

Lavaca-Navidad River Authority

Minutes of April 20, 2016 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, April 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, Pearson, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Jack Wu and Mike Rivet of Formosa Plastics Corporation, and Mike Reedy and Mathew Moses of Freese and Nichols.

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 March 31, 2016
- Desired Future Conditions – Response to Public Notice
- Department of Interior leasing of property for oil/gas
- Removal of oil/gas abandoned structures/facilities
- Corp of Engineer response on permit application – Mussel survey
- Update Freese and Nichols work order – Water Rights Amendment Process
- Texas Floodplain Management Association Conference – May 10th – San Antonio
- Southern Power Company Memorandum of Understanding
- Personal Financial Statements (PFS) filing with the Texas Ethics Commission (May 2nd)
- Jackson County Chamber of Commerce Banquet April 23rd
- Mary Rhodes Phase II Pipeline Operation and Maintenance Agreement
- TCEQ Clean Rivers Program Contract Amendment #1 (increase \$10,000)
- West Delivery System Pumps condition

Consent Agenda

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

1. Approval of Board meeting minutes of March 16, 2016.
2. Approval of Board workshop meeting minutes of April 14, 2016.
3. Acceptance of March 2016 financial statements.
4. Approval of invoices for payment.
5. Approval of Investment Report as of March 31, 2016.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of March 31, 2016. Tex Pool investments earned an average rate of .31% for the quarter. The Board was presented a copy of the quarterly report for their review.

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

Stall Barn Project Change Orders

Brzowski briefed the Board on the proposed Gulf Stream Construction change orders for the stall barn project as follows:

Stall barn piers	Additional concrete, rebar, and labor	\$11,400 (original bid-\$18,000)
Extend metal end wall	Additional material and labor	\$ 2,918
Wash racks	Construct on either side of rear of building	\$11,250 (\$5,625 per side)

Funds are available in the Environmental Recreation Fund

Director Taylor moved to approve the change orders as presented with funding from the Environmental Recreation Fund. Director Parker seconded the motion. Motion passed.

Fencing Bids for the Stall Barn Project

Brzowski briefed the Board on the need for fencing at the Main Event Center Stall Barn to allow for controlled access and security.

Three (3) bids were received for 1400' commercial grade 6' chain link fence to include installation. Double R Fencing, Inc. presented the low bid for \$25,080.00. Funds are available in the Environmental Recreation Fund.

The General Manager recommends accepting the bid from Double R Fencing, Inc. for \$25,080.00.

Director Martin moved to approve the low bid from Double R Fencing, Inc. as recommended by the General Manager with funding from the Environmental Recreation Fund. Director Steffek seconded the motion. Motion passed.

Reserve Contingency Expenditure

Brzowski briefed the Board on the proposed replacement of the restroom partitions for the Harry Hafernick Center. Three (3) bids were received for the purchase of floor mounted, overhead braced, restroom partitions. LNRA staff will remove the existing stalls and dispensers as well as complete the installation of the new partitions and reinstall the dispensers.

The General Manager recommends accepting the bid from Victoria Builders Supply for \$6,730.00. The Board approved fund balance allocation for this anticipated project in November. Funds are available in the Reserve Contingency Fund.

Director Johs moved to approve the reserve contingency fund expenditure for the restroom partitions as presented. Director Muegge seconded the motion. Motion passed.

Spillway Gate Rehabilitation Project

Brzowski briefed the Board on the bids received for the Palmetto Bend Dam Spillway Gate Rehabilitation Project. The project consists of rehabilitation and recoating of eleven spillway gates. Six (6) bids were received. The Board was presented a copy of the bid summary and Freese and Nichols recommendation for award.

The General Manager recommended accepting the low bid from CFG Industries LLC for \$2,718,490. He informed the Board that a change order is necessary for additional cathodic protection. The estimated cost is \$8,800. The General Manager recommended the Board approve the change order to the original bid for a total of \$2,727,290. Funding is available in the Capital Improvement Fund.

Director Muegge moved to approve the bid and change order from CFG Industries LLC as presented. Director Adelman seconded the motion. Motion passed.

Work Order for Construction Management

Brzowski briefed the Board on the proposed work order from Freese and Nichols to provide construction management services for the spillway rehabilitation project. The project will include more than one fiscal year to complete and will include separate work orders for the applicable fiscal year. Total scope of work cost is \$89,700 (\$67,520 for the current fiscal year and \$22,180 for subsequent fiscal year).

The Board was presented a copy of the proposed work order and scope of work for the construction management services for their review.

Director Martin moved to approve the work order as presented for \$89,700 from Freese and Nichols for construction management services for the spillway rehabilitation project. Director Taylor seconded the motion. Motion passed.

Amendment to Work Order for Proposed Off-Channel Reservoir

Brzowski briefed the Board on the Amendment #1 to Freese and Nichols Work Order 18 for the proposed off-channel reservoir project. The original work order was initiated with the understanding the Texas Commission on Environmental Quality (TCEQ) Water Availability Model (WAM) for the Lavaca Basin was complete and included standards adopted as part of the SB3 environmental flow process. Once the work was started, it was evident that updates and revisions were necessary.

The original contract amount is \$152,000 and the amendment is \$21,400, for a revised contract amount of \$173,400.

Director Muegge moved to approve Amendment #1 to Freese and Nichols Work Order 18 for \$21,400 as

presented. Director Parker seconded the motion. Motion passed.

Briefing on Easement Acquisition with Formosa Plastics Corporation

Brzowski 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.

West Delivery System Chemical Building Improvements

The West Delivery System chemical building roof and metal doors need to be replaced.

Three (3) bids were received for the WDS building repairs. The General Manager recommended accepting the low bid from Gulf Stream Construction LLC for \$15,882. This is a WDS budgeted expense.

Director Johs moved to approve the expenditure for WDS building repairs as presented. Director Steffek seconded the motion. Motion passed.

The Board meeting adjourned at 8:39 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer