

Lavaca-Navidad River Authority

Minutes of June 26, 2019 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, June 26, 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, Janak, Pearson, Hartl, Martin and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Mike Rivet and John Hyak of Formosa Plastics Corporation, Eric Rivera of Hanson Engineering, Cisi Vasquez and Eddie Valle of Gourley Contractors, LLC, 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:

- LNRA Ordinance No. 1
- Tropical Storm and Hurricane Preparedness and Response Plan
- Recreation Summer Programs
- Interruptible Water
- Communication with Water Customers

Consent Agenda

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

1. Consider approval of Board meeting minutes of May 15, 2019 and act as necessary.
2. Consider acceptance of May 2019 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.

Director Adelman moved to approve the Consent Agenda items 1-3 as presented. Director Taylor seconded the motion. Motion passed.

Regular Agenda

Modification of the River Outlet Works Gate Structure

Brzozowski informed the Board that bids were solicited for Modification of the River Outlet Works Gate Structure as follows:

Project Bid	PMI	CFG Industries	All-Tech Engineering
Fabrication and installation of three stainless steel landings with fiberglass gratings inside the ROW.	\$226,601.00	\$68,000.00	\$92,000.00
Form and pour in place a concrete foundation base for support of a freestanding jib crane	\$25,000.00	\$26,000.00	\$118,000.00
Furnish and install a freestanding one-ton job crane, with motorized rotation and an electric chain hoist	\$50,000.00	\$31,000.00	\$81,540.00
Erect new security fence with sliding cantilevered gate	\$9,500.00	\$19,500.00	\$23,400.00
Provide barricades, signs, and traffic handling/control	\$26,500.00	\$42,000.00	\$11,500.00
Total Bid	\$337,601.00	\$186,500.00	\$327,740.00

In accordance with LNRA Board Policy 304 – Procurement, bids were solicited for the above proposed expenditures.

Management recommends accepting the bid from CFG Industries, \$186,500.00 total bid.

Director Adelman moved to approve the bid for modification of the River Outlet Works Gate structure as recommended. Director Taylor seconded the motion. Motion passed.

LNRA Community Education Center

Brzozowski informed the Board that bids were solicited for construction of the planned LNRA Community Education Center and three (3) bids were received.

LNRA and the Hanson architect worked with the low bidder to arrive at a cost reduction that meets available funding, however, after discussion on cost reduction solutions, Management was unable to make a recommendation to approve any bids.

This item was tabled, and no action was taken.

LNRA Board Policy 401 Banking & Investment/Resolution

The Board is required under the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE to adopt a Banking and Investment Policy and to review the Policy and investment strategy no less than annually.

Brzozowski briefed the Board on the LNRA Board Policy 401, Banking and Investment and related Resolution. He indicated the revisions of language in the Policy were not substantive.

The Board was presented a copy of Policy 401 and related Board Resolution for their review.

Director Johs moved to approve LNRA Board Policy 401 – Banking and Investment and related Resolution as presented. Director Steffek seconded the motion. Motion passed.

LNRA Employee and Pre-65 Retiree Health Benefits 2019-2020

LNRA currently provides employee health benefits through TML Health Benefits Pool.

LNRA also provides pre-65 retirees health benefits through TML. LNRA covers retirees between the ages of 59-65. The plan is the same plan as the employee plan. The cost is 195% of the employee costs.

LNRA pays for 100% of employee and retiree premiums and 50% of dependent premiums for both employees and retirees.

The Board was presented a copy of the Health Benefit Proposal, which includes the current plan and the associated costs and additional 2019-2020 plan options and associated costs.

Director Parker moved to approve LNRA employee and pre-65 retiree health benefits for 2019-2020 Health Benefit Proposal, Option 4, as presented. Director Martin seconded the motion. Motion passed.

Network Backup Solutions and Funding

Presented as a recommendation by RSM in LNRA’s IT review and assessment, a need was recognized to analyze the performance and reliability of LNRA’s backup and cloud storage current application.

Brzowski informed the Board that bids were solicited for complete backup solutions, that includes local backup appliance, software, licensing, installation, configuration and cloud connection storage, as follows:

<u>Vendor</u>	<u>Variiances</u>	<u>Total Bid</u>
Weaver Technology	Appliance Only Not monitoring	\$68,503.31
Rubrik	Customer Monitoring	\$48,903.62
RSM	Includes Active Monitoring	\$41,051.00

The Board was presented a copy of the backup product feature comparison.

The General Manager recommended accepting the bid from RSM for the backup solutions. Funding is available in the Capital Fund.

Director Parker moved to approve the network backup solutions and funding as presented. Director Taylor seconded the motion. Motion passed.

Briefing on Water Supply Contracts/Port Authority's contracted water supply

Brzozowski briefed the Board an overview of LNRA's water customer contract's effective and expiration dates as follows:

The expiration dates of LNRA's contract with Formosa Plastics and the City of Corpus Christi (approximately 97.5% of the contracted water supply) are consistent with repayment of our outstanding debt (2035 or thereabouts).

LNRA contracts with the Inteplast Group, City of Point Comfort, and Calhoun County Port Authority represent roughly 2.4% of the contracted water supply.

LNRA contract with the City of Corpus Christi includes a renewal provision for an additional 50-year term, making 31,440 acre-feet of water available to the City thru 2085 or thereabouts.

LNRA contract with Formosa Plastics (41,200 acre-feet/year after 2020) does not include a renewal provision.

LNRA contract with the Port Authority includes a provision that allows the Port to assign their water supply to another company in Calhoun or Jackson County. Recently, the Port Authority's Board of Directors approved action to assign their water supply for use by Formosa Plastics.

The General Manger has been in communication with the Port's General Manager and expect the Port and Formosa to enter into an agreement at some future date. Under the terms of our contact, the Port remains responsible for all payments of the water supply.

Briefing on Lake Texana Yield Enhancement Project

Brzozowski informed the Board regarding access agreements with the landowners were ongoing and expected to be completed in the next few weeks.

Freese and Nichols Work Order #31

Brzozowski briefed the Board on the Freese and Nichols (FNI) Work Order #31 for LNRA's Safety of Dams Program. Items to being worked on or being considered are:

- Update revisions to our Standard Operating Procedures Manual
- Update and revisions to our Emergency Action Plan
- Dye Dispersion Study at the Spillway
- Renovation of Spillway Stop logs
- LiDAR study of Inlet Channel and Maximum Section, data analysis and model creation Survey and detection models

The Board was given a copy of the FNI Work Order #31 and Scope of Services for their review.

Director Martin moved to approve FNI Work Order #31 SOP and EAP Updates in the amount of \$58,530 as presented. Director Johs seconded the motion. Motion passed.

The Board meeting adjourned at 9:02 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer