

Lavaca-Navidad River Authority

Minutes of November 15, 2023 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, November 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, Secretary-Treasurer Storz, and Directors Kucera, Mitchell, Parker, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Hartl, Martin, Pearson, Terry, Sklar, and Crenshaw, and Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward and Cody Cockcroft of Freese and Nichols, and Jack Wu of Formosa Plastics. 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

- West Delivery System Purchase of Control Valve
- West Delivery System Painting Project
- Spillway Selective Protective Coatings Treatment
- Surface Use Agreement Update
- Freese and Nichols Dam Safety Project Update
- Spooktacular Update
- Veterans Appreciation Dinner and Texana Chili Spill Update
- RSM Fiscal Year 2023 Audit
- JC Chamber Annual Banquet – Thursday, November 16, 2023
- RSM IT Chief Information Officer
- Fleet Vehicle Purchase
- Corpus Christi Water Supply - Drought Conditions
- Inteplast – Water Reuse

Consent Agenda

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

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

Regular Agenda

Proposed Reserve Contingency Expenditures

Brzowski informed the Board that bids had not been received for repairs to the Genie Telehandler. The proposed expenditure will be presented at the December Board meeting.

No action was taken.

LRWPG TWDB Contract Amendment

Brzowski informed the Board that the Lavaca Regional Water Planning Group (LRWPG) Texas Water Development Board (TWDB) Contract Amendment 2 increases the committed funds for FY24-25 and increases the total project cost. LNRA is the contracting entity for the LRWPG and must approve the Contract Amendment.

The Board was presented with a copy of the TWDB Amendment 2 for review.

Director Steffek moved to approve the LRWPG TWDB Contract Amendment 2 as presented. Director Mitchell seconded the motion. Motion passed.

Revised Board Policies

Brzowski briefed the Board on revised Board Policy 104 – Public Access and Public Input and Board Policy 402-Budget and Audit in response to Sunset Commission's management recommendations.

Board Policy 104 was revised to apply the standard across-the-board requirement related to developing and maintaining a complaints system and making information on complaint procedures available to the public. Board Policy 402 was revised to develop and implement a reserve fund balance policy.

A redlined copy of both revised Board Policies was presented to the Board for review.

Director Storz moved to approve the revised Board Policies as presented. Director Steffek seconded the motion. Motion passed.

EDS Expenditure for Pump Motor Rewind

Hartl informed the Board that in September 2022 an unknown power surge, most likely from a recent storm, caused pump motor #1 and pump motor #2 to fail. The damage to pump motor #2 did not require a full rewind to make it operational, so LNRA expedited a two-day turnaround of pump motor #2 to have water available for the East Delivery customers.

Pump motor #2 was scheduled for a routine overhaul and full rewind in 2022. The Board was presented with a copy of the invoice from Etheredge Industrial Services for the rewind of East Delivery System Pump Motor #2 for \$25,185.00.

Funds are available in the East Delivery budget.

Director Mitchell moved to approve the East Delivery System expenditure for pump motor rewind as presented. Director Taylor seconded the motion. Motion passed.

EDS Expenditure for Pump Rehabilitation

Hartl informed the Board that a power surge in September 2022 caused an electrical short in Motor #1 of the East Delivery System. This required a full overhaul and rewind of Motor #1. Motor #1 and Pump #1 were scheduled for routine maintenance this year.

Since Motor #1 was rebuilt in the surge incident, that only leaves Pump #1 for routine maintenance.

The Board was presented with a copy of the invoice from RPM Services, Inc. for East Delivery System Pump #1 rehabilitation for \$87,624.35.

Funds are available in the East Delivery System budget.

Director Parker moved to approve the East Delivery System expenditure for pump rehabilitation. Director Johs seconded the motion. Motion passed.

EDS Expenditure for Removal and Replacement of Flow Meter

Hartl informed the Board that a proposal was received from Mercer Construction to remove and replace the East Delivery System flow meter at Pond A for \$21,430.00.

To allow for any unforeseen impediments or circumstances, LNRA requests that the Board consider approving expenditure up to \$25,000.00 for this project.

Funds are available in the East Delivery System budget.

Director Steffek moved to approve the East Delivery System expenditure of \$25,000 for the removal and replacement of the flow meter at Pond A. Director Mitchell seconded the motion. Motion passed.

Advanced Funding Agreement

Brzowski informed the Board that as a result of the TxDOT periodic bridge inspection program, TxDOT has planned to make repairs to the road deck of the spillway, replacing worn and/or missing post-tensioned tie cables on either side of each bridge beam joint.

Based on LNRA'S understanding of the scope and anticipated price, and in the spirit of agency cooperation, the General Manager suggested LNRA would share the expense of the repairs. LNRA's estimated share is \$10,749.51. This repair was not budgeted and will need to be funded out of reserves.

The Board was presented with a copy of the Advanced Funding Agreement by the Texas Department of Transportation for support in repairing the spillway bridge deck. Brzowski discussed making a few edits to the Agreement to include a statement that LNRA did own the bridge.

Director Taylor moved to approve the Advanced Funding Agreement with the edits discussed by the General Manager and to use Reserve Funds for LNRA's share of cost. Director Mitchell seconded the motion. Motion passed.

Proposed Confidentiality Agreement

Brzozowski informed the Board that Darrel Nichols, GBRA CEO/General Manager, communicated with him suggesting ExxonMobil has expressed an interest in developing an operation on the east side of Lavaca Bay.

ExxonMobil has contacted LNRA but is not prepared to communicate without a Confidentiality Agreement in place.

The Board was presented with a copy of the proposed Confidentiality Agreement between ExxonMobil Major Growth Ventures LLC and LNRA.

Director Johs moved to approve the General Manager to finalize the Confidentiality Agreement. Director Mitchell seconded the motion. Motion passed.

East Delivery System Pipeline Relocation Project

The Board was presented with a copy of the Freese and Nichols Status Report for October 2023. Brzozowski reported that the project was performing well.

Jason Ward of Freese and Nichols reported that the contractor is working on the 57" and the overall project was ahead of schedule.

Lake Texana Yield Enhancement Project

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

Brzozowski reported as follows:

- Working with Freese and Nichols and our legal counsel, we were able to submit our comments on TCEQ's draft permit and public notification language by our October 31st deadline.
- TCEQ staff will review our comments and are to send a revised draft/response within a "few weeks".
- Once finally accepted, LNRA will publish the notice and permit, opening the door and starting the clock for public review and comment.

The Board meeting adjourned at 8:33 a.m.

Jerry L. Adelman
President

Jennifer Storz
Secretary-Treasurer