

Lavaca-Navidad River Authority

Minutes of October 18, 2023 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, October 18, 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, Mitchell, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Terry, Sklar, and Crenshaw, and Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, Amy Blanchett of Formosa Plastics, Ryan Kubecka of Deutschburg Community Club, and Pastor Tim Williams of LaWard Pentecostal Church. Stephen Phillips of Formosa Plastics joined the meeting via video teleconference.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- Presentation of Community Development Partnership Program (CDPP) Grants:

Deutschburg Community Club	\$ 50,000.00	Community Center Annex
LaWard United Pentecostal Church	\$ 50,000.00	LaWard Recreation Pavilion

- East Delivery System Expansion Project
- West Delivery System Painting Project
- Spillway Selective Protective Coatings Treatment
- Main Event Center Lighting Project
- General Manager's Quarterly Report as of September 30, 2023
- Spooktacular Trail and Carnival – Texana Park – October 28, 2023
- Texas Water Conservation Association Fall Conference November 1-3, 2023
- Texana Chili Spill – November 9-11, 2023
- Wounded Heroes Hunt – November 7-9, 2023
- Veterans Appreciation Dinner and Program – November 9, 2023

Consent Agenda

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

1. Consider approval of Board meeting minutes of September 20, 2023 and act as necessary.
2. Consider acceptance of September 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.

5. Consider approval of Quarterly Investment Report as of September 30, 2023

Gregory briefed the Board on the activity of investments as reported in the Quarterly Investment Report as of September 30, 2023. Texpool earned an average rate of 5.25% while Prosperity Bank earned .30% for the quarter.

The Board was presented with a copy of the quarterly report for their review.

Director Taylor moved to approve Consent Agenda items 1-5 as presented. Director Kucera seconded the motion. Motion passed.

Regular Agenda

Proposed Reserve Contingency Reallocations and Expenditures

Brzozowski briefed the Board on the proposed Reserve Contingency Fund reallocations. The Board was presented with a copy of the proposed reallocations for their review.

Brzozowski informed the Board of the proposed Reserve Contingency Fund expenditures as follows:

Recreation

Hafernicks Recreation Center

HRC Renovations \$ 157,000.00

The Board was presented with a summary of the proposed renovations and estimated costs.

Main Event Center

MEC Sound System Upgrades \$ 12,000.00

General Fund

Administration Building (Main Office)

Installation of physical access control on doors \$ 40,000.00

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

Director Steffek moved to approve the proposed Reserve Contingency Fund reallocations and expenditures as presented. Director Taylor seconded the motion. Motion passed.

Bid for Stop Log Construction

Brzozowski informed the Board that LNRA solicited bids for the fabrication of two metal spillway stoplogs based on original plan sheets as originally designed by the US Bureau of Reclamation. Three (3) bids were received. The Board was presented with a bid summary indicating the contractor and the total bid amount.

The General Manager recommends accepting the bid from Neumann Welding, Inc. in the amount of \$117,023.52. Funds are available in the Capital Improvement Fund.

Director Aimone moved to approve the bid from Neumann Welding Inc. in the amount of \$117,023.52 for the fabrication of two metal spillway stoplogs as presented. Director Steffek seconded the motion. Motion passed.

Surface Use Agreement

Brzowski briefed the Board on the proposed Surface Use Agreement for the oil and gas operation proposed to occur on LNRA's property. He discussed the Agreement and indicated four (4) points in the Agreement that would need editing upon agreement with both parties. The consensus of the Board was for the General Manager to negotiate a finalized agreement based on the discussion of the Board.

Director Mitchell moved to approve the General Manager to finalize the contract based on the edits discussed. Director Steffek seconded the motion. Motion passed.

Agreement for Lease of Space

Brzowski informed the Board that LNRA's Agreement for Lease of Space with Texas A&M University expires on December 31, 2023. The Lease of Space is for use of approximately 500 square feet of space situated in the Main Office Complex, Building C.

The proposed new Agreement will commence on January 1, 2024 and end on December 31, 2024 with the option to renew the term for four additional periods of 12 months, subject to LNRA's approval.

The Board was presented a copy of the draft Agreement for their review.

Director Johs moved to approve the Agreement for Lease of Space by and between LNRA and Texas A&M University System. Aimone seconded the motion. Motion passed.

Property Sale and Transfer Agreement

Brzowski briefed the Board, as previously discussed, that as a result of the 2017 Hurricane Harvey event, the banks of the Navidad River were altered in several locations within the boundaries of LNRA's property. Below the FM 530 bridge crossing, the change in the configuration of the riverbank has degraded to a point within 25 feet of the neighboring property. Further degradation is expected.

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

In July, the Board approved the Land Purchase Agreement indicating the purchase of a 0.388-acre tract with a purchase price of \$7,760.00. The Property Sale and Transfer closed on October 6, 2023 for a final cost, including closing costs, of \$ 8,595.55. Reserve funds were utilized for this purchase.

The Board was presented with a copy of the Final Settlement Statement.

Brzowski requested the Board to formally acknowledge the use of Reserve Funds.

Director Aimone moved to approve the use of reserve funds for the Purchase Sale and Transfer Agreement as presented. Director Mitchell seconded the motion. Motion passed.

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 September.

- The tunneling crew has completed crossings at gates 6, 5, and 4. They are currently working on gate 3 and will then proceed to gate 2.
- Utility locates are underway along the 57” bar-wrapped pipe alignment to verify any foreign crossings.
- LNRA is taking delivery of the 57” bar wrapped pipe.
- The contractor is stockpiling trench bedding materials along the ROW.

Lake Texana Yield Enhancement Project

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

Brzozowski reported as follows:

- LNRA has received a draft permit, and we are working with our team, including our Legal Counsel and Engineer, to draft comments that are to be considered by TCEQ staff.
- I have arranged to have FNI draft changes to LNRA’s Drought Contingency Plan that will allow LNRA to comply with current regulations associated with confirmation of need.

The Board meeting adjourned at 8:43 a.m.

Jerry L. Adelman
President

Jennifer Storz
Secretary-Treasurer