

## **Lavaca-Navidad River Authority**

### **Minutes of December 21, 2022 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, December 21, 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 Vice President Johs, Secretary-Treasurer Parker, and Directors Aimone, Kucera, Mitchell, Steffek, and Taylor. President Adelman and Director Storz observed via video teleconference. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Pearson, Terry, Sklar, and Crenshaw, Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, and Jason Ward of Freese and Nichols. Marc Sewell and Joel Perez of RSM US LLP and Michael Reedy of Freese and Nichols attended via video teleconference.

Vice President Johs called the meeting to order.

### **Public Comments**

There were no public comments.

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

- Lake Texana Park Culvert Replacement Update
- West Delivery System Expenditure for Side Trimming on MRPII ROW
- Sunset Advisory Commission Update

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of November 16, 2022 and act as necessary.
2. Consider acceptance of November 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 Kucera seconded the motion. Motion passed.

### **Regular Agenda**

#### **Fiscal Year 2022 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.

Sewell (RSM US LLP) briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2022. The Board was presented a copy of the draft Financial Report for their review.

Director Parker moved to accept the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2022, as performed by RSM US LLP. Director Steffek seconded the motion. Motion passed.

### **Reserve Contingency Expenditure**

Brzowski informed the Board on the recommended upgrade to LNRA's fuel management system to allow for improved accountability, data accuracy, and usefulness.

A representative from the company, Pius B. Smart, was on onsite and demonstrated the upgraded fuel management system to LNRA Fleet Manager and IT Administrator. B. Smart is the provider for LNRA's current fuel system and will allow the use of some of the existing equipment currently in place.

The fuel system, which includes installation, is \$10,866.08. Funds are available in the machinery and equipment category in the reserve contingency fund.

Director Aimone moved to approve the proposed reserve contingency expenditure for LNRA fuel system upgrade. Director Mitchell seconded the motion. Motion passed.

### **Interlocal Agreement between LNRA and Jackson County**

Brzowski informed the Board that the costs associated with the Interlocal Agreement between LNRA and Jackson County for fiber optic link as approved by the Board on November 16, 2022, have not yet been finalized. A meeting with ATT, LNRA, and Jackson County is scheduled in January to further discuss the scope of work and determine costs. Information will be provided to the Board when available.

### **Briefing on TxDOT-Transportation Alternatives Set-Aside Program**

Brzowski briefed the Board on the information presented in the meeting between LNRA, TxDOT District 13, and MRB to discuss LNRA's proposal to submit an initial application for project funding the Texas Department of Transportation's Transportation Alternatives Set-Aside Program. The concept of moving people between LNRA's recreation venues and the pros, cons, and feasibility of constructing an overpass and/or going under SH 111 was discussed as follows:

- With the understanding of the construction cost of an overpass and the costs and long-term risk associated with owning and maintaining an overpass structure, the group agreed the development of a travel-way under SH111 was back on the table and needed to be the alternative to be made part of LNRA's application.
- It was noted that, regardless of the method chosen, LNRA's proposal might not meet the current objectives set for TA program funding.
- It was also noted that TxDOT recently announced funding levels across the State and that projects from District 13 would be limited to funding on an 80-20 in-kind basis.
- If LNRA's application is accepted, before making a final application, LNRA will need to better understand the obligation for funding, ownership, and any risk assumptions.

### **Briefing on LNRA Safety of Dams Program**

Brzozowski briefed the Board on LNRA Safety of Dams Program and ongoing studies, and projects as follows:

#### *East Drain Issue*

- LNRA staff have been working independently and along with engineering consultant, FNI, to ascertain long-term well performance and maintenance needs considering FNI's recommendation to drill two (2) or three (3) relief wells in the area around the East Drop Structure. At the same time, FNI is working with a third-party dewatering expert to obtain an independent opinion as to the validity of the recommendation by FNI to incorporate the relief wells as a mitigating strategy.
- LNRA has not reached a conclusion on either of these issues and are in a holding pattern that keeps changing.
- At the same time, the local groundwater conservation district is going through a rule making process. Given we envision that we will ultimately install and operate the well points, we plan to engage with our local conservation district to suggest additions to the rules that may make our eventual permitting process more straight forward.

#### *Inlet Channel Issue*

- LNRA has engaged Ozark Laboratories and have initiated the dye tracing study of the depressions in the Inlet Channel. Dye insertion was completed on November 28<sup>th</sup> with the assistance of LNRA's contract diver.
- Sixty (60) test sample locations are being monitored with samples collected on an agreed upon schedule over a 119-day period which should yield 17 post dye-insertion sample collection sets. To date, LNRA staff has collected two (2) pre-insertion and five (5) sets of post dye-insertion samples sets for analysis by Ozark Laboratories.
- We have been very fortunate to receive rainfall that has allowed the reservoir to recover, albeit somewhat. A reservoir release thru the spillway gates at this point will negate the collection of samples at the downstream locations in the discharge channel and may force us to extend our sampling efforts.

### **Briefing on East Delivery System Pipeline Relocation Project**

Brzozowski updated the Board as follows:

- Easement documents were sent to ALCOA and Formosa Plastics before Thanksgiving. Those groups have responded, and we are now engaged in conversations with those entities.
- We are continuing our conversation with Formosa Plastics about the pros and cons of open cutting or boring the companies truck staging yard on the south end of the project limits.
- FNI has presented LNRA an amendment to their work order for this project identifying their added expense for the design of five (5) valve vaults. These vaults were not part of the original project concept but the need for the vaults became apparent given the number and location of buried large-diameter valves that will need to be relied on for the systems future safe operation. The amendment also addresses their proposal to support on-site construction management. We have not fully vetted the amendment request but will have a recommendation for board action at the Boards' January meeting.

- We were informed the schedule for arrival of the 36” ductile iron pipe has been shortened and should be ready for shipment by early May.
- As previously planned, it is our intent to solicit bids for construction in January and will have a recommendation for the Boards consideration at the Boards’ February meeting.

**Lake Texana Yield Enhancement Project**

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

Brzozowski reported to the Board the following:

- We have engaged with TCEQ staff to answer questions raised by TCEQ about LNRA’s application. The questions raised are centered on verification of intervening period attainment frequencies, differences how this is resolved between our respective models, and the Commissions guidance for permit issuance.
- While we have had multiple conversations, LNRA and FNI have planned to meet in early January to finalize our approach and our response to TCEQ. It is our understanding once we have settled this current modeling question, the Commission is prepared to present a draft permit.

The Board meeting adjourned at 8:55 a.m.

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Jerry Adelman  
President

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Terri Parker  
Secretary-Treasurer