

Lavaca-Navidad River Authority

Minutes of February 15, 2017 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, February 15, 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, Muegge, Sachtleben, Steffek, and Taylor and LNRA Staff: Brzozowski, Gregory, Martin, Janak, Pearson, Crenshaw and Fleeman. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP.

President Kubecka called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

Brzozowski reported on the following:

- Press Release – LNRA Issues Caution for Water Based Recreation
- Change order for Spillway Recoating Project
- Review of Board Policies
- Interruptible Water
- Shooting Sports Project
- Grant Projects – Simons Boat Ramp – Education Center
- Youth Rodeo Association Finals – June 2018

Consent Agenda

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

1. Approval of January 18, 2017 Board meeting minutes.
2. Acceptance of January 2017 financial statements.
3. Approval of invoices for payment.

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

Revisions to LNRA Employee Information Manual

Brzozowski briefed the Board on the proposed revisions to the LNRA Employee Information Manual. The Board was presented a copy of the proposed revised Manual for their review.

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

Proposed Reserve Contingency Expenditures

In November, the Board approved allocation of fund balance for improvement projects and capital purchases. Brzozowski informed the Board of the proposed reserve contingency recreation expenditures as follows:

1. Paint Ball Air Compressor w/tanks for Markers
2. Inflatable Paintball Obstacles – 25 Bunkers
3. HHRC Electronics Upgrade
4. Commercial Thermal Pulse Jet Fogger
5. Cargo/Utility Trailer
6. Dump Trailer

The Board was presented a bid sheet for each of the proposed expenditures.

Director Parker moved to approve reserve contingency expenditures as presented for items 1-5. Director Steffek seconded the motion. Motion passed.

Director Johs abstained from discussion and voting on proposed expenditure for item 6.

Director Muegge moved to approve reserve contingency expenditure for item 6 as presented. Director Parker seconded the motion. Motion passed.

Reserve Contingency Funds for Replacement of Wastewater System

Brzozowski briefed the Board on the need to replace the wastewater system at the O&M complex. Plans are to install an aerobic system to replace the absorption piping. Victoria Precision Products will provide this service for \$10,635 including design, permit, and construction.

Director Parker moved to approve the reserve contingency expenditure for the replacement of the O&M wastewater system as presented. Director Johs seconded the motion. Motion passed.

Disposal of Assets

Brzozowski briefed the Board on the proposed disposal of assets. In accordance with LNRA Board Policy 306 – Disposition of Property, the Board must approve disposal of LNRA property. The Board was presented a list of items for disposal. A disposal sale is scheduled for March 24, 2017.

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

Briefing on Lavaca Water Rights Amendment Process

Brzozowski briefed the Board on the meeting of January 19th with Texas Parks and Wildlife Department, LNRA, Freese and Nichols, and Bickerstaff. Information was presented to TPWD on the proposed permit application including the approach and the direction from TCEQ. Freese & Nichols presented an

overview of the evaluation of bay and estuary impacts. TPWD feedback is expected by March 1st.

A meeting is scheduled for March 22nd with Freese and Nichols, Bickerstaff, and LNRA to continue discussing the permit process and to develop a schedule of tasks to complete and an associated timeline.

Information regarding the proposed water rights amendment process will be presented each Board meeting with updates as available.

Amendment No. 4 to the Formosa Water Supply Contract

Evaluation of the General Manager

President Kubecka declared the Board to convene in Executive Session, 551.071 (Consultation with Attorney) and 551.074 (Personnel Matters) at 8:32 a.m.

Executive Session ended at 9:52 a.m. and President Kubecka declared the full Board to be in Open Session.

Director Sachtleben moved to approve a bonus to the General Manager in the amount of the FY2017 budgeted Performance Incentive based on the following positive evaluation:

- Growth and prosper of the LNRA Recreation division including Texas Extreme/Ultimate Texas Barrel Classic event, Texas Youth Rodeo Association finals, and stall barn project.
- Amendment #3 to the Formosa Water Contract
- Off channel reservoir project with land purchase option
- Positive relationship with Formosa and other customers including negotiating skills
- Spillway recoating project
- Realignment of staff and general rapport with employees and community
- Regard for the wellbeing and future development of LNRA

Director Muegge seconded the motion. Motion passed.

The Board meeting adjourned at 9:55 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer