

## **Lavaca-Navidad River Authority**

### **Minutes of November 20, 2019 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, November 20, 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, Aimone, Johs, Kucera, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Hartl, Martin, Pearson, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Mike Rivet of Formosa Plastics Corporation, 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:

- Financial Audit FYE September 30, 2019 Field Work
- Simons Boat Ramp Grant Project Update
- Community Education Center Grant Project Update
- Texana Chili Spill Update
- Interim Charges – Lieutenant Governor Dan Patrick
- Engagement of Civil Corp to perform unmanned aerial vehicle (UAV) survey of select areas
- Dinner honoring Glenn Martin - 11/21/19 at Huvar's

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of October 16, 2019 and act as necessary.
2. Consider acceptance of October 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 Johs seconded the motion. Motion passed.

## **Regular Agenda**

### **Briefing on LNRA Board Policy 401 Banking and Investment**

Brzozowski informed the Board that LNRA's Reserve Contingency Fund and Capital Improvement Fund bank accounts held at Prosperity Bank were compromised with fraud attempts. All fraud transactions were identified, and payment was not made from the accounts. Both accounts were closed, and new accounts opened. According to LNRA Board Policy 401, Banking and Investment, the General Manager shall notify the Board of opening and closing bank accounts.

### **Engage Accounting Firm for Filing Services**

The Board was informed at the August Board meeting of the proposed Internal Revenue Service (IRS) penalties as a result of TML IEBP's late filing of LNRA's 2016 and 2017 IRS 1095-C Forms. TML has assumed full responsibility.

Most recently, TML has informed LNRA that they have decided to discontinue offering 1095-C filing services for member groups effective January 1, 2020. As a result, LNRA will need to either file the 1095-C forms in-house or contract directly with a third-party vendor to file the IRS-required reports for the 2019 tax year. TML has negotiated preferred pricing with Greatland Corporation for their members.

With respect to timeliness and liability, Management is recommending that LNRA engage Greatland Corporation for filing services of IRS 1095-C for the 2019 tax year.

Director Parker moved to approve the General Manager to engage Greatland Corporation for filing services of IRS 1095-C as presented. Director Steffek seconded the motion. Motion passed.

### **Capital Improvement Fund Expenditure**

Director Parker completed a Conflict of Interest form and abstained from discussion and voting.

Brzozowski informed the Board that as part of the communication upgrade project in Texana Park, bids were solicited for the fiber installation. The installation would include fiber from the Main Entrance to both the Community Education Center and the Maintenance Shop.

Management recommends accepting the bid from LaWard Telephone in the amount of \$56,026.88. Funds are available in the Capital Improvement Fund.

Director Adelman moved to approve the bid from LaWard Telephone for fiber installation in Texana Park as presented. Director Johs seconded the motion.

### **Memorandum of Understanding between LNRA and Texas A&M University, Kingsville**

As reported at the October Board meeting, LNRA has been asked about establishing a seed increase operation on LNRA property. The Board discussed the proposal by the Texas Native Seeds and the process necessary if this is agreed upon by the Board.

The Board was presented a revised MOU for their review.

The consensus of the Board is continuing to the next phase on a costs recovery arrangement as part of development of a lease agreement.

Director Johs moved to approve the MOU for Texas Native Seeds Project between LNRA and Texas A&M University, Kingsville. Director Adelman seconded the motion. Motion passed.

#### **LNRA Ordinance No. 1/Associated Fine Schedule**

Brzowski briefed the Board on citations issued to an individual for arbitrarily, but intentionally, clearing brush, trees and undergrowth along Mustang Creek east of Ganado. Given the limits of our Ordinance, the individual was issued two citations totaling \$1,000. This incident was turned over to the Justice of Peace for disposing.

Brzowski recommended to restructure and refine LNRA's Ordinance No.1. A copy of the Ordinance and Recommended Fine Schedule was presented to the Board for their review.

The consensus of the Board was for the LNRA Land and Water Resource Committee to meet to begin the process of restructuring the Ordinance No. 1 and Fine Schedule

#### **Developing Policy Statement**

Brzowski briefed the Board on the LNRA Board Policy 502, Land Resources. The Board received a copy for their review.

#### **Briefing on Lake Texana Yield Enhancement Project**

Brzowski informed the Board on the current status of the work items associated with the Lake Texana Yield Enhancement Project (LTYEP). The response letter to Texas Parks and Wildlife related to the project concept has been finalized and sent to TPW. Freese and Nichols will be present at the December Board meeting to brief the Board on the application process. The permit application is still on track for January 2020.

The Board meeting adjourned at 9:14 a.m.

---

Ronald Kubecka  
President

---

Terri Parker  
Secretary-Treasurer