

Lavaca-Navidad River Authority

Minutes of August 21, 2019 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, August 21, 2019 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. Board members present were President Kubecka, Directors Adelman, Parker, Johs, Martin, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Hartl, Martin, Crenshaw, and Sklar. Also present was Doug Caroom of Bickerstaff Heath Delgado Acosta LLP, Mike Rivet of Formosa Plastics Corporation, Jason Afinowicz of AECOM, and Telishia Malone of the Jackson County Herald Tribune.

President Kubecka called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

Brzozowski reported on the following:

- TWDB Flood Outreach Meeting
- Lavaca Bay Foundation Meeting
- LNRA IT Contracted CIO Services
- Customer Communications
- Texas Comptroller Matagorda Bay Ecosystem Assessment
- LNRA Safety Manual
- Simons Boat Ramp Project
- Community Education Center Update
- Friends of Lavaca River in Hallettsville
- State Audit/ Sunset Review

Consent Agenda

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

1. Consider approval of Board meeting minutes of July 17, 2019 and August 13, 2019 and act as necessary.
2. Consider acceptance of July 2019 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 Adelman moved to approve the Consent Agenda items 1-4 as presented. Director Johs seconded the motion. Motion passed.

Regular Agenda

Proposed Fiscal Year 2020 Budgets

The Board met on August 13, 2019 and were briefed and presented copies of the proposed Fiscal Year 2020 budgets (General Fund, Recreation, Clean Rivers Program, Wastewater Treatment Plant, West Delivery System, Mary Rhodes Phase II, and East Delivery System) and Long-Term Capital Expenditures Accrual Plan.

Brzozowski briefed the Board on the proposed Fiscal Year 2020 budgets and Long-Term Capital Expenditures Accrual Plan.

Director Parker moved to approve the proposed Fiscal Year 2020 budgets as presented. Director Steffek seconded the motion. Motion passed.

Capital Improvement Fund Expenditure

Brzozowski recommended purchasing fleet vehicles as follows:

Two (2) 2020 Ford Explorers 3.3L Eco-Boost	\$ 58,661.50 (\$29,330.75 each)
2020 Ford F-150 Crew Cab 4x4 5.01 V8	<u>\$ 35,983.82</u>
Total	\$ 94,645.32

Bids were received from GoodBuy Purchasing Cooperative, local government cooperative purchasing program.

Director Martin moved to approve the proposed capital improvement fund expenditure for fleet vehicles as presented. Director Taylor seconded the motion. Motion passed.

Contract Mowing Bids

Bids were solicited for contract mowing for boat ramps and miscellaneous mowing. Bids were received as follows:

Company	Mower Type	Amount (Hourly Rate)
*Scott Pearson 11343 FM 234 North Edna, Texas 77957	John Deere Z920M John Deere 4066R w/ Mx6 3/4-Ton Truck and Flat 20 ft Trailer	\$43.00
2 Chainz Brush Clearing Joe Chaney P.O. Box 126 Lolita, Texas 77971	John Deere 15' Batwing/8' Zero Turn John Deere 120 HP/ John Deere 55 HP 1-Ton Truck and Gooseneck Trailer	\$125.00

Olivia Ballin 511 N. Allen Edna, Texas 77957	Kubota ZD 221 54"/Self-Propelled Lawn Mower Kubota 42" Zero Turn John Deere Shredder 4066M 6 ft GMC Z71 2500	\$45 Equip \$25 Labor \$70.00
Russell Johnson 735 CR 240 Ganado, Texas 77962	42" Cub Cadet/21" Push Mower/Echo Weedeater Mahindra 4540 w/ 6 ft Shredder and Bucket Chevrolet 2500 HD and 20 ft Gooseneck Trailer	\$50.00
Van Blarcum Services Andy Van Blarcum 225 Ashton Circle Orange Grove, Texas 78372	Bad Boy 61" Zero Turn New Holland T.C. 30 3/4-Ton Truck and Gooseneck Trailer	\$97.79
Nurture Your Nature Mark Kahlhoeter 2462 FM 1822 Edna, Texas 77957	John Deere 915 E (48") Zero Turn John Deere 3038E w/ 72" Rotary Cutter 1-Ton Truck w/ car hauler trailer	\$68.00

The General Manager recommended accepting the low bid from Scott Pearson at an hourly rate of \$43.00.

Director Taylor moved to approve the bid from Scott Pearson as recommended by the General Manager. Director Johs seconded the motion. Motion passed.

Pipeline Easement Contract Mowing Bids

Bids were solicited for pipeline easement contract mowing for Mary Rhodes Phase II and East Delivery System easement maintenance. The Board was presented a summary of the bids received indicating vendor and price per mile. The General Manager recommended accepting the bid from GT Oilfield Repair for \$321.50 per mile. It was noted that the bid from Rocket Field Services (the apparent low bid) did not meet specifications as outlined in the bid documents.

Director Adelman moved to approve the bid from GT Oilfield Repair for \$321.50 as recommended by the General Manager. Director Taylor seconded the motion. Motion passed.

Bid for Solid Waste Collection

LNRA has utilized Waste Management of Texas for solid waste collection and disposal services for many years. The three (3) year contract ended recently.

Brzowski briefed the Board on the bids received for solid waste collection to include Texana Park & Campground, LNRA Wastewater Plant, Brackenridge Park & Campground, Marina, Main Event Center and LNRA O&M. See the bid summary indicating vendor and monthly cost:

Legacy Disposal, Yoakum	\$ 3,071.00
Waste Management, Victoria	\$ 4,897.78
Texas Disposal Systems, Inc, Creedmoor	\$ 6,437.00

The General Manager recommended accepting the low bid from Legacy Disposal for \$ 3,071.00 per month.

Director Parker moved to approve the bid from Legacy Disposal for solid waste collection and disposal services as presented. Director Martin seconded the motion. Motion passed.

Reserve Contingency Fund Expenditure

Brzowski briefed the Board on the proposed reserve contingency fund expenditure for the wastewater treatment plant office equipment in the amount of \$3,764.36. The Board previously approved funds for the project.

Director Johs moved to the approve the proposed reserve contingency fund expenditure as presented. Director Parker seconded the motion. Motion passed.

Capital Improvement Fund Expenditure

Brzowski briefed the Board on the proposed capital improvement fund expenditure for the Early Warning System upgrade. The purchase of the EWS Data Wise server for \$8,993.23 will complete Phase IV of the EWS upgrade.

Director Adelman moved to approve the capital improvement fund expenditure for the Early Warning System upgrade as presented. Director Taylor seconded the motion. Motion passed.

Freese and Nichols Work Order #33

Brzowski briefed the Board on the Freese and Nichols Work Order #33 for development of East Delivery System operational model. The purpose of this project is to determine the capacity of the EDS as currently configured, determine an ultimate pipeline capacity, and identify improvements required to reach the ultimate capacity. The Board was presented a copy of the work order for their review.

Work is to begin August 26, 2019 and anticipated completion date is December 6, 2019. Proposed engineering fees is not to exceed \$48,800.00. Funds are available in the EDS Professional Services category.

Director Johs moved to approve the Freese and Nichols Work Order #33 for \$48,800.00 as presented. Director Taylor seconded the motion. Motion passed.

Briefing on LNRA IT Operating Platform

LNRA's Microsoft Office 365 Enterprise Agreement with CDW for IT operating platform is expiring on September 30, 2019. Options to renew the current agreement or to replace with Microsoft 365 G3 were evaluated. Four service providers were compared as to features and cost.

Management recommends replacing the current CDW agreement with a new agreement through Xerillion to implement Microsoft 365 G3, including additional security and mobile device management.

Cost is on a month-to-month basis, rather than a three (3) year agreement. Monthly cost is \$3,366. Implementation and setup cost is \$ 9,820. Funds are budgeted in the Fiscal Year 2020 General Fund budget.

TCEQ Contract Amendment #3 for CRP

Each biennium the LNRA Board acts on the Clean Rivers Program (CRP) funding grant that is administered through the Texas Commission on Environment Quality (TCEQ). Initiated in 1991, the Texas CRP is our states chosen method to effectively respond to water quality issues on a basin level. The program involves basin stakeholders in the assessment of water quality data and planning for and carrying out improvements.

This biennium, TCEQ has chosen to amend the current Cooperative Reimbursement Contract, (September 1, 2017-August 31, 2019 rather than initiating a new contract. The contract is amended to include total associated funding of \$214,596.00 with an expiration date of August 31, 2021. The Scope of Work for Fiscal Years 2018-2019 remain unchanged and a new section is added to include the Scope of Work for Fiscal Years 2020-2021.

The CRP grant partially funds LNRA's effort associated with LNRA's water quality data collection and analysis initiative. The balance of funding is included in the General Fund budget under Environmental Services.

Director Parker moved to approve TCEQ Contract Amendment #3 for the Clean Rivers Program as presented. Director Johns seconded the motion. Motion passed.

Resolution No. 2019-002

Brzowski briefed the Board on the purpose of Resolution No. 2019-002 authorizing representation in IRS matter and delegating authority to execute Form 2848, IRS Power of Attorney. In summary, TML IEBP was required to file forms 1094-B, 1095-B with the IRS regarding health insurance coverage provided to Pool group employees. Due to an administrative error, TML IEBP did not file the forms for tax years 2016 or 2017 timely. TML agrees to resolve any proposed imposition of penalties and fines by the IRS for the late filing of the tax forms.

Director Parker moved to approve Resolution No. 2019-002 Authorizing Representation in IRS Matter and Delegating Authority to Execute Form 2848 IRS Power of Attorney to TML MultiState Intergovernmental Employee Benefits Pool to resolve proposed imposition of penalties and fines by the IRS. Director Adelman seconded the motion. Motion passed.

Briefing on Lake Texana Yield Enhancement Project

Brzowski briefed the Board on the current status of the work items associated with the Lake Texana Yield Enhancement Project (LTYEP). He communicated position on funding for work to be performed by Freese and Nichols and the need to act on land acquisition from Formosa Plastics. Brzowski also briefed the Board on the plan to meet with Texas Commission on Environment Quality (TCEQ) and to address Texas Parks and Wildlife questions.

President Kubecka declared the Board to convene in Executive Session, 551.071 (Consultation with Attorney) under Texas Government Code at 8:41 a.m.

Executive Session ended at 9:35 a.m. and President Kubecka declared the full Board to be in Open Session.

Director Sachtleben moved to approve the General Manager to amend Freese and Nichols Work Order #29 LTYEP Water Rights Permit Application Development. Director Johs seconded the motion. Motion passed.

The Board meeting adjourned at 9:37 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer