

Lavaca-Navidad River Authority

Minutes of January 15, 2020

Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, January 15, 2020 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, Kucera, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Hartl, Janak, Martin, Sklar, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Mike Reedy of Freese and Nichols 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:

- General Manager's Quarterly Report as of December 31, 2019
- Youth Deer Hunt – January 10-12
- Simons Boat Ramp Grant Project Update
- Community Education Center Grant Project Update
- BRC Winter Carnival and Snow Day – January 25, 2020 - Sponsorships: Bickerstaff, Freese and Nichols, Inteplast, LaWard Communications
- Texas Water Conservation Association Conference March 4-6, 2020, Fort Worth
- Lavaca Regional Water Planning Group Meeting – January 20, 2020

Consent Agenda

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

1. Consider approval of Board meeting minutes of December 18, 2019 and act as necessary.
2. Consider acceptance of December 2019 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.
4. Consider approval of Investment Report as of December 31, 2019.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of December 31, 2019. TexPool investments earned an average rate of 1.74% for the quarter. The Board was presented a copy of the quarterly report for their review.

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

Regular Agenda

2019 Fund Balance Allocations

Brzowski briefed the Board on the proposed 2019 fund balance allocations. The Board was presented a copy of the proposed Fiscal Year 2019 Fund Balance Allocations for their review.

Director Parker moved to approve the proposed 2019 fund balance allocations as presented. Director Steffek seconded the motion. Motion passed.

Lease Agreement with Texas Native Seeds

Brzowski briefed the Board on the proposed Lease Agreement with Texas Native Seeds, Caesar Kleberg Wildlife Research Institute – Texas A&M University-Kingsville. The Board was given a copy of the proposed Lease Agreement for their review.

The Board recommended changing insurance limits as indicated on page 3 of the agreement as follows:

Death/bodily injury: \$1,000,000.00
Property: \$1,000,000.00

Also, it was recommended to include language in Base Rent as follows:

Lessor will evaluate and may increase the Base Rent with each successive renewal term. Lessor will notify Lessee of Base Rent increase one hundred, eighty (180) days prior to the termination date of each subsequent lease.

Director Johs moved to approve the proposed Lease Agreement with recommended revisions as presented. Director Taylor seconded the motion. Motion passed.

Texana Church Roof Replacement

Brzowski informed the Board that the existing wooden shake roofing material on the Texana Church was deteriorated. Replacement of the roof is necessary. In accordance with LNRA's agreement with Jackson County, LNRA is responsible for one-half of expenses exceeding \$2,000 for church repairs and maintenance.

The County received bids and approved expenditure of \$28,500 for replacement of the roof. Funds of \$15,000 are available in the reserve contingency fund from the prior window project that can be utilized for LNRA's portion of the expense.

Director Adelman moved to approve the expenditure of \$15,000 for the Texana Church roof replacement as presented. Director Kucera seconded the motion. Motion passed.

East Delivery Expenditure for Replacement of Valves

Brzozowski informed the Board that the pressure sustaining valves on LNRA's East Delivery System need repairs. Cost for replacement of the valves is approximately \$68,000 with additional costs for valve removal and replacement.

Management recommends replacing the current Golden Anderson valves with CLA-VAL valves. Delivery time could be 6-10 weeks. Funds are available in the East Delivery System capital and reserve fund.

Director Taylor moved to authorize the expenditure for replacement of East Delivery pressure sustaining valves as presented. Director Parker seconded the motion. Motion passed.

Wastewater Treatment Plant Equipment Replacement

Brzozowski informed the Board that the primary blowers (air infusion) at the Wastewater Treatment Plant need to be replaced. New blowers cost approximately \$5,000 each. Recommendation is to purchase two (2) blowers and have one (1) of the existing blowers inspected for a possible rebuild to have on hand as a spare. Funds are available in the reserve contingency fund.

Director Kucera moved to approve the reserve contingency expenditure for replacement of the blowers at the Wastewater Treatment Plant as presented. Director Johs seconded the motion. Motion passed.

Briefing on Lake Texana Yield Enhancement Project

The Board was presented a copy of the Draft Lake Texana Enhanced Yield Project Supplemental Report to Texas Commission on Environmental Quality (TCEQ) for a new water rights application by LNRA as prepared by Freese and Nichols.

Sachtleben moved to approve the submittal of LNRA Water Right Application to TCEQ and expenditure for associated application fees as presented, deleting the Agricultural Use Fee. Director Johs seconded the motion. Motion passed.

The Board meeting adjourned at 9:08 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer