**Lavaca-Navidad River Authority**

**Minutes of September 23, 2026**
**Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, September 23, 2026, 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, and was also available through video teleconference. Board members present were President Adelman, Vice President Johs, and Directors: Aimone, Churan, Juroske, Kucera, Steffek, and Storz. Also present was LNRA Staff: Brzozowski, Crenshaw, Gutierrez, Hartl, Martin, Sklar, Stuhrenberg, and Terry; Emily Rogers of Bickerstaff Heath Delgado Acosta LLP; and Jason Ward and Joshua Watson of Freese and Nichols. Stephen Phillips of Formosa Plastics and Michael Miller of the public 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 Youth Alligator Hunt
- Public Information Request – FOIA
- Traverse Pipeline, LLC. – Special Use Permit
- Stoplog Storage Building Expansion
- Stockman's Conference at the BRC Main Event Center – September 24, 2026
- Texana Nature Day – September 26, 2026
- Texas Water Association Fall Conference – San Antonio, October 7-9, 2026
- Lavaca Regional Water Planning Group Meeting – October 19, 2026
- Jackson County Chamber of Commerce & Agriculture Chamber Banquet – November 17, 2026
- LNRA Christmas Party – December 18, 2026
- Update on West Delivery SCADA Upgrade Project
- LNRA Policy Concerning the use of Artificial Intelligence

**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 19, 2026, and act as necessary.

2. Consider acceptance of August 2026 financial statements and act as necessary.

3. Consider approval invoices for payment and act as necessary.

Director Churan moved to approve the Consent Agenda items 1-3 as presented. Director Steffek seconded the motion. Motion carried.

**Regular Agenda**

**Community Development Partnership Program Grant Recommendations**

The Community Development Partnership Program (CDPP) grant applications were due on July 31, 2026. Six (6) applications were received as follows:

| Organization | Grant Request | Project Title |
|---|---|---|
| Jackson County | $ 21,600.00 | Rainwater Harvesting Project |
| City of Edna | $ 50,000.00 | Splash Pad at MLK Park |
| Industrial ISD | $ 100,000.00 | School Safety Enhancement |
| Mount Olive Baptist Church | $ 30,000.00 | Church Renovations |
| JCESD No. 2 | $ 100,000.00 | Carancahua Community EMS Station |
| Deutschburg Community | $ 50,000.00 | Community Center Annex Phase 2 |

The CDPP Review Committee met on September 10, 2026, to discuss the application review and rankings. Consistent with LNRA Board Policy 701 – Economic Development, and CDPP grant guidelines, the grant request by Mount Olive Baptist Church could not be funded under the CDPP. The Committee acted recommending the LNRA Board to approve the following grant awards based on eligibility and ranking.

| Organization | Grant Recommendation | Project Title |
|---|---|---|
| City of Edna | $ 50,000.00 | Splash Pad at MLK Park |
| JCESD No. 2 | $ 100,000.00 | Carancahua Community EMS Station |
| Deutschburg Community | $ 50,000.00 | Community Center Annex Phase 2 |
| Industrial ISD | $ 34,000.00 | School Safety Enhancements |
| Jackson County | $ 16,000.00 | Rainwater Harvesting Project |

Director Churan disclosed a conflict of interest and refrained from participation in the discussion and vote by the Board of Directors.

Director Johs moved to approve the recommendations made by the Community Development Partnership Program (CDPP) Review Committee for 2026 grant applications received. Director Juroske seconded the motion. Motion carried.

**Proposed Changes to Fiscal Year 2027 Operating Budgets**

Brzozowski briefed the Board on proposed changes to the West Delivery System Operating Budget –

Capital Expenditures as follows:

Addition of $1,137,067.00 for the construction of LNRA's West Delivery System Pump Station.

- On September 10, 2026, bids were received for the expansion of LNRA's West Delivery System Pump Station.

- The Fiscal Year 2027 Budget included estimated construction costs of $4.5 million.

- Based on the bids received and recommendation of award, we will need to add $1,137,067.00 to the Capital Expenditures category to fully fund this Project.

- In accordance with our Interlocal Agreement with the City of Corpus Christi, the bids received and our recommendation of award have been shared with the City for their review.

Addition of $330,017.60 for the procurement of one (1) Variable Frequency Drive and associated Switchgear.

- On March 18, 2026, the Board approved a bid from Five Star Electric in the amount of $1,370,748 to pre-purchase one (1) Variable Frequency Drive and associated Switchgear. It was anticipated 60% of the total costs would be payable in the current fiscal year based on a schedule of values prepared by Five Star Electric. Currently, Five Star Electric is slightly behind schedule regarding the ordering of major materials for the associated Switchgear.

- That said, we will need to increase the Capital Expenditures category by $330,017.60 to account for the amount not billed in the current fiscal year.

The Board was presented with a copy of the amended Fiscal Year 2027 West Delivery System Operating Budget for their review.

Director Kucera moved to approve proposed the changes to Fiscal Year 2027 West Delivery System Operating Budget as presented. Director Churan seconded the motion. Motion carried.

**Post-65 Retiree Health Benefits for 2027**

Brzozowski and Martin briefed the Board on the Texas Health Benefits Pool health benefits currently being offered to LNRA post-65 retirees. LNRA post-65 retirees pay for 100% of all premiums.

After review of the packages offered, the General Manager recommends Package 3 with the inclusion of the Manage My Health option for post-65 retiree health benefits for 2027.

The Board was presented with plan summaries and rates for their review.

Director Steffek moved to approve the recommended post-65 retiree health benefits for 2027 as presented. Director Storz seconded the motion. Motion carried.

**Reserve Contingency Fund Expenditures**

Brzozowski briefed the Board on the proposed Reserve Contingency Fund expenditures as follows:

| | |
|---|---|
| **Main Event Center:** | |
| Replacement Parts for the Pipe and Drape System | $ 5,000.00 |
| Pipe & Drape Storage Cart | $ 2,500.00 |
| | |
| **Community Education Center:** | |
| Furniture – Workspace to accommodate a new position. | $ 6,049.13 |

Director Johs moved to approve the Reserve Contingency Fund expenditures as presented. Director Kucera seconded the motion. Motion carried.

**Capital Improvement Fund Expenditure for Fleet Vehicles**

Brzozowski briefed the Board on the proposed Capital Improvement Fund expenditure for fleet vehicles as follows:

| | |
|---|---|
| **Management:** | |
| 2027 Ford F-150 Crew Cab | $ 101,122.50 |
| *Two (2) at $ 50,561.25 each* | |
| | |
| **Administration Division (IT):** | |
| 2027 Ford F-150 Extended Cab | $ 93,286.00 |
| *Two (2) at $ 46,643.00 each* | |
| | |
| **Law Enforcement Division:** | |
| 2026 Ford F-150 Crew Cab | $ 114,513.06 |
| *Two (2) at $ 57,256.53 each* | |
| Note – Price includes emergency equipment. | |

All vehicles are to be purchased through The Interlocal Purchasing System (TIPS).

Director Storz moved to approve the capital improvement fund expenditure for fleet vehicles as presented. Director Churan seconded the motion. Motion carried.

**Capital Improvement Fund Expenditure for the Fabrication of Five (5) M&I Stoplogs**

Brzozowski briefed the Board on the proposed Capital Improvement Fund expenditure for the fabrication of five (5) M&I Stoplogs as follows:

Bids were solicited for the fabrication of five (5) M&I Stoplogs. One bid was received from Neumann Welding, Inc. in the amount of $148,482.50.

The General Manager recommends accepting the bid from Neumann Welding, Inc.

Director Steffek moved to approve the Capital Improvement Fund expenditure for the fabrication of five (5) M&I Stoplogs as presented. Director Johs seconded the motion. Motion carried.

**Freese and Nichols Task Authorization – Dam Safety**

Brzozowski briefed the Board on the Freese and Nichols (FNI) Task Authorization for FY2026-2027 General Professional Dam Safety Servies and associated Scope of Work, including deliverables and project schedule in the amount of $125,000. This is an annual engagement to cover LNRA's routine Safety of Dams Program.

The Board was presented with a copy of the FNI Task Authorization for their review.

Director Churan moved to approve the Freese and Nichols Task Authorization for General Professional Dam Safety Services (FY2026-2027) as presented. Director Juroske seconded the motion. Motion carried.

**Construction of LNRA's West Delivery System Pump Station Expansion Project**

Brzozowski informed the Board bids were solicited for the construction of LNRA's West Delivery System Pump Station Expansion Project and three (3) bids were received as follows:

| Bidder | Base Bid | Allowance | Total Bid |
|---|---|---|---|
| IECONI LLC | $ 2,867,209.00 | $ 1,220,067.00 | $ 4,087,276.00 |
| Associated Construction Partners, Inc. | $ 4,417,000.00 | $ 1,220,067.00 | $ 5,637,067.00 |
| Taknek LLC | $ 6,364,288.00 | $ 1,220,067.00 | $ 7,584,355.00 |

According to the selection criteria established by LNRA for this Project, Associated Construction Partners, Inc. is the lowest responsible bidder.

Consistent with our Interlocal Agreement with the City of Corpus Christi, we have requested the City's concurrence with the award of the bid to Associated Construction Partners.

The Board was presented with a copy of the bid recommendation by Freese and Nichols for their review.

Director Johs moved to approve the recommended bid for the construction of LNRA's West Delivery System Pump Station Expansion Project contingent on approval by the City of Corpus Christi City Council on October 13, 2026, as presented. Director Steffek seconded the motion. Motion carried.

**Heavy Equipment Lease for Two (2) Tractors**

Brzozowski informed the Board LNRA's current lease agreement for two (2) tractors with Kubota expires October 31, 2026.

Bids were solicited for two (2) 120 HP, low-profile tractors and were received as follows:

| Company | Make, Model | Amount |
|---|---|---|
| John Deere | JD 5120M | $ 4,380.80 / mo. |
| Hlavinka | Case 120C | $ 4,651.02 / mo. |
| Victoria Oliver | Kubota M6S-111SHDC | $3,038.32 / mo. |

Equipment bid by Victoria Oliver Co. did not meet LNRA's power requirements. To meet the minimum required power, the tractor size (frame) would need to be substituted and is not appropriate for our needs.

That said, Management recommends entering into a three-year lease agreement to commence no sooner than November 1, 2026, with John Deere for two (2) John Deere 5120M 120 HP tractors for a combined monthly rate of $4,380.80 ($2,190.40 per tractor).

Funds are available in the General Fund budget.

Director Churan moved to approve the expenditure for a three-year lease agreement for two (2) tractors with John Deere as presented. Director Juroske seconded the motion. Motion carried.

**Heavy Equipment Lease for a High-flow Skid Loader**

Brzozowski informed the Board LNRA's current lease agreement for a 299D3XE Compact Track Loader with Caterpillar expires October 23, 2026.

Bids were solicited for a new high-flow skid loader and were received as follows:

| Company | Make, Model | Amount |
|---|---|---|
| Caterpillar | Caterpillar 275-05XE | $ 2,291.99 / mo. |
| Nueces Power Equipment | Case TV620B T4 | $ 2,675.31 / mo. |
| ASAP Equipment | ASV RT-135F Forestry | $ 2,801.35 / mo. |

Management recommends entering into a three-year lese agreement to commence no sooner than October 24, 2026, with Caterpillar Financial Services Corporation for a 275-05XE high-flow skid loader for a monthly rate of $2,291.99.

Funds are available in the General Fund budget.

Director Johs moved to approve the expenditure for a three-year lease agreement for a high-flow skid steer with Caterpillar Financial Services Corporation as presented. Director Steffek seconded the motion. Motion carried.

**Fiscal Year 2027 LNRA Board of Director Meeting Dates**

The Board was presented with a copy of the proposed Fiscal Year 2027 Board of Director meeting dates as follows:

| **LNRA Board of Director Meetings Fiscal Year 2027** | | **Meeting Notice Posting Dates** |
|---|---|---|
| Wednesday | October 21, 2026 | Thursday, October 15th |
| Wednesday | November 18, 2026 | Thursday, November 12th |
| Wednesday | December 16, 2026 | Thursday, December 10th |
| Wednesday | January 20, 2027 | Wednesday, January 13th |
| Wednesday | February 17, 2027 | Wednesday, February 10th |
| Wednesday | March 17, 2027 | Thursday, March 11th |
| Wednesday | April 21, 2027 | Thursday, April 15th |
| Wednesday | May 19, 2027 | Thursday, May 13th |
| Wednesday | June 23, 2027 | Thursday, June 16th |
| Wednesday | July 21, 2027 | Thursday, July 15th |

| | | |
|---|---|---|
| Tuesday<br>Board Budget Workshop | August 10, 2027 | Wednesday, August 4th |
| Wednesday | August 18, 2027 | Thursday, August 12th |
| Wednesday | September 22, 2027 | Thursday, September 16th |

Director Storz moved to approve the Fiscal Year 2027 LNRA Board of Director meeting dates as presented. Director Steffek seconded the motion. Motion carried.

**Update on the Dam Safety Remediation Project**

Brzozowski briefed the Board as follows:

Zachry has successfully completed capping the core trench with a limestone base.

Currently, their sub-contractor is installing a metal beam guard fence. Once this work is completed, the roadway will be evaluated for any additional damages to be corrected. Following this, the roadway will be turned over to TxDOT to begin construction on their rehabilitation project.

The construction of the boil closure is well underway. Griffen has completed the dewatering wells, and a dewatering test has been conducted. Zachry is now making civil site preparations to prepare for the installation of sheet pile to encase the boil area prior to creating a reverse aggregate filter.

As has been communicated before, according to the contractual agreed upon schedule, the final completion date was set as August 25, 2026. According to the August pay application, the contractor is 73.4% complete. That said, we are behind schedule and liquidated damages will come into play.

**Update on the Lake Texana Yield Enhancement Project**

Brzozowski briefed the Board as follows:

We have not received an announcement from TCEQ concerning a hearing date.

Most recently, we received and responded to a Freedom of Information Act (FOIA) request concerning the LTYEP from a group based in Washington, D.C.

The group requested reports, etc., generated by Freese and Nichols (FNI) since 2024, the Conceptual Mitigation Plan, assessments, studies concerning impact to properties of surrounding

landowners, etc., Water Supply Agreements between LNRA and the City of Corpus Christ and Formosa, and the Purchase and Sale Contract with Formosa.

Other items were requested we considered attorney-client privileged and we have requested an Attorney General opinion as to our ability to protect this information.

**Update on Proposed Recreation Development on LNRA Property**

Brzozowski briefed the Board as follows:

Don Mahaffey has made a couple of trips to the site with the golf architect.

We understand the volume of water needed to support the grow-in of the course and an annual maintenance volume. This will become a Groundwater Conservation District permit issue, but it is undecided which group should apply for the permit.

We are waiting on a formal request by the group to lease the property.

The Aaberg family signed off on the real estate sales contract and we have engaged Coastal Title to work through the process. We delivered payment for the earnest money September 10th.

**Public Comments**

There were no public comments.

The Board meeting adjourned at 8:46 a.m.

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|---|---|
| Jerry L. Adelman | Jennifer Storz |
| President | Secretary-Treasurer |