

Lavaca-Navidad River Authority

Minutes of August 16, 2017 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, August 16, 2017 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, Martin, Pearson, Fleeman, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP and Michael Brooks of 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 Texas Department of Transportation correspondence
- Brackenridge Park and Campground Campsite Improvements Project
- Jackson County Chamber of Commerce Shootout Event – August 19, 2017
- Mower Lease Agreement – September Board meeting
- Briefing on Archery Club

Consent Agenda

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

1. Approval of July 19, 2017 Board meeting minutes.
2. Approval of August 8, 2017 Board workshop minutes.
3. Acceptance of July 2017 financial statements.
4. Approval of invoices for payment.

Director Parker moved to approve the Consent Agenda items 1-4 as presented. Director Martin seconded the motion. Motion passed.

Regular Agenda

LNRA's Management Audit Report

Brzozowski briefed the Board on the LNRA Management Audit as performed by RSM US LLP in June 2017. RSM provided the *Management Audit Report* as of June 30, 2017, which indicates areas of review, procedures performed, and the results and recommendations, if applicable. RSM also provided a report of *Leading Management Practice Observations* with recommendations. This report is intended

solely for the information and use of the Board of Directors and Management. Also included from the RSM audit performed, is a *Management Audit Report Findings Executive Summary*, which summarizes in outline form, the review, observations, and recommendations.

The Board was provided copies and reviewed the three documents at the Board workshop on August 8, 2017.

Director Taylor moved to accept the Lavaca-Navidad River Authority's Management Audit Report as of June 30, 2017 performed by RSM US LLP. Director Adelman seconded the motion. Motion passed.

LNRA Employee Retirement Benefits

LNRA's retirement plan is with the Texas County & District Retirement System (TCDRS). The Board was presented a copy of the funding projections for 2017-2018 and program benefit information.

Brzowski briefed the Board on the Lavaca-Navidad River Authority's employer contribution rate to TCERS. TCERS requires that participating employers review and confirm their benefit plans on an annual basis.

The calculated employer contribution rate for 2018 is 8.87%. LNRA Management recommends continuing contributing at the optional higher elected rate of 15% for 2018.

Director Johs moved to approve the Lavaca-Navidad River Authority's employer contribution rate to Texas County District Retirement System of 15%. Director Adelman seconded the motion. Motion passed.

Proposed Fiscal Year 2018 Budgets

The Board met on August 8, 2017 and were briefed and presented copies of the proposed Fiscal Year 2018 budgets (General Fund, Recreation, Clean Rivers Program, Wastewater Treatment Plant, West Delivery System, Mary Rhodes Phase II, and East Delivery System) and Long-Term Capital Expenditures Accrual Plan.

Fleeman and Brzowski briefed the Board on the proposed Fiscal Year 2018 budgets and Long-Term Capital Expenditures Accrual Plan.

Director Adelman moved to approve the proposed Fiscal Year 2018 budgets as presented. Director Taylor seconded the motion. Motion passed.

Brackenridge Recreation Complex Camping Rates

Pearson briefed the Board on the Brackenridge and Texana Parks and Campground's current and proposed camping rental rates. The Board was presented a copy of the rates for their review.

O&M Building Improvement Project Furnishings

Brzowski briefed the Board on the proposal for \$34,065.74 received from Coastal Office Solutions, Inc. to provide office furnishings for the O&M building improvement project. Coastal Office Solutions utilizes TX MAs and The Cooperative Purchasing Network (TCPN) for pricing, therefore bids are not

necessary. In June 2017, the Board had approved expending up to \$50,000 from the Capital Improvement Fund for the building improvements.

Director Martin moved to approve the proposal from Coastal Office Solutions, Inc. for \$34,065.74 to provide furnishings for the O&M building improvement project. Director Steffek seconded the motion. Motion passed.

Professional Services Agreement with CEC Corrosion Services

In July 2017, the Board approved for the General Manager to further evaluate the qualification statements received to provide services for LNRA's corrosion protection program, and provide a recommendation at the August Board meeting.

Brzowski recommended the Board approving CEC Corrosion Services to provide services for LNRA's corrosion protection program. The Board was presented a copy of the Professional Services Agreement between LNRA and CEC for their review.

Director Johs moved to approve the Professional Services Agreement with CEC Corrosion Services to provide services for LNRA's corrosion protection program. Director Parker seconded the motion. Motion passed.

Texas State Soil and Water Conservation Board (TSSWCB) Grant

Brzowski informed the Board that the Texas State Soil and Water Conservation Board (TSSWCB) recently released a Request for Proposal (RFP) for watershed planning efforts in the region. As previously discussed with the Board, LNRA intends to apply for a planning grant to support the development of a Watershed Protection Plan (WPP) for Mustang Creek watershed in Jackson and Wharton Counties.

Brzowski stated that the limits for grant funding is a maximum of \$400,000.00. The matching percentage is 40%. LNRA's maximum obligation would be \$160,000 but it is anticipated that LNRA's application would be for a lesser amount.

Brzowski indicated to the Board that LNRA's funding sources may include 2017 Fund Balance, Environmental Recreation Reserve Fund and/or Clean Rivers Program (CRP) funds as in-kind.

Director Johs moved to approve to fund the matching portion up to \$160,000 and apply for TSSWCB grant for the development of a Watershed Protection Plan for Mustang Creek in Jackson and Wharton Counties as presented. Director Martin seconded the motion. Motion passed.

Work Order to Support TSSWCB Watershed Protection Plan Grant Application Process

Brzowski informed the Board of the need to engage a consultant to provide program management for the Texas State Soil and Water Conservation Board (TSSWCB) Watershed Protection Plan grant application. Brzowski recommended to engage Freese and Nichols, Inc. (FNI) to provide these services. The Board was presented a copy of the proposed FNI Scope of Work and Work Order for their review.

Director Adelman moved to approve the FNI Work Order to support LNRA's TSSWCB Watershed Protection Plan grant application process as presented. Director Taylor seconded the motion. Motion passed.

Update on Lake Texana Yield Enhancement Project

As information is available, the Board will be apprised.

The Board meeting adjourned at 9:01 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer