

Lavaca-Navidad River Authority

Minutes of March 1, 2023

Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, March 1, 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, Kucera, Mitchell, Steffek, Storz, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Terry, Sklar, and Crenshaw, Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, and Jack Wu of Formosa Plastics Corporation. Brad Medlin of Main Lane Industries, Ltd. And Danny Garcia 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

- Texas Water Conservation Association (TWCA) Annual Convention March 1-3, 2023 -Bastrop
- Personal Financial Statement due to Ethics Commission on May 1, 2023

Regular Agenda

EDS Waterline Relocation Project

Brzozowski informed the Board regarding the bid approved for the construction of the East Delivery System (EDS) Waterline Relocation Project as follows:

Shortly after the Board meeting on February 15th, LNRA and Freese and Nichols were made aware that the successful bidder, MAINLANE, to whom award was recommended by FNI and LNRA and approved by the Board had submitted a qualified bid.

The contract documents' specifications and general conditions specified that only two preselected sub-contractors could be used to perform hot-tapping and line-stop services and went on to specify that the use of an alternative sub-contractor was not allowed.

One of the specified sub-contractors brought this matter to our attention Thursday, February 16th, claiming we had wrongly awarded the contract to MAINLANE and that MAINLANE planned to use another, not pre-selected sub.

During our investigation, we verified that MAINLANE had indeed included in his bid to use the services of an alternative provider. We also found this was likely the case with at least one other bidder.

This being the situation, we have determined that to limit LNRA's legal risk, we should rescind the Board's award based on our position to not accept a qualified bid, take action to reject all bids and take action to authorize rebidding the project with the appropriate changes made to the bid specifications.

Ward of FNI addressed the Board explaining the available options considered and agreed that rescinding all bids and rebidding was the best option.

Director Johs moved that in connection with the selection of a general contractor for the East Delivery System Waterline Relocation Project, that the Board of Directors rescind the February 15, 2023 approval of the bid from Main Lane Industries, Ltd. in the amount of \$14,589,647.15 which includes a construction base bid of \$10,535,791.00 and the LNRA's purchase of pipe of \$4,053,866.15. The bid is rescinded because the bid includes a material variance from the bid specifications.

Johs further moved that the Board of Directors reject the bids of Main Lane Industries, Ltd; CE Barker Ltd; Harper Brothers Construction, LLC and McKee Utility Contractors, LLC, which are all the bids received by LNRA on February 8, 2023 in connection with the East Delivery System Waterline Relocation Project and to authorize the General Manager to rebid the contract for the construction of the East Delivery System Waterline Relocation Project.

Director Steffek seconded the motion. Motion passed.

The Board meeting adjourned at 7:30 a.m.

Jerry Adelman
President

Terri Parker
Secretary-Treasurer