

Lavaca-Navidad River Authority

Minutes of March 16, 2016 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, March 16, 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, Parker, Steffek, and Taylor and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Janak, Pearson, Fleeman, and Crenshaw. Also present was Doug Caroom of Bickerstaff Heath Delgado Acosta LLP, Jack Wu and Mike Rivet of Formosa Plastics Corporation, Jason Ward of Freese and Nichols, and Millie Diaz 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:

- Update on Mary Rhodes Phase II Operating Agreement
- Formosa's correspondence in reference to additional water availability
- Lavaca Regional Water Planning Group meeting – March 21, 2016 – 1:30 p.m.
- National Resources Conservation Service (NCRS) Cooperative Agreement
- Update - LNRA By-Laws and LNRA Strategic Management Plan
- Water Right Amendment
- Personal Financial Statements (PFS) filing with the Texas Ethics Commission (May 2nd)
- Law Enforcement Update

Consent Agenda

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

1. Approval of Board meeting minutes of February 17, 2016.
2. Approval of Recreation, Fish and Wildlife Committee and Recreation Advisory Committee meeting minutes of February 2, 2016.
3. Acceptance of February 2016 financial statements.
4. Approval of invoices for payment.
5. Approval of proposed budget amendment(s)

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

Communication Upgrade Project Bids

Brzozowski briefed the Board on the bids received for the proposed communication upgrade project as follows:

COMPANY	CALENDAR DAYS	ITEM 1 Texana Office to MEC	ITEM 2 MEC to WWTP/HHRC	TOTAL BID
INFINITI COMMUNICATIONS	-	\$40,660.00	\$61,240.00	\$101,900.00
LAWARD TELEPHONE	90	\$34,675.70	\$51,309.55	*\$85,985.25

The General Manager recommends accepting the low bid from LaWard Telephone.

Director Parker abstained from discussion and voting.

Director Martin moved to approve the low bid from LaWard Telephone recommended by the General Manager as presented. Director Johs seconded the motion. Motion passed.

Southern Power Memorandum of Understanding

Brzozowski reviewed with the Board the Memorandum of Understanding between LNRA and Southern Power Company. The MOU was approved by the Board in December 2014. The purpose of the MOU was to define expectations and responsibilities of LNRA and Southern Power pertaining to the water supply (up to 5,000 acre feet) for an electric power generating facility to be located in Jackson County. The term of the MOU is for sixteen (16) months from the effective date (December 5, 2014), expiring on April 5, 2016. The Board was presented a copy of the MOU for their review. A letter will be sent to Southern Power on April 5th to acknowledge the termination of the MOU.

Briefing on Easement Acquisition with Formosa Plastics Corporation

Brzozowski briefed the Board on the proposed easement agreement with Formosa Plastics Corporation. An easement agreement with Formosa Plastics is being drafted. The purpose of the easement is for the installation, construction, operation, maintenance, monitoring, replacement, repair, upgrade, and removal of piping, valves, metering and control structures, electrical systems, vaults, telemetry equipment, and any other facilities and equipment, for the delivery of water in accordance with the terms of the Water Supply Contract.

A draft Easement Agreement will be available for the Board's review prior to the April Board meeting.

LNRA Lease Properties

Brzozowski briefed the Board on the LNRA's lease properties. The Board was presented a Hay Meadow Evaluation for their review.

The Board meeting adjourned at 8:20 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer