

Lavaca-Navidad River Authority

Minutes of November 16, 2022 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, November 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-Treasurer Parker, and Directors Aimone, Kucera, 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, and Cameron Lawrence and Jason Ward of Freese and Nichols. Mike Rivet of Formosa Corporation attended via video teleconference.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Veterans Appreciation Dinner and Texana Chili Spill Update
- Lake Texana Park Culvert Replacement Update
- RSM Audit Confirmations
- Ozark Laboratories Dye Study

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 19, 2022 and act as necessary.
2. Consider acceptance of October 2022 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

Bid for Stop Log Construction

Brzozowski briefed the Board on the bids received for stop log construction. Bids were solicited for the construction of two (2) 4'x2'x35' fabricated metal spillway stoplogs based on original plan sheets as designed by the US Bureau of Reclamation. Three (3) bids were received as follows:

Company	Fabrication of two (2) spillway stoplogs		Shipping of stoplogs		Grand Total (2 stoplogs + shipping)
	Basis (each)	Total (x2)	Basis (each)	Total (x2)	
Neumann Welding 192 CR 2401 Ganado, Texas 77962	\$ 58,261.76	\$ 116,523.52	\$ 250.00	\$ 500.00	\$ 117,023.52
CGF Industries, LLC 8118 Fry Rd., Suite 403 Cypress, Texas 77433	\$ 115,000.00	\$ 230,000.00	\$ 6,50.00	\$ 13,000.00	\$ 243,000.00
PMI P.O. Box 875 Palacios, Texas 77465	\$ 75,543.00	\$ 151,086.00	\$ 2,000.00	\$ 4,000.00	\$ 155,086.00

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

The General Manager recommends accepting the low bid from Neumann Welding for two (2) stop logs including shipping for \$117,023.52. Funds are available in the capital improvement fund.

Director Parker moved to accept the bid from Neumann Welding as recommended by the General Manager for \$117, 023.52. Director Aimone seconded the motion. Motion passed.

Ratify Executive Committee’s Approval of Reserve Contingency Fund Expenditure

Brzowski informed the Board that the Executive Committee was contacted on November 1, 2022 and approved reserve contingency fund expenditure not to exceed \$15,000 for consulting services and software application for GASB87 implementation.

GASB87 is the new lease accounting standard issued by the Governmental Accounting Standards Board, GASB. The goal of GASB87 is to portray lease obligations more accurately and increase the usefulness of governmental financial statements.

LNRA plans to engage RSM US LLP to assist with this first-year training, implementation, and validation process at a cost not to exceed \$10,400. LeaseQuery, the software application subscription is \$5,400 per year. Funds are available in the reserve contingency fund, Accounting Services.

Director Kucera moved to ratify the Executive Committee’s approval of the reserve contingency fund expenditure for consulting services and software application for GASB87 implementation not to exceed \$15,000. Director Storz seconded the motion. Motion passed.

Proposed Reserve Contingency Fund Expenditure for Data Analytics

Brzowski briefed the Board on the proposed reserve contingency fund expenditures for the data analytics project. LNRA previously selected RSM US LLP to assist in the development of a single data integrated solution to input, store, and retrieve data from LNRA’s water related operations.

The project will consist of two phases, Phase I targeting three of LNRA's operations to include the Spillway, Weather, and Water/Wastewater.

Phase II will verify data retrieval and reporting on the Phase I solution and may integrate additional systems, including employee training.

Phase I estimated fees are not to exceed \$49,500 and is anticipated to be completed within 3-6 months. Management recommends allocating \$50,000 from reserve contingency for this project.

Phase II estimated fees are not to exceed \$68,750. Once Phase I is completed, Management will update the Board and consider recommending funding for Phase II.

Director Storz moved to approve reserve contingency fund expenditure for data analytics project as presented. Director Johs seconded the motion. Motion passed.

Draft Interlocal Agreement between LNRA and Jackson County

Brzowski briefed the Board on the draft Interlocal Agreement between LNRA and Jackson County for the construction and funding of fiber link to LNRA headquarters. Jackson County has determined our community would benefit if a fiber link, using ATT, was available at their communications tower that is located on LNRA property.

The proposed Interlocal Agreement provides for the shared funding and use of the installation of a fiber optic cable and related equipment to the tower and LNRA headquarters. When LNRA's cost is determined, information will be presented to the Board.

Director Steffek moved to approve the draft Interlocal Agreement between LNRA and Jackson County as presented. Director Taylor seconded the motion. Motion passed.

Freese and Nichols Task Authorization for General Professional Dam Safety Services

Brzowski briefed the Board on the proposed Freese and Nichols (FNI) Task Authorization for FY 2022-2023, General Professional Dam Safety Services and associated Scope of Work, including deliverables and project schedule in the amount of \$100,000.00. This Task Authorization shall be in force through September 30, 2023.

The Board was presented a copy of the FNI Task Authorization for their review.

Director Johs moved to approve the FNI Task Authorization as presented. Director Aimone seconded the motion. Motion passed.

Freese and Nichols Task Authorization for Comprehensive Review Report and Tabletop Exercise Report

Brzowski briefed the Board on the Freese and Nichols (FNI) Task Authorization for Comprehensive Review Report and Tabletop Exercise Report for Palmetto Bend Dam in the amount of \$169,800.00.

In accordance with Texas Commission on Environmental Quality (TCEQ) rules, LNRA is required to conduct and report on the condition and safe operation of the dam and spillway structure. This Comprehensive Review (CR) is to be performed every five (5) years.

LNRA is also required to conduct a tabletop exercise reviewing LNRA's Emergency Action Plan and conduct a mock exercise that will include a series of emergency scenarios necessitating the engagement of local emergency services.

The Board was presented a copy of the FNI Task Authorization for their review.

Director Taylor moved to approve FNI Task Authorization as presented. Director Steffek seconded the motion. Motion passed.

East Delivery System Pipeline Relocation Project

Brzozowski updated the Board as follows:

- LNRA and legal counsel have reviewed and commented on the draft easement documents completed by Duckett, Bouligny, and Collins LLP for the proposed easements with Alcoa and Formosa. A meeting is scheduled today to finalize these documents.
- The 90% construction plans have been reviewed and corrected. One outstanding issue with a crossing with Lavaca Pipeline is remaining. LNRA, Formosa, and the consultants are working to resolve the issue. We plan to have a solution by the end of the week.
- We have elected to move the bid date to January to facilitate finalizing the plans and easements and to improve the opportunity to receive multiple bids.

Lake Texana Yield Enhancement Project

The Board was presented a copy of the Freese and Nichols Status Report, October 1-31, 2022.

Brzozowski reported to the Board the following:

- Over the past weeks LNRA has intentionally increased communication with Texas Commission on Environmental Quality (TCEQ).
- From this we have learned that the group working on our permit have not made the progress or are the status previously stated.
- We are in the process of scheduling a meeting with the Team Leaders and staff working on the modeling.
- It has been mentioned, not by TCEQ, that other interest groups have been in communication with TCEQ staff concerning our approach to the Water Quality Model (WAM) for the Lavaca and this project.
- We should have a more definite path forward after our meeting with TCEQ.

Sunset Review Update

President Adelman declared the Board to convene in Executive Session, 551.071 (Consultation with Attorney) under Texas Government Code at 8:26 a.m.

Executive Session ended at 8:56 a.m. and President Adelman declared the full Board to be in Open Session.

The Board meeting adjourned at 8:56 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer