

Lavaca-Navidad River Authority

Minutes of February 15, 2023 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, February 15, 2023, 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, Mitchell, Steffek, Storz, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Pearson, Terry, Sklar, and Crenshaw, Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, Jack Wu of Formosa Plastics Corporation, and Jeff Heflin of Main Lane Industries, Ltd. Bill Geiser and Brad Medlin attended the meeting via video/audio teleconferencing.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Lake Texana Park Culvert Replacement Update
- Sunset Advisory Commission Update (Memo regarding term)
- Interruptible Water (4500 ac ft)
- Texas Municipal League New Hire Enrollment
- TWCA Risk Management Fund Review and Quote
- Texas Water Conservation Association (TWCA) Annual Convention March 1-3, 2023 -Bastrop
- Personal Financial Statement due to Ethics Commission on May 1, 2023
- Wharton County – Pin Oak Creek

Consent Agenda

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

1. Consider approval of Board meeting minutes of January 18, 2023 and act as necessary.
2. Consider acceptance of January 2023 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 Steffek seconded the motion. Motion passed.

Regular Agenda

Bid and Selection of General Contractor – EDS Waterline Relocation Project

Brzowski informed the Board that bids were solicited for the construction of the East Delivery System (EDS) Waterline Relocation Project.

Four (4) bids were received as follows:

Contractor	Total Bid Amount
McKee Utility Contractors, LLC 2319 West Main Street Prague, OK 74864	\$ 14,904,389.00
Harper Brothers Construction, LLC 654 N. Sam Houston Pkwy., E. Ste. 330 Houston, TX 77060	\$ 22,987,306.00
CE Barker Ltd. 757 N Eldridge Pkwy Houston, TX 77079	\$ 15,842,374.69
Main Lane Industries, Ltd 14115 Luthe Road, Suite 100 Houston, TX 77039	\$10,535,791.00

The Board was presented a copy of the bid summary and Freese and Nichols Recommendation for Award of Contract for their review.

Director Johs moved to approve the bid from Main Lane Industries, Ltd. in the amount of \$14,589,647.15 which includes construction base bid of \$10,535,791.00 and pipe purchased by LNRA of \$4,053,866.15. Director Mitchell seconded the motion. Motion passed.

Reserve Contingency Fund Expenditures

Brzowski informed the Board of the following proposed reserve contingency fund expenditures:

General Fund

25KVA Mobile Unit Diesel Generator	\$ 24,900.00
6KW LED Light Plant – Kubota Diesel	\$ 16,200.00
Comprehensive Review Report & Tabletop Exercise Report (Freese and Nichols Task Order was approved 11/16/2022)	\$ 169,800.00
*16 foot Maxx D Low Boy Trailer	\$ 5,000.00
*Bobcat 225 Remote Start Welding Machine	\$ 6,500.00

* These two items are to replace the stolen welding trailer and welding machine. The reserve fund will be reimbursed with insurance proceeds.

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 Mitchell seconded the motion. Motion passed.

Civil Corp LLC Proposal

Brzowski briefed the Board on the CivilCorp proposal for Professional Surveying Services to be provided as part of LNRA's Dam Safety Program, indicating Scope of Services, Deliverables, and Compensation. The estimated fee shall be paid on a time and materials, not-to-exceed basis, in accordance with the fee schedule. The not-to-exceed total amount is \$48,206.00. Funds are available in the operating budget.

The Board was presented a copy of the proposal and associated fee schedule for their review.

Director Aimone moved to approve the CivilCorp proposal to conduct LNRA's settlement survey with a not-to-exceed total amount of \$48,206.00 as presented. Director Steffek seconded the motion. Motion passed.

Amendment #1 – Texana Park Culvert Replacement Project

Brzowski briefed the Board on the proposed Amendment #1 for Freese and Nichols (FNI) Work Order No. 2 associated with Texana Park Culvert Replacement Project.

The Amendment includes additional design services, including meetings, engineering analyses, development of sketches and information to facilitate construction, and revision of design sheets to respond to changed field conditions during construction. Amendment to deliverables includes revisions to design plans and sketches for construction to respond to changed field conditions during construction.

The current contract amount is \$41,600, amendment amount is \$13,000, for a revised total amount of \$54,600.

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

Director Mitchell moved to approve Amendment #1 to Freese and Nichols WO No. 2 associated with Texana Park Culvert Replacement Project as presented. Director Aimone seconded the motion. Motion passed.

East Delivery System Intake Pump Expansion Project

Brzowski briefed the Board on the amendment to Freese and Nichols Work Order for the EDS Intake Pump Station Expansion Project that was approved by the Board at the January 18, 2023 meeting. The amendment was to provide the design and construction management of three elements to support the replacement of an existing pump at the East Delivery System pump station.

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| 1. Expand the electrical room to create space for a 500 HP VFD. | \$ 56,179.00 |
| 2. Reinforce the pump station floor to support a heavier pump. | \$ 25,970.00 |
| 3. Coordinate replacement of an undersized transformer. | <u>\$ 9,825.00</u> |

Total cost to provide these services	\$ 91,974.00
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After additional review and discussion, it was agreed that a 300 HP VFD rated installation, rather than a 500 HP version is the most cost-effective approach to satisfying the goal to increase the overall reliability of the East Delivery System Intake Pump Station. The adjusted amendment cost is \$42,000.00.

LNRA Employee Information Manual

Brzowski briefed the Board on the proposed revisions to the LNRA Employee Information Manual. He informed the Board that two changes to be finalized after further discussion were Shift Differential Pay and On-Call Employee compensation. The Board was presented a copy of the red-lined EIM for their review.

Director Mitchell moved to approve the revised LNRA Employee Information Manual as presented. Director Steffek seconded the motion. Motion passed.

Texas Commission on Law Enforcement Required Reporting

Brzowski informed the Board that in compliance with Texas Commission on Law Enforcement (TCOLE), LNRA must file a full report including a comparative analysis, or a report of exempt status regarding racial profiling. It is not the policy of LNRA to make traffic stops in the routine performance of the officers' official duties.

The Board was presented a copy of the LNRA full Exemption Racial Profiling Report as submitted to TCOLE.

Interlocal Agreement between LNRA and Jackson County

Brzowski informed the Board that LNRA is still waiting for ATT to come on site to determine fiber link distance and path, and associated costs. Information will be provided to the Board when available.

Briefing on East Delivery System Pipeline Relocation Project

Brzowski briefed the Board as follows:

- Bids have been reviewed and will be acted on this month.
- LNRA is still working with Alcoa and Formosa to acquire easements. Progress has been made and anticipate finalizing these by April.
- LNRA asked for "exclusive" easements but will most likely end up with "non-exclusive" for the 36" pipeline on both Alcoa and Formosa property. Given the number of pipelines that have been installed since 1980 and 1990, this is not a great surprise. LNRA's objective is to protect the pipeline from encroachment and foreign currents.

Lake Texana Yield Enhancement Project

The Board was presented a copy of the Freese and Nichols Status Report, January 2023.

Brzowski briefed the Board as follows:

- LNRA is still awaiting TCEQ's draft permit language.
- LNRA General Manager has been asked to engage with the Trull Environmental Foundation Round Table. Representatives from TPWD, Matagorda Bay Foundation, Lavaca Bay Foundation, etc. will be part of the discussion on freshwater inflows and bay health.
- LNRA will need to update/amend our land purchase agreement with Formosa by May 2023.

Evaluation of the General Manager

President Adelman declared the Board to convene in Executive Session, 551.074 (Personnel Matters) under Texas Government Code at 8:32 a.m.

Executive Session ended at 9:26 a.m. and President Adelman declared the full Board to be in Open Session.

Director Taylor moved to approve an annual salary of \$286,000 (6% increase). Director Mitchell seconded the motion. Motion passed.

Director Steffek moved to award a bonus to the General Manager of the FY2023 budgeted Performance Incentive of \$20,000 and to continue the use of a LNRA vehicle as is.

Director Johs stated that the Board's decisions were based on the following positive evaluation:

In addition to Brzozowski's extensive ordinary responsibilities during the last year, Brzozowski has carried the additional burdens of successfully leading LNRA through the Sunset Review process, dealt with potential dam safety issues, and FM 1593 pipeline relocation project; all while continuing to maintain great working relationships with various local, regional, and state government entities, thus justifying the recommended increase in salary.

Director Storz seconded the motion. Motion passed.

The Board meeting adjourned at 9:29 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer