

Lavaca-Navidad River Authority

Minutes of April 17, 2024 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, April 17, 2024 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, Directors Aimone, Kucera, Mitchell, 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 Cody Cockcroft and Jason Ward of Freese and Nichols. 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

- General Manager's Quarterly Report as of March 30, 2024
- Personal Financial Statement due to Texas Ethics Commission by April 30, 2024
- Retirement Party for Cammie Pearson – Thursday, April 18th 2:00-4:00, CEC

Consent Agenda

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

1. Consider approval of Board meeting minutes of March 20, 2024 and Scholarship Committee meeting minutes of April 11, 2024, and act as necessary.
2. Consider acceptance of March 2024 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 reserve fund reallocations, and act as necessary.
5. Consider approval of Investment Report as of March 31, 2024 and act as necessary.

Gregory briefed the Board on the activity of investments as reported in the Quarterly Investment Report as of March 31, 2024. Texpool earned an average rate of 5.33% 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 the Consent Agenda items 1-5 as presented. Director Mitchell seconded the motion. Motion carried.

Regular Agenda

Proposed Reserve Contingency Expenditures

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

Community Education Center

Thirty-six (36) chairs to provide for additional seating with stacker \$ 6,000.00

Harry Hafernick Recreation Center

Sixty (60) Meeting Tables

Ten (10) Banquet Round Tables

Table Carts \$ 53,111.00

Brackenridge Park and Campground

Replace electrical panels in select RV sites \$ 6,751.33

Vehicle and Equipment

Heavy Duty 3 Point Tractor Disc \$ 7,000.00

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

Director Johs moved to approve the proposed reserve contingency expenditures as presented. Director Kucera seconded the motion. Motion carried.

MRPII Bay City Pump Stations Recoating Project

LNRA solicited bids for the MRPII Bay City Pump Stations Recoating Project. Two (2) bids were received. The General Manager recommends accepting the low bid from CFG Industries, LLC for \$124,282.00.

A copy of the bid summary indicating bidder and the amount of bid was presented to the Board for their review.

Funding for this project is available in the West Delivery System operating budget.

Director Storz moved to approve the bid from CFG Industries, LLC for \$124,282.00 as recommended by the General Manager. Director Aimone seconded the motion. Motion carried.

Selective Treatment of Protective Coatings on Spillway Gates Project

LNRA solicited bids for Selective Treatment of Protective Coatings on Spillway Gates. Two (2) bids were received. The General Manager recommends accepting the bid from the low bidder, CFG Industries, LLC for \$210,000.00.

A copy of the bid summary indicating bidder and the amount of bid was presented to the Board for their review. Funding for this project is available in the Capital Improvement Fund.

Director Steffek moved to approve the bid from CFG Industries, LLC for \$210,000.00 as recommended by the General Manager and funding from the Capital Improvement Fund. Director Mitchell seconded the motion. Motion carried.

Bid for Painting LNRA Building A

LNRA solicited bids for painting of the exterior of LNRA Building A (Administrative Building). Three (3) bids were received.

The General Manager recommends accepting the bid from Ramiro Armenduriz for \$20,000 and approving an additional amount of \$15,000 for materials, for a total of \$35,000.

Funds are available in the Capital Improvement Fund.

Director Taylor moved to approve the bid for painting LNRA Building A from Ramiro Armenduriz for \$20,000 and an additional \$15,000 for materials, for a total of \$35,000 and funding from the Capital Improvement Fund as recommended by the General Manager. Director Storz seconded the motion. Motion carried.

Disposal of Assets

At the March meeting, the Board approved reserve contingency fund expenditure for the removal and replacement of lighting fixtures and appurtenances in the MEC main area and warm-up arena.

Brzowski informed the Board that once removed, the MEC existing lighting fixtures will be useless. According to LNRA Board Policy 307 – Fixed Assets, the Board must approve the disposal of assets deemed irreparable.

Director Mitchell moved to approve the disposal of assets as presented. Director Kucera seconded the motion. Motion carried.

Stop Log Project

Brzowski informed the Board that Neumann Welding is near completion of constructing two (2) new stop logs. When complete, LNRA will need to deliver them to PMI to begin the blasting and painting of the new stop logs.

The cost for the blasting and painting of the stop logs is \$16,250 each, for a total cost of \$32,500.

Funds are available in the Capital Improvement Fund.

Director Aimone moved to approve the capital improvement fund expenditure for blasting and painting of two (2) stop logs for a total cost of \$32,500. Director Steffek seconded the motion. Motion carried.

LRWPG Contract Amendment No. 4

The Board recently approved the Lavaca Regional Water Planning Group (LRWPG) Contract Amendment No. 3 between Texas Water Development Board and LNRA for additional funding.

The Board was presented with a copy of the LRWPG Contract Amendment No. 4 between LNRA and Black and Veatch to incorporate the Task 5b water management strategy scope, based on the signed Amendment No. 3. There is no change in contract price with Amendment No. 4 but reflects the updates in the scope of work tasks.

As the contracting entity, LNRA is required to approve LRWPG contracts.

Director Storz moved to approve the LRWPG Contract Amendment No. 4 between Black and Veatch and LNRA as presented. Director Johs seconded the motion. Motion carried.

Palmetto Bend Dam Seepage Remediation Project Discussion

Brzozowski informed the Board that Freese and Nichols' engineers have been working on defining the overall scope of a remediation project. Unused funding from prior work order authorizations will be redirected to offset the engineering and design cost for the cutoff wall approach.

Cockcroft of Freese and Nichols briefed the Board on the cutoff wall alternative.

FNI plan to have a work order for dam safety services for the cut off wall project at the May Board meeting.

Briefing on Pipeline Easement Request

Brzozowski informed the Board that LNRA has been approached by ThunderDome Pipeline, LLC (subsidiary of Max Mid-Stream) to construct a segment of 14"-16" pipeline crossing LNRA property and the West Dike near LNRA's gated entrance off CR 417 (Simons Road).

Max Midstream has recently purchased several existing pipelines and have been assessing and repairing the pipelines with the intent to collect and transport crude oil from locations north and south to their tank storage off FM 1822. From there it will be transported via a variety of means to destinations including the Port of Calhoun in Point Comfort.

The total easement length is nearly 750 feet or about 45 rods.

The Company has been instructed that the portion of pipeline crossing the dike will be directionally drilled to a depth five feet below the key trench of the West Dike.

The Company has indicated they would like to place an above ground installation of a pig launch station near the new pipes' tie to the company's existing (but newly acquired) pipeline on the eastern side of the property adjacent to our fence.

LNRA has not discussed consideration.

East Delivery System Pipeline Relocation Project

A copy of the Freese and Nichols Status Report as of March 2024 was presented to the Board.

Brzozowski briefed the Board as follows:

- The contractor is nearing tie in of the 36” pipeline on either end of the project. Multiple issues have been sorted out by LNRA to keep the project moving forward.
- The issue with the burial depth of the pipelines has been negotiated with Alcoa and Formosa. We have presented amendments to the easement documents for Alcoa and Formosa and are awaiting confirmation of their acceptance of the changes.

Lake Texana Yield Enhancement Project

A copy of the Freese and Nichols Status Report as of March 2024 was presented to the Board.

Brzozowski briefed the Board as follows:

- Revised Notice of an Application for a Water Use Permit has been published and the comment period is open.
- A public meeting will be called by TCEQ to be held in Jackson County. I am not aware of the timeliness of the meeting or the location.

The Board meeting adjourned at 8:50 a.m.

Jerry L. Adelman
President

Jennifer Storz
Secretary-Treasurer