

## **Lavaca-Navidad River Authority**

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

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, December 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 Mitchell, Steffek, Storz, 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 and Jason Ward of Freese and Nichols. Stephen Phillips of Formosa Plastics and Marc Sewell and Carla Contreras of RSM US LLP joined the meeting via video teleconference.

President Adelman called the meeting to order.

### **Public Comments**

There were no public comments.

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

- Update on ExxonMobil Major Growth Ventures LLC
- Update on Advanced Funding Agreement with TxDOT
- Update on proposed oil and gas operation on LNRA's property
- Dam Safety Update
- Max Midstream Update
- HHRC Renovations Update
- Governor Appointments
- Fleet Vehicle Proposed Purchase

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of November 15, 2023 and act as necessary.
2. Consider acceptance of November 2023 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.
4. Consider approval of proposed budget amendment and act as necessary.

Director Steffek moved to approve the Consent Agenda items 1-4 as presented. Director Taylor seconded the motion. Motion passed.

### **Regular Agenda**

### **Fiscal Year 2023 Financial Audit Report**

Marc Sewell and Carla Contreras of RSM US LLP joined the meeting via audio/video teleconference. Sewell addressed the Board and expressed his appreciation for LNRA's participation in the audit process and commended the LNRA audit team for their expertise.

Sewell briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2023. The Board was presented with a copy of the draft Financial Report for their review.

Director Johs moved to accept the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2023, as performed by RSM US LLP. Director Taylor seconded the motion. Motion passed.

**East Delivery System Pump Station Expansion Project**

Brzozowski informed the Board that LNRA solicited bids for the East Delivery System Pump Station Expansion Project. Two (2) bids were received as follows:

Contractor	Total Base Bid	Total Bid Cost
RGV Industrial Machine Shop and Pump LLC	\$ 1,965,000.00	\$ 1,980,000.00
IECONI	\$ 2,071,472.87	\$ 2,104,885.37

The Board was presented with a copy of the bid recommendation to accept the bid from RGV Industrial Machine Shop and Pumps, LLC from Freese and Nichols. Funds are available in the EDS operating budget.

Director Mitchell moved to approve the bid from RGV Industrial Machine Shop and Pumps, LLC as recommended by Freese and Nichols for \$1,980,000.00 with funding from the EDS operating budget. Director Steffek seconded the motion. Motion passed.

**Proposed Reserve Contingency Expenditure**

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

**Community Education Center**

Audio/Video Equipment purchase and install \$ 45,000.00

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 expenditure as presented. Director Johs seconded the motion. Motion passed.

**FNI Task Authorization for LTYEP Water Right Permit Support**

Brzozowski informed the Board that because a draft permit will be issued soon for public review, the Freese and Nichols work order supporting LNRA's application process needs to be closed out and a new work order issued to support the public process.

The Board was presented a copy of the proposed Freese and Nichols Work Order for not to exceed \$100,000.00

to provide continuing support for the permit application, including TCEQ requests. Funds are available in the reserve fund.

Director Steffek moved to approve Freese and Nichols Work Order for Lake Teana Yield Enhancement Project Water Right Permit Support for a not to exceed amount of \$100,000.00. Director Mitchell seconded the motion. Motion passed.

### **East Delivery System Pipeline Relocation Project**

Hartl reported as follows:

- Working on installation of carrier pipe and appurtenances at Gate 2, 3, and 8.
- Installing blow off valve at Gate 3.
- Forming and casting slab and walls of 36” valve vault at STA 33 and 24, north of Gate 4.
- Continuing to place 57” bar wrapped pipe.

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

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

Brzozowski reported as follows:

- We are still awaiting a response from TCEQ on our comments to the draft permit.
- It was expected they would respond in December. We will see!

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

The Board meeting adjourned at 8:26 a.m.

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Jerry L. Adelman  
President

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Jennifer Storz  
Secretary-Treasurer