

## **Lavaca-Navidad River Authority**

### **Minutes of May 17, 2023 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, May 17, 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, Secretary-Treasurer Parker, and Directors Aimone, Kucera, Steffek, Storz, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Pearson, Terry, Sklar, and Crenshaw, and Bill Dugat of Bickerstaff Heath Delgado Acosta LLP. Mike Reedy of Freese and Nichols attended via video teleconference.

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 Review Process Update
- Tabletop Exercise Follow-up
- Formosa Purchase and Sale Agreement
- Update on Agreement between LNRA and Jackson County for fiber link connection
- Interruptible Water – 4500 acre-feet

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of April 19, 2023 and act as necessary.
2. Consider acceptance of April 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**

#### **Reserve Contingency Fund Reallocations and Proposed Expenditures**

The Board was presented with a copy of the proposed reserve contingency fund reallocations for review.

Brzozowski informed the Board of the following proposed reserve contingency fund expenditures.

Main Event Center

Epoxy flooring in restrooms in the commons area and Mustang concession	\$ 22,000
Paint ceilings in restrooms and Mustang concession, and miscellaneous doors	\$ 5,500
Replacement of security cameras	\$ 2,500

Harry Hafernick Recreation Center

Front desk construction	\$ 4,000
Renovation of front porch and painting	\$ 3,000
Cabinetry custodian's office	\$ 1,000

In accordance with LNRA BOARD POLICY 304 – Procurement, bids are solicited for proposed expenditures as applicable.

Director Taylor moved to approve the proposed reserve contingency fund reallocations and expenditures as presented. Director Kucera seconded the motion. Motion passed.

**Ratification of LNRA Executive Committee's Approval**

Brzowski informed the Board that the LNRA Executive Committee was contacted for authorization to expend funds to repair a fourth wastewater system lift station in Texana Park in advance of the May Board meeting. This was an unplanned expenditure.

The Executive Committee authorized expenditure up to \$30,000 from the reserve contingency fund to repair LS No.4 as needed.

Director Aimone moved to ratify the Executive Committee's approval of reserve contingency fund expenditure for wastewater system repairs as presented. Director Storz seconded the motion. Motion passed.

**Jackson County County-Wide Drainage District Interlocal Agreement**

Brzowski briefed the Board on the proposed modifications to the Interlocal Agreement with the Jackson County County-Wide Drainage District to participate in the match funding on a 50/50 basis, not to exceed \$60,000.

As the Interlocal Agreement states, LNRA will pay to the District its committed portion of the local match in an amount not to exceed \$43,987.50.

Brzowski stated that on a more current request by the District to allow equal offset of the District's costs, modification to the Interlocal Agreement is as follows:

II. Obligations of the District

- A. The District will continue to seek local match contributions from local stakeholders prior to commencement of the Flood Control Study. Any additional local match funds will offset and reduce the funds committed by the Authority and the District in this Agreement.

Director Parker moved to approve the modifications to the Jackson County County-Wide Drainage District Interlocal Agreement as presented. Director Steffek seconded the motion. Motion passed.

**EDS Operating Budget Expenditures for Pump and Pump Motor Repairs**

Brzowski informed the Board that once the East Delivery System replacement 300 hp motor and pump assembly has been installed, LNRA will send the existing equipment out for rehabilitation. Etheredge Industrial Services will service/rewind the electric motor and RPM Services, Inc. will overhaul/rebuild the vertical turbine pump assembly. The estimated costs are as follows:

- Pump motor repairs to include a basic rewind  
 Etheredge Industrial Services estimated cost                      \$30,000
- Pump overhaul/rebuild  
 RPM Services, Inc. estimated cost                                      \$90,000

Director Storz moved to approve EDS Operating Budget expenditures for pump and pump motor repairs as presented. Director Aimone seconded the motion. Motion passed.

**RSM US LLP Engagement Letter for Annual Financial Audit**

Brzowski briefed the Board on the engagement letter from RSM US LLP to perform LNRA’s annual independent audit for the period ending September 30, 2023. Fee for the services is not to exceed \$71,000, plus out of pocket expenses of approximately 12%-15% of fees. The fee for the adoption of GASB Statement No. 96 will range from \$5,500 to \$7,500.

Director Parker moved to approve the engagement letter from RSM US LLP for the FY2023 annual independent audit as presented. Director Steffek seconded the motion. Motion passed.

**Hay Lease Bid**

Brzowski informed the Board that bids were solicited for lease of one (1) tract of land (28 acres), for the specific use of hay production. Minimum bid price is \$20.00 per acre. Bids were received as follows:

Bidder	Hay Meadow 23A Minimum Bid \$20.00 per acre
Jimmy Joines	\$ 31.00 per acre \$ 868.00 total bid
Jake Tipton	\$ 40.00 per acre \$ 1120.00 total bid
Doug Larson	\$ 30.50 per acre \$ 854.00 total bid
John Boone	\$ 30.00 per acre \$ 840.00 total bid

The General Manager recommends accepting the bid from Jake Tipton for \$40.00 per acre.

Director Steffek moved to accept the hay lease bid from Jake Tipton for \$40.00 per acre as presented. Director Aimone seconded the motion. Motion passed.

### **Depository Bank Bid**

Brzowski informed the Board that Depository Bank Proposals were solicited for a four-year term, July 1, 2023-June 20, 2027. Prosperity Bank is LNRA's current depository bank.

Bids were received from Prosperity Bank and RBank. A summary indicating the services provided by each bank and corresponding fees and/or interest earned was presented to the Board for their review.

Prosperity Bank provides excellent service and accommodates LNRA's needs. As indicated on the comparison summary, Prosperity Bank's interest rate on checking accounts is favorable and fees are minimal.

Management recommends accepting the proposal from Prosperity Bank for a four-year term, July 1, 2023-June 30, 2027.

Director Taylor moved to accept the proposal from Prosperity Bank as recommended by LNRA Management. Director Parker seconded the motion. Motion passed.

### **Sonar Survey by Pro-ROV Services**

Brzowski briefed the Board on the Pro-ROV Services proposal to perform the Inlet Channel and Discharge Channel Sonar Surveys on Lake Texana.

This is a repeat of the inlet channel survey to understand what, if any, change has occurred to the Inlet Channel floor and side slopes. The scope of work has been expanded to include the spillway discharge channel to observe the condition of the area downstream of the concrete stilling basin floor.

Total estimated cost is \$25,015. Funds are available in the General Fund budget.

Director Steffek moved to approve the General Fund Budget expenditure for the sonar survey by Pro-ROV Services as presented. Director Parker seconded the motion. Motion passed.

### **East Delivery Operating Budget Expenditure for SCADA**

Brzowski informed the Board that LNRA is planning to upgrade the East Delivery System SCADA (Supervisory Control and Data Acquisition) system. \$60,000 is available in the East Delivery Operating Budget for this project.

Approximately \$40,000 of the cost of the upgrade will be directed to equipment to be purchased from Rockwell. The remaining funds will be used for:

- Replacing communications and reporting software
- Adding workstations and viewing screens
- Alarm/alert software
- Develop virtual servers
- Control software consultant fees

Director Storz moved to approve the EDS Operating Budget expenditure for SCADA software upgrade as presented. Director Kucera seconded the motion. Motion passed.

### **Amendment to FNI Work Order – EDS Waterline Relocation Project**

Brzowski briefed the Board on Freese and Nichols Amendment to Work Order 6, EDS Waterline Relocation Project, for the subcontractor survey company, Gorrondona & Associates, to perform the easement exception review for the Alcoa and Formosa easements. Total amendment cost is \$37,070.00 Funds are available in the Project's funding.

Director Taylor moved to approve the Amendment to FNI Work Order 6 as presented. Director Parker seconded the motion. Motion passed.

### **Briefing on Adjacent Private Property**

Brzowski informed the Board that because of the 2017 Hurricane Harvey event, the banks of the Navidad River were altered in several locations within the boundaries of LNRA's property.

At a point approximately 2000' below the FM530 bridge crossing, the change in the configuration of the riverbank has degraded to a point within 25' of the neighboring property. At this location, the bank is steeply sloped at less than 1:1 and is covered with mixed vegetation. Further degradation is expected but not absolute.

The landowner has approached LNRA with an opportunity to purchase property to preclude future encroachment and afford LNRA continued travel along LNRA's fence line for maintenance.

The consensus of the Board is for the General Manager to negotiate with the landowner the purchase of ½ -1 ½ acres. Information will be available at a future Board meeting for consideration of approval of the Board.

### **East Delivery System Waterline Relocation Project Update**

The Board was presented with a copy of the Freese and Nichols Status Report for the month of April.

Notice to Proceed has been set as of May 29, 2023.

Easements with Formosa and Alcoa have been completed. LNRA closed with Alcoa on May 16<sup>th</sup> and will close with Formosa the week of May 22<sup>nd</sup>.

### **Lake Texana Yield Enhancement Project**

The Board was presented with a copy of the April 2023 Freese and Nichols Status Report.

Brzowski had no new information to report.

### **Election of Board of Director Officers**

President Adelman informed the Board that the current Board of Director Officer's terms would expire May 31, 2023. He requested nominations for officers.

Director Steffek moved to nominate Director Storz as Secretary-Treasurer. Director Aimone seconded the motion. Motion passed

Director Kucera moved to nominate Director Johs as Vice President. Director Taylor seconded the motion. Motion passed.

Director Steffek moved to nominate Jerry Adelman as President. Director Aimone seconded the motion. Motion passed.

**Briefing on LNRA Board Committee Assignments**

The Board was asked to review the proposed individual assignments, committee structure, and function of each committee.

The Board meeting adjourned at 8:39 a.m.

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Jerry Adelman  
President

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Jennifer Storz  
Secretary-Treasurer