

EDS Pipeline Relocation Project

Brzowski briefed the Board on the need to pre-purchase ductile iron pipe and pipe fittings in support of LNRA's East Delivery Pipeline Relocation Project. LNRA Management has determined with the abbreviated project schedule, they should pre-purchase the ductile materials needed for the relocation of the 36" pipeline in advance of construction and in advance of the selection of a contractor. Once a contractor is secured, the materials will be assigned to the company as a term of our agreement. Brzowski recommends engaging Freese and Nichols (FNI) to prepare the bid package, advertise, receive, and recommend award. The Board will consider approval of the bid award at the August Board meeting.

The Board was presented a copy of the bid documents including engineer's estimate and procurement list.

Director Steffek moved to authorize Freese and Nichols to solicit bids for the pre-purchase of 36" ductile iron pipe and pipe fittings as presented. Director Mitchell seconded the motion. Motion passed.

Briefing on Sunset Review

Brzowski briefed the Board on the Sunset Review as follows:

- Multiple interviews complete
- Information Requests are being completed as received

To date, discussions on the following:

- Legal Jurisdiction
- Taxing Authority
- Board Membership
- Contracts/Projects
- Community Development Grant Program
- General Manager

Brzowski informed the Board that LNRA's legal jurisdiction and taxing authority are subjects that may require the Board's consideration at some point in the future.

Authorize General Manager to Pursue Contested Case Hearing

Brzozowski informed the Board on a bed and banks water rights application that was filed with TCEQ in Lavaca County on behalf of the Zimmerman Family Trust and that a draft permit was issued by TCEQ authorizing moving groundwater from the producing well to a 4-acre stock pond where it would be stored and diverted to be used for mining (oil and gas production).

The volume of groundwater to be produced, transported, and diverted is 358 acre-feet per year. The acreage under production is 40 acres. This sets a production rate of 8.95 acre-feet per acre per year.

Lavaca County does not have a groundwater conservation district. However, Lavaca County and the property in question lies within Groundwater Management Area 15. In GMA 15, a production rate of 0.5 acre-feet per acre is common.

There are domestic wells in use adjacent to the 40-acre site, suggesting impacts might be felt by the neighboring property owners.

The permit was silent on geographical use of the water supply. The permit was silent on the method of transport of the water from point a to point b.

Brzozowski also informed the Board that LNRA submitted comments contesting the permit. To comply with LNRA Board Policy 103-Board Responsibilities, the Board must authorize the General Manager to request a contested case hearing from TCEQ. The receipt of the draft permit and response deadline fell between Board meetings.

Director Mitchell stated concern with LNRA's involvement with groundwater issues. LNRA's comment letter and request for contested case addresses this issue by pointing out that the proposed groundwater production volume appears to be unsustainable and could lead to the Applicant's unauthorized diversion of State water for industrial and mining purposes instead of the diversion of groundwater, which would impact LNRA's water right.

The Board was presented a copy of the letter to TCEQ for their review.

Director Mitchell moved to authorize the General Manager to pursue contested case hearing on bed and banks water rights permit application as presented. Director Johs seconded the motion. Motion passed.

East Delivery System Pipeline Relocation Project

Hartl reported as follows:

The geotechnical firm, Ninyo and Moore, contracted by Freese and Nichols (FNI), are working with Formosa to obtain access to Formosa property to bore holes for sub-surface soil investigations.

Gorrondona & Associates, Inc. is nearing completion of the survey plats so that we can begin discussion with legal counsel about easement acquisitions.

FNI, if authorized to do so, will start the bidding process next week to pre-purchase all the 36” ductile pipe and fittings.

FNI continues to work on the development of a full set of construction plans for the Relocation Project.

Critical pathways include geotechnical, completion of survey plats, and materials procurement.

Lake Texana Yield Enhancement Project

The Board was presented a copy of the Freese and Nichols Status Report, June 1-30, 2022.

The Board meeting adjourned at 8:50 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer