

Lavaca-Navidad River Authority

Minutes of December 19, 2018 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, December 19, 2018 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, Bubela, Parker, Johs, Martin, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Gregory, Anders, Martin, Pearson, Janak, Crenshaw, and Fleeman. Also, present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Joel Perez and Kane Wells of RSM US LLP 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:

- Update on FM 3131 road traffic
- Briefing on LNRA youth duck hunt 12/7/18
- Legislative Update
- Governor's Training Seminar briefing 12/18/18
- Native Seed Program
- Comprehensive Facility Review
- LNRA Youth Deer Hunt 1/10-13/19
- BRC Elvis Dinner and Show - 1/19/19
- BRC Winter Carnival and Snow Day - 1/26/19

Consent Agenda

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

1. Approval of Board meeting minutes of November 20, 2018
2. Acceptance of November 2018 financial statements
3. Approval of invoices for payment

Director Adelman moved to approve the Consent Agenda items 1-3 as presented. Director Martin seconded the motion. Motion passed.

Regular Agenda

Fiscal Year 2018 Financial Audit Report

Perez (RSM US LLP) addressed the Board and expressed his appreciation for LNRA's participation in the audit process and commended Director of Accounting Lindsey Sklar and her team for their expertise.

Wells (RSM US LLP) briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report and Letter on Conduct of Audit for the year ended September 30, 2018. The Board was presented a copy of the draft Financial Report and Letter on Conduct of Audit for their review.

Director Taylor moved to accept the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2018 as performed by RSM US LLP. Director Johs seconded the motion. Motion passed.

2018 Fund Balance Allocations and Capital Improvement Plan

Brzowski briefed the Board on the proposed 2018 fund balance allocations, reallocation of reserve funds, and changes to the Capital Improvement Fund. The Board was presented a copy of the proposed Fiscal Year 2018 Fund Balance Allocations, Reallocation of Reserve Funds, and Capital Improvement Fund Accrual Plan for their review.

Director Steffek moved to approve the proposed 2018 fund balance allocations, reallocation of reserve funds, and changes to the Capital Improvement Fund as presented. Director Martin seconded the motion. Motion passed.

Revisions to the LNRA Employee Information Manual

Brzowski briefed the Board on the proposed revisions to the LNRA Employee Information Manual, Vacation Leave as follows:

At the discretion of the General Manager, the General Manager may set the accrual rate and initial vacation leave balance for Management Staff.

Director Martin moved to approve the proposed revisions to the LNRA Employee Information Manual as presented. Director Taylor seconded the motion. Motion passed.

Texana Church Window Repair

Brzowski briefed the Board on the sole bid received by the Jackson County Historical Commission for the Texana Church window repairs. The bid from TWR Construction Services is \$44,700. The Board received a copy of TWR Construction's bid for their review.

Director Taylor moved to approve the bid from TWR Construction Services not to exceed \$44,700, contingent upon Jackson County's concurrence and the General Manager's evaluation of a second contractor's bid, if received. Director Martin seconded the motion. Motion passed.

Disposal of Assets

Brzozowski briefed the Board on the proposed disposal of assets in accordance with LNRA Board Policy 301-Dispositon of Personal Property. A list of the assets for proposed disposal was presented to the Board for their review.

Director Johs moved to approve the proposed disposal of assets as presented. Director Martin seconded the motion. Motion passed.

2018 Fund Balance Allocations and Capital Improvement Plan

Brzozowski briefed the Board on the proposed fleet vehicles purchase as follows:

2019 Ford F-350 Extended Cab	\$ 57,156.00
2019 Ford F-250 Crew Cab	\$ 31,490.00
2018 Ford F-150 Crew Cab (Law Enforcement)	\$ 39,518.04
Truck Accessories	<u>\$ 2,379.80</u>
Total	\$130,543.84

Bids were received from Houston Galveston Area Council (HGAC), local government cooperative purchasing program. Funds are available in the Capital Improvement Fund.

Director Adelman moved to approve the purchase of fleet vehicles and accessories in the amount of \$130,543.84 as presented. Director Taylor seconded the motion. Motion passed.

Expenditure for Repair of Electrical Equipment

Brzozowski briefed the Board on the necessary repair of the electrical equipment at the Mary Rhodes Phase II site in Bay City. Two proposals were received from Tidal Power Services, LLC. One proposal is for the removal, shipment, and reinstallation of the switchgear and to re-sag the overhead conductors in the amount of \$54,600. The second proposal is to replace the failed switchgear with a new unit and to re-sag the overhead conductors in the amount of \$192,600. The Board was presented a copy of the proposals for their review. Funding will be from West Delivery Capital with reimbursement from the City of Corpus Christi upon completion.

Director Johs moved to approve the proposal from Tidal Power Services in the amount of \$192,600 to replace the failed switchgear with a new unit as proposed. Director Martin seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project

Brzozowski briefed the Board on meetings conducted with landowners who might be associated with the Lake Texana Yield Enhancement Project and the meeting with Freese and Nichols.

The Board will be informed as information is available.

The Board meeting adjourned at 8:57 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer