

Lavaca-Navidad River Authority

Minutes of January 20, 2016 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, January 20, 2016 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, Johs, Martin, Muegge, Parker, Sachtleben, Steffek, and Taylor and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Janak, Fleeman, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jason Ward of Freese & Nichols and Kevin and Casey Cullen of Cullen, Carsner, Seerden & Cullen, L.L.P.

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, 2015
- Update on Formosa Amendment No. 3 and Formosa Commitment Letter
- Update on City of Corpus Christi Mary Rhodes Phase II Project
- Update on Spillway Improvement Project
- Hay meadow lease agreements
- Shooting Sports project update

Consent Agenda

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

1. Approval of Board meeting minutes of December 16, 2015.
2. Approval of Board workshop minutes of January 12, 2016.
3. Acceptance of December 2015 financial statements.
4. Approval of invoices for payment.
5. Approval of Investment Report as of December 31, 2015.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of December 31, 2015. Tex Pool investments earned an average rate of .13% for the quarter. The Board was presented a copy of the quarterly report.

Adelman moved to approve the Consent Agenda as presented. Director Parker seconded the motion. Motion passed.

Briefing on Pending Claim from City of Corpus Christi

President Kubecka declared the Board to convene in Executive Session, 551.071 (Consultation with Attorney) at 7:45 a.m.

Executive Session ended at 8:27 a.m. and President Kubecka declared the full Board to be in Open Session.

Fiscal Year 2015 Audit

Joel Perez and Tino Robledo of Padgett, Stratemann & Co., L.L.P. briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report and Letter on Conduct of Audit for the year ended September 30, 2015 at the Board Workshop on January 12, 2016. The Board was presented a copy of the draft Financial Report and Letter on Conduct of Audit for their review.

Director Taylor moved to approve the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2015 as performed by Padgett, Stratemann & Co., L.L.P. Director Johs seconded the motion. Motion passed.

Mary Rhodes Phase II Operation and Maintenance Agreement

Brzowski briefed the Board on the draft red-lined Mary Rhodes Phase II Operating and Maintenance Agreement. The Board was presented a copy for their review.

Director Parker moved to approve the draft Mary Rhodes Phase II Operating Agreement as presented. Director Steffek seconded the motion. Motion passed.

The approved Agreement will be forwarded to the City of Corpus Christi for their review and approval.

Resolution No. 2016-001

Brzowski briefed the Board on the proposed Resolution No. 2016-001 – Resolution Expressing Intent to Finance Expenditures to be Incurred by the Lavaca-Navidad River Authority, which sets forth the reimbursement of expenses associated with the improvements for the expansion of the East Delivery System related to Formosa Delivery Point No. 3. This includes engineering, design and construction services, geotechnical soils testing, site surveying and related professional services. Currently, the anticipated maximum principal amount of the tax-exempt obligations issued to reimburse LNRA for the costs associated with the project is not to exceed \$800,000.

The Board was presented a copy of the proposed Resolution No. 2016-001 for their review.

Director Parker moved to approve Resolution No. 2016-001 as presented. Director Taylor seconded the motion. Motion passed.

Reserve Contingency Fund Expenditures

Brzowski briefed the Board on the proposed reserve contingency expenditures as follows:

- Foundation repair for Main Event Center (MEC) water tank \$ 3,000.00
- Hopper (Dumpster) with drop-down ramp \$ 1,226.55
- Sixteen (16) Galvanized Frame Picnic Tables with treated pine \$ 4,944.00
- Ten (10) Barbeque grills (pedestal type) \$ 1,710.00
- Fifteen (15) Flip grate fire rings \$ 2,420.00

Director Martin moved to approve the proposed reserve contingency expenditures as presented. Director Muegge seconded the motion. Motion passed.

Transfer of Reserve Contingency Funds to Facility Maintenance Budget

Brzowski informed the Board that in December the O&M air conditioning unit failed and was replaced by Efficiency Air. The replacement cost was \$6,476. Funds were utilized from the FY16 Budget, Facility Maintenance. The Board is to consider approval to reimburse the Facility Maintenance budget with funds from the Reserve Contingency Fund – A/C Replacement

Director Adelman moved to approve the transfer of Reserve Contingency Funds to Facility Maintenance Budget as presented. Director Taylor seconded the motion. Motion passed.

Main Event Center Stall Barn Project

Brzowski briefed the Board on the construction cost estimate for the Main Event Center Stall Barn Project. The Board was presented a copy of the MEC Stall Barn Construction Budget for their review. The overall cost, not including stalls, is not expected to exceed \$880,000.

Director Adelman moved to approve the construction cost estimate and to authorize expenditure of reserve funds for Main Event center Stall Barn Project as presented. Director Taylor seconded the motion. Motion passed.

Report on the Performance of Professional Services

Brzowski briefed the Board on the performance of professional services rendered. The Board was presented a professional services list indicating each consultant that provided services for LNRA in a professional and ethical manner.

Director Johs moved to approve the professional services list as presented. Director Muegge seconded the motion. Motion passed.

The Board meeting adjourned at 9:25 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer