

## **Lavaca-Navidad River Authority**

### **Minutes of September 20, 2023 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, September 20, 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, Secretary-Treasurer Storz, and Directors Aimone, Kucera, Steffek, 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, and Jason Ward and Cody Cockcroft of Freese and Nichols. Bill Bishop of TAC Resources, Stephen Phillips of Formosa Plastics, and Board member Vance Mitchell joined the meeting via video teleconference.

President Adelman called the meeting to order.

### **Public Comments**

There were no public comments.

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

- Camp Mauritz Update
- Brackenridge Recreation Complex Facility Rate Adjustment
- Drought Contingency Update
- Texas Water Conservation Association Fall Conference November 1-3, 2023
- West Delivery System Storage Building Update
- East Delivery System Expansion Project
- Spillway Recoating of Gates and appurtenances

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of August 16, 2023 and act as necessary.
2. Consider acceptance of August 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 Consent Agenda items 1-4 as presented. Director Steffek seconded the motion. Motion passed.

**Regular Agenda**

**CDPP Grants**

Brzozowski informed the Board that the Community Development Partnership Program (CDPP) grant applications were due on July 28, 2023. Available LNRA grant funds are \$102,836.04. Seven (7) grant applications were received.

The CDPP Review Committee met on September 7, 2023 to discuss the application reviews and rankings. The Committee acted recommending the LNRA Board to approve the following grant awards based on eligibility and ranking.

<b>Organization</b>	<b>Project Title</b>	<b>Grant Request</b>	
<b>Recommended</b>			
Deutschburg Community Club	Community Center Annex	\$ 50,000.00	\$ 50,000.00
Industrial Golden Cobra Band	Percussion Equipment	\$ 7,356.50	Not eligible
Industrial ISD Education Foundation	Teachers Dreams Come True	\$ 50,000.00	Not eligible
JC Chamber of Commerce	Beautification Project	\$ 725.84	CSP Grant
Jackson County ESD 3	Fire Truck	\$ 50,000.00	Not eligible
Jackson County Young Life	Operations/Establishment	\$ 11,721.00	Not eligible
LaWard United Pentecostal Church	LaWard Recreational Pavilion	\$ 50,000.00	\$ 50,000.00

Director Taylor moved to approve the grant requests as recommended by the CDPP Review Committee. Director Johs seconded the motion. Motion passed.

**Review Customer Comments**

Brzozowski informed the Board that in accordance with Water Supply Contracts, Budgets, LNRA shall submit annual budgets to the water customers thirty (30) days prior to September 30. The water customers shall consent to such budget by fifteen (15) days prior to such or institute negotiations with respect to the budgets.

LNRA did not receive communication from the water customers regarding the FY2024 budgets. The budgets as approved by the Board on August 16, 2023 shall become effective October 1, 2023.

**Reserve Contingency Fund Reallocations and Expenditures**

Brzozowski briefed the Board on the proposed reserve contingency fund reallocations and expenditures. The Board was presented with a copy of the proposed reserve fund reallocations. Proposed reserve fund expenditures are as follows:

Recreation

**Comfort Station Reserve Fund**

Texana Park Comfort Station No. 3 Renovations \$25,000.00

**A/C Replacement Reserve Fund**

A/C Replacement for Brackenridge Park Comfort Station No. 1 \$ 5,000.00

A/C Replacement for Marina \$ 8,879.00

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 reallocations and expenditures as presented. Director Aimone seconded the motion. Motion passed.

### **LNRA Strategic Resource Management Plan**

The Board was presented a draft revised LNRA Strategic Resource Management Plan at the August 16<sup>th</sup> Board meeting for review.

A final copy of the Plan was presented to the Board for their review and approval. Brzozowski recommended reviewing the Plan every three (3) years.

Director Steffek moved to approve the LNRA Strategic Resource Management Plan as presented. Director Taylor seconded the motion. Motion passed.

### **Amendment No. 1 to the TCEQ CRP Contract**

Brzozowski informed the Board that the current Texas Commission on Environmental Quality (TCEQ) Reimbursement contract is effective September 1, 2021 through August 31, 2023. TCEQ has requested additional time to produce a new two (2) year LNRA Contract.

TCEQ issued a unilateral extension to the Lavaca-Navidad River Authority extending the expiration date of the current Contract by ninety (90) day to November 29, 2023.

Director Johs moved to approve Amendment No. 1 to the Texas Commission on Environmental Quality (TCEQ) Clean Rivers Program Contract extending the expiration date. Director Storz seconded the motion. Motion passed.

### **Expenditure for Heavy Equipment Lease Agreement**

Brzozowski informed the Board that LNRA's tractor leases with John Deere expire on October 28, 2023.

Bids were solicited for two (2) new tractors. Management recommends entering into a three-year lease agreement beginning November 1, 2023 with Kubota for two (2) Kubota M6 141 horsepower diesel 4WD tractors for a monthly rate of \$ 3,300.18 (\$1650.09 per tractor).

Funds are available in the General Fund budget.

Director Kucera moved to approve the proposed expenditure for heavy equipment lease agreements as presented. Director Aimone seconded the motion. Motion passed.

### **Annual Hach Service Agreement**

Brzozowski informed the Board that the Service Agreement with Hach for the West Delivery System Mary Rhodes Phase II water quality instrumentation expires on September 30, 2023.

The Board was presented with a copy of the proposed Hach Service Agreement effective October 1, 2023-September 30, 2024 for \$35,818.00. Funds are available in the WDS Mary Rhodes Phase II operating budget.

Director Storz moved to approve the expenditure for the annual Hach Service Agreement as presented. Director Johs seconded the motion. Motion passed.

**LNRA Professional Services List**

Brzozowski briefed the Board on the LNRA Professional Services List.

Director Taylor moved to approve the LNRA Professional Services List as presented. Director Steffek seconded the motion. Motion passed.

**Freese and Nichols Task Authorization for General Professional Dam Safety Services**

The Board was presented with a copy of the proposed Freese and Nichols Task Authorization for FY 2023-2024 General Professional Dam Safety Services and associated Scope of Work, including deliverable and project schedule in the amount of \$100,000.00. The Task Authorization shall be in effect through September 30, 2024.

Director Aimone moved to approve the FNI Task Authorization for FY 2023-2024 Dam Safety Services as presented. Director Steffek seconded the motion. Motion passed.

**Freese and Nichols Task Authorization for Relief Well Design**

Brzozowski briefed the Board on the proposed FNI Task Authorization for Relief Well Design associated with mitigating the boil related dam safety issue in the amount of \$644,799.00. The Board was presented with a copy of the Task Authorization for their review.

Director Johs moved to approve the proposed FNI Task Authorization for Relief Well Design as presented. Director Steffek seconded the motion. Motion passed.

**Revised LNRA Bylaws and Board Policies**

Brzozowski informed the Board that in compliance with recent legislation, LNRA Bylaws, Board Policy 104- Public Access and Public Input, Board Policy 305 – Information Technologies, and Board Policy 304 – Procurement, have been revised. In addition, IT Policy, 1100 Prohibited Technologies has been developed.

The Board was presented with copies of the red-lined documents for their review.

Director Steffek moved to approve revised LNRA Bylaws, Board Policy 104- Public Access and Public Input, Board Policy 305 – Information Technologies, Board Policy 304 – Procurement, and IT Policy, 1100 Prohibited Technologies. Director Taylor seconded the motion. Motion passed.

**Board Resolution 2023-003**

Brzozowski informed the Board that in accordance with amended Chapter 375, Local Govt Code and Chapter 49, Water Code, Board of Directors may receive compensation of \$221.00 per day for each day spent performing duties, not to exceed the amount that would be produced by sixty (60 days service per year.

The Board was presented with a copy of the proposed Board Resolution No. 2023-003, Fees of Office for their review.

Director Storz moved to approve Board Resolution 2023-003 regarding Fees of Office as presented. Director Taylor seconded the motion. Motion passed.

**Surface Use Agreement**

Brzowski informed the Board that LNRA is working with TAC Resources on the terms of the Surface Use Agreement for the oil and gas operation proposed to occur on LNRA's property.

The Board was presented with a copy of the draft Surface Agreement for their review. The Board will consider approval of a finalized Surface Agreement at the October Board meeting.

**Engaging Consultant for Environmental and Cultural Resource Analysis**

Brzowski informed the Board that in accordance with LNRA's General Stipulations, LNRA advertised Request for Proposals for service providers who perform Environmental Analysis and Cultural Resource Surveys.

Four (4) firms responded to the Request for Proposal as follows:

Horizon Environmental Services  
Scott Flesher  
1507 S Interstate 35  
Austin, Texas 78741

Baer Engineering and Environmental Consulting, Inc.  
Eugene Foster  
7756 Northcross Drive, Suite 211  
Austin, Texas 78757

Freese and Nichols, Inc.  
Michael Reedy  
10497 Town & Country Way, Suite 500  
Houston, Texas 77024

Colliers Engineering & Design  
Hannah Emmert  
3421 Paesanos Parkway  
San Antonio, Texas 78231

Brzowski recommended, based on the scoring results, engaging Colliers Engineering & Design for the Environmental Analysis and Cultural Resource Survey with the understanding that the engagement is contingent on LNRA's approval of the Surface Use Agreement for oil and gas production on LNRA property.

Director Johs moved to approve engaging Colliers Engineering & Design for the Environmental Analysis and Cultural Resource Survey with the understanding that the engagement is contingent on LNRA's approval of the Surface Use Agreement. Director Kucera seconded the motion. Motion passed.

**Proposed LNRA Board of Director Meeting Dates**

The Board was presented a copy of the proposed FY2024 LNRA Board of Directors meeting dates as follows:

LNRA Board of Director Meeting Dates	
Fiscal Year 2024	
Wednesday	October 18, 2023
Wednesday	November 15, 2023
Wednesday	December 20, 2023
Wednesday	January 17, 2024
Wednesday	February 21, 2024
Wednesday	March 20, 2024
Wednesday	April 17, 2024
Wednesday	May 15, 2024
Wednesday	June 19, 2024
Wednesday	July 17, 2024
Tuesday	August 13, 2024
Wednesday	August 21, 2024
Wednesday	September 18, 2024

Director Steffek moved to approve the LNRA Board of Directors meeting dates as presented. Director Aimone seconded the motion. Motion passed.

**Board of Director Terms of Office**

In accordance with LNRA’s recent Sunset legislation, the terms of office for Board members shall be for four (4) years ending on May 1<sup>st</sup> and until their successors are appointed by the Governor.

Six (6) Board members whose terms **do not expire** in May 2027, drew lots to determine two (2) Board members for terms expiring May 2024, two (2) Board members for terms expiring May 2025, and two (2) Board members for terms expiring May 2026.

Results are as follows:

Term Expiring 2024: Director Parker and Director Taylor

Term Expiring 2025: Director Aimone and Director Steffek

Term Expiring 2026: Director Adelman and Director Kucera

### **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 August.

Hartl reported as follows:

- The straight-line open cut excavation for the 36” ductile pipeline is complete, and the pipeline has been placed. Currently the crew is installing the appurtenances (blow-off valves and combination air release valves) to the pipeline.
- The tunneling crew began work on September 8<sup>th</sup> and are working on planning the casings on driveways at Gates 5, 4, and 3.
- The crew has begun preparing the ROW for the 57” pipeline at the north end of the project. We are expected to take our first delivery of 57” bar-wrapped pipe on September 18<sup>th</sup>.

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

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

Brzozowski informed the Board that the draft permit was received on September 12, 2023. LNRA has until September 25<sup>th</sup> to respond or request an extension.

The Board meeting adjourned at 9:13 a.m.

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Jerry L. Adelman  
President

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Jennifer Storz  
Secretary-Treasurer