

Lavaca-Navidad River Authority

Minutes of September 25, 2024 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, September 25, 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, and Directors Aimone, Kucera, Mitchell, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Hartl, Martin, Stuhrenberg, Terry, Sklar, and Crenshaw. Also present was Bill Dugat and Emily Rogers of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese and Nichols, and Jack Wu and Amy Blanchett of Formosa. LNRA BOD Secretary-Treasurer Storz, Stephen Phillips of Formosa Plastics and Cody Cockcroft of Freese and Nichols joined the meeting via video teleconference.

President Adelman called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

- September 24th TCEQ Public Meeting on Lavaca Water Right's Permit
- Max-Midstream/Thunderdome Pipeline Easement
- Stop Log Rehabilitation/Replacement
- Slide Gate renovation/replacement for River Outlet Works (ROW) and Municipal Industrial Outlet Works
- LNRA Parks & Recreation Strategic Planning
- Texas Water Conservation Association Fall Conference – October 23-25, 2024- San Antonio
- Spillway Gate spot treating project
- Texana Groundwater District – LNRA will provide meeting space
- BLM Oil and Gas Update
- LNRA is loaning the “Hamilton House” to Inteplast for display
- Youth Alligator Update

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 21, 2024 and act as necessary.
2. Consider acceptance of August 2024 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 carried.

Regular Agenda

CDPP Grants

Brzowski informed the Board that the Community Development Partnership Program (CDPP) grant applications were due on July 26, 2024. Six (6) grant applications were received.

The CDPP Review Committee met on September 5, 2024 to discuss the application reviews and rankings. The Committee discussed each grant application and determined applicability and eligibility. It was the consensus of the Committee that the Ganado ISD, Ganado Little League, Ganado Sports Booster Club, and Jackson County Emergency Services No. 3 were ineligible.

Organization	Project	Recommended Grant Award
Ganado Community Development Corp.	Downtown Façade Project	\$50,000
Texana Arts Council	Edna Theatre Roof Replacement	\$50,000

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

Post-65 Retiree Health Benefits

Brzowski briefed the Board on the TML Health benefits currently being offered to LNRA post-65 retirees. LNRA post-65 retirees pay for 100% of all premiums.

The General Manager recommends continuing with the existing plan with no changes for 2024-2025.

The Board was presented a copy of the proposed post-65 retiree 2024 TML health benefit plan.

Director Steffek moved to approve the TML Health benefits for LNRA post-65 retirees as presented. Director Taylor seconded the motion. Motion passed.

Ratification of Executive Committee's Approval

Brzowski informed the Board that the LNRA Board of Directors Executive Committee was contacted on September 5, 2024 requesting approval for necessary funds for the repair to Intake Pump No. 1 motor. The Executive Committee approved.

The motor was sent to a new motor repair provider, Faraday Electric Motors, located in Corpus Christi. The cost estimate for the repair was \$43,224.86.

Director Mitchell moved to ratify the Executive Committee's approval for necessary funds for the repair to WDS Intake Pump No. 1 motor as presented. Director Steffek seconded the motion. Motion carried.

Ratification of Executive Committee's Approval

Brzowski informed the Board that the LNRA Board of Directors Executive Committee was contacted on September 12, 2024 and approved a change order for the MRPII coating project. The change order will support grit blasting the prescribed areas and applying an epoxy filler to accept the specified coatings.

A proposal from CFG Industries, LLC was received for \$36, 947.00.

Director Taylor moved to ratify the Executive Committee’s approval of the change order as presented. Director Kucera seconded the motion. Motion carried.

Drought Contingency Plan and Water Conservation Plan

In accordance with Title 30 Texas Administrative Code 288.5 and 288.22, LNRA is required to update LNRA’s Drought Contingency Plan and Water Conservation Plan every five (5) years.

The Board was presented a copy of the revised DCP and WCP for their review.

Director Johs moved to approve the revised LNRA Drought Contingency Plan and Water Contingency Plan as presented. Director Steffek seconded the motion. Motion carried.

Reserve Contingency Fund Reallocations and Expenditures

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

Cabins

Resurfacing of concrete floors in Cabins 1-5	\$6,530.00
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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 reallocations and expenditure as presented. Director Mitchell seconded the motion. Motion carried.

Capital Improvement Expenditures

Brzozowski informed the Board of the proposal to purchase the following for renovations to the Wastewater Treatment Plant:

Item

Roof and Gutter Replacement	Coastal Mechanical Group	\$14,995.00
Three (3) Non-Insulated and Not Wind Rated 10x8 Garage Doors	Coastal Mechanical Group	\$ 5,328.96
Exterior Paint	Sherwin Williams	\$ 4,000.00
Exterior Building Painting	Salvador Garcia	\$ 2,500.00
6’ Commercial Chain Link Fence to include two (2) walk thru gates and two (2) 30’ Slide Gates	Bludau Fencing	<u>\$31,663.65</u>
	TOTAL	\$58,487.61

In accordance with LNRA Board Policy 304 – Procurement, bids were obtained. Funds are available in the Capital Improvement Fund, Parks & Recreation Infrastructure.

Director Aimone moved to approve the proposed capital improvement expenditures for the Wastewater Treatment building and site renovations and associated funding. Director Taylor seconded the motion. Motion carried.

Funding Arrangements for the Dam Safety Remediation Project

Brzozowski informed the Board of the LNRA Water Customers chosen payment method for the Dam Safety Remediation Project as follows:

Formosa Plastics (0.5534) elected to pay an equal amount over a 12-month period beginning October 2024 and ending September 2025.

City of Corpus Christi (0.4223) elected to pay actual amount through the construction phase.

Inteplast Group Corp. (0.0139) elected to pay an equal amount over a 12-month period beginning October 2024 and ending September 2025.

Port of Calhoun County (0.0080) elected to pay actual amounts through the construction phase.

City of Point Comfort (0.0021) elected to pay account amounts through the construction phase.

Director Mitchell moved to approve the water customers payment method for the Dam Safety Remediation Project as presented. Director Johs seconded the motion. Motion carried.

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 FY2025 budgets. The budgets as approved by the Board on August 21, 2024 shall become effective October 1, 2024.

Bid for Pipeline Easement Contract Mowing

Brzozowski informed the Board that LNRA had solicited bids for contract mowing services of 42 miles of pipeline easements owned by the City of Corpus Christi in Jackson and Matagorda Counties (MRPII) and for 36 miles of pipeline easements owned by LNRA. Five (5) bids were received as follows:

Vendors	MRPII Mowing 35-42 Miles	MRPII Trim Only 0-7 Miles	EDS Mowing 30-36 Miles	EDS Trim Only 0-6 Miles
2Chainz Brush Clearing	\$275.00 Per Mile	\$125.00 Per Mile	\$275.00 Per Mile	\$125.00 Per Mile

Van Blarcum Services	\$381.00 Per Mile	\$94.00 Per mile	\$381.00 Per mile	\$94.00 Per mile
Texana Energy LLC	\$412.50 Per Mile	\$1200.00 Per Day	\$412.50 Per Mile	\$1200.00 Per Mile
Neumann Welding, Inc.	\$390.00 Per Mile	\$156.00 Per Mile	\$390.00 Per mile	\$156.00 Per mile
JRB Services Ganado, TX	\$960.00 Per Mile	\$850.00 Per mile	\$960.00 Per mile	\$850.00 Per mile

The General Manager recommends accepting the bid from the low bidder, 2 Chainz Brush Clearing LLC as presented.

The Board was presented a copy of the bid summary indicating vendors and cost per mile for each different area for their review. Director Steffek moved to approve the bid from 2 Chainz Brush Clearing LLC as presented. Director Kucera seconded the motion. Motion carried.

EDS Pipeline Relocation Project Control and Electrical Wiring

Brzozowski informed the Board as follows:

During the design phase of the relocation project, it was inadvertently missed that the new valve vault for the tie-in of the new 36" pipeline would fall directly in-line with the existing power service to Pond B creating an issue and the need to reroute the existing power. Several attempts were made with the contractor, McKee, to add this work to the contract, but an agreement could not be reached about price or days added to the contract.

Contractor will install 4-pull boxes, 220ft of underground 2" conduit incased in red concrete around the south side of the new vault. Pull new cables in rerouted conduit to existing panel and building. On scheduled outage install new NEMA 4x breaker panel board, breakers, and reconnect new cables to new panel and existing meter loop around new vault, all temporary power will be removed.

The Board was presented with a copy of the proposals from D-Bar Construction and Coastal Bend Power Services. The General Manager recommends accepting the proposal from D-Bar Construction in the amount of \$ 51,580.00.

Director Johs moved to approve the expenditure to relocate control and electrical wiring, and associated appurtenances associated with EDS Pipeline Relocation Project at Pond B and accept the proposal from D-Bar Construction as presented. Director Aimone seconded the motion. Motion carried.

Briefing on Dam Safety Remediation Project

Brzozowski and Cody Cockcroft (Freese and Nichols) briefed the Board on the updates to the Dam Safety Remediation Project via PowerPoint. The Board was presented with a copy of the presentation. A copy of the presentation is an attachment to the official minutes of this meeting.

Briefing on East Delivery System Pipeline Relocation Project

Brzozowski and Jason Ward (Freese and Nichols) briefed the Board as follows:

- Generally, the work is nearing substantial completion with water now flowing through the relocated 36” and 57” pipelines.
- Among other items, the contractor is removing the abandoned 57” pipe materials and will begin final easement dressing.

Proposed Board of Directors Meeting Dates Fiscal Year 2025

The Board was presented a copy of the proposed FY2025 LNRA Board of Directors meeting dates as follows:

LNRA Board of Director Meeting Dates	
Fiscal Year 2025	
Wednesday	October 16, 2024
Wednesday	November 20, 2024
Wednesday	December 18, 2024
Wednesday	January 15, 2025
Wednesday	February 19, 2025
Wednesday	March 19, 2025
Wednesday	April 16, 2025
Wednesday	May 21, 2025
Wednesday	June 18, 2025
Wednesday	July 16, 2025
Tuesday	August 12, 2025
Wednesday	August 20, 2025
Wednesday	September 17, 2025

Director Steffek moved to approve the FY2025 LNRA Board of Directors meeting dates. Director Kucera seconded the motion. Motion carried.

Briefing on Lake Texana Yield Enhancement Project

The Board was presented a copy of Freese and Nichols Status Report as of August 31, 2024.

President Adelman declared the Board to convene in Executive Session as authorized by Texas Government Code, Chapter 551.071, Consultation with Attorney, at 9:01 a.m.

Executive Session ended at 9:45 a.m. and President Adelman declared the full Board to be in Open Session.

The Board meeting adjourned at 9:46 a.m.

Jerry L. Adelman
President

Jennifer Storz
Secretary-Treasurer