

Lavaca-Navidad River Authority

Minutes of February 20, 2019 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, February 20, 2019 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, Bubela, Johs, Martin, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Janak, Pearson, Hartl, and Sklar. Also, present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, James Davis, LNRA Chief Information Officer of RSM US LLP, and Jack Wu and Mike Rivet of Formosa Plastics Corporation.

President Kubecka called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

Brzozowski reported on the following:

- Disposal of Assets Sale – February 26th
- Community Education Center Grant Update
- Simons Boat Ramp Grant Update
- Texana Church Window Rehabilitation

Consent Agenda

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

1. Approval of Board meeting minutes of January 16, 2019.
2. Acceptance of January 2019 financial statements
3. Approval of invoices for payment
4. Approval of budget amendment

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

Regular Agenda

Hay Meadow Bids

Brzozowski informed the Board that bids were solicited for one (1) hay meadow and bids were received as follows:

<u>Bidder</u>	<u>Bid Amount</u>
Blake Stancik	\$ 25.00 per acre \$ 975.00 total
Phillip Lutringer	\$ 21.50 per acre \$ 838.50 total bid

Minimum bid amount is \$20.00 per acre (39 acres). The General Manager recommends accepting the bid from Blake Stancik for \$25.00 per acre.

Director Adelman moved to approve the bid from Blake Stancik for \$25.00 per acre for the hay meadow as recommended by the General Manager. Director Johns seconded the motion. Motion passed.

Reserve Contingency Expenditures

Brzowski briefed the Board on the proposed reserve contingency expenditures as follows:

BRC Improvement Fund

Nine (9) – 8’ Galvanized Frame Picnic Tables	\$ 3,599.55
Ten (10) BBQ Grills and Flip Grate Fire Rings	\$ 3,725.00
Two (2) Roping Ally Kits and Steer Panel 90-degree Kit	\$ 1,722.00

Environmental Services

HP 77700 44” Dual Roll Color Printer	\$ 5,700.00
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In accordance with LNRA Board Policy 304 – Procurement, bids were solicited for the above proposed purchases.

Director Martin moved to approve the proposed reserve contingency expenditures as presented. Director Taylor seconded the motion. Motion passed.

Capital Expenditure

Brzowski briefed the Board on the proposed capital expenditure for the computer refresh project. Upon recommendation from LNRA Chief Information Officer (CIO) and Information Technology (IT) System Administrator, LNRA will standardize the computing equipment, updating outdated equipment, and replacing the virtual system with individual workstations. This expenditure for new workstations is Phase I of III. Phase II will update the server system and Phase III will update the networking system.

Bids were solicited for the computers and associated equipment. The General Manager recommends accepting the low bid from SHI Government Solutions for \$51,987.32. Funds are available in the LNRA Capital Improvement Fund.

Director Adelman moved to approve the bid from SHI Government Solutions for \$51,987.32 and approve expenditure up to \$60,000.00 to allow for possible additional components and/or accessories that may be identified during the refresh project. Director Taylor seconded the motion. Motion passed.

Board Policy 403 – Internal Control Accounting Procedures

Gregory briefed the Board on the LNRA Board Policy 403 – Internal Control Accounting Procedures. In accordance with the Policy, LNRA will develop and maintain adequate internal control procedures to ensure that the expenditure of LNRA funds is properly accounted for. The Internal Control Accounting Procedures were updated and presented to the Board for their review.

Director Johs moved to approve LNRA Board Policy 403 – Internal Control Accounting Procedures as presented. Director Parker seconded the motion. Motion passed.

LNRA Employee Information Manual

Brzozowski briefed the Board on the proposed revisions to the LNRA Employee Information Manual, III. Compensation and Benefits to add the following:

O. EMPLOYEE ASSISTANCE PROGRAM (EAP)

To better assist and provide for the wellbeing of our employees and their household members, LNRA will maintain a relationship with a service provider to make counseling and related services available. Employees and/or household members who may be experiencing a crisis are urged to seek help and may voluntarily contact LNRA's service provider. All services provided are confidential and any costs for services beyond LNRA's agreement with the then current provider are the responsibility of the employee.

Household members for the purpose of the EAP Program is defined as anyone living under the same roof as the employee. LNRA's current EAP service provider is:

*Deer Oaks EAP Services
1-888-993-7650
www.deeroakseap.com*

Director Adelman moved to approve the revised LNRA Employee Information Manual as presented. Director Johs seconded the motion. Motion passed.

Formosa Restated Water Supply Contract

Brzozowski briefed the Board on the draft restated Formosa Water Supply Contract with Amendments. The draft restated Contract indicates the modifications to accurately represent the four (4) amendments made to the Contract. Changes also include updates to the Contract, making considerations for changes due to title transfer, and change in ownership of Lake Texana. Upon approval by the Board, a red-lined draft restated Water Supply Contract will be sent to Formosa for their review and approval.

Director Johs moved to the approve the draft restated Formosa Water Supply Contract as presented. Director Taylor seconded the motion. Motion passed.

Settlement Point Survey Work Order

Brzozowski briefed the Board on the work order by Ganem and Kelly Surveyors, Inc. to perform the settlement point survey on Palmetto Bend Dam. Ganem and Kelly surveyors plan to use updated methods and equipment to improve the overall accuracy of the Safety of Dams (SOD) survey.

Estimated cost for the project is \$22,000.00. Funds are available in the Professional Services budget.

Director Martin moved to approve the work order from Ganem and Kelly Surveyors, Inc. for \$22,000 to perform the settlement point survey as presented. Director Steffek seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project

No new information regarding the Lake Texana Yield Enhancement Project was available.

Evaluation of the General Manager

Consultation with Attorney regarding legal issues related to governmental immunity matters

President Kubecka declared the Board to convene in Executive Session, 551.074 (Personnel Matters) and 551.071 (Consultation with Attorney) under Texas Government Code at 8:12 a.m.

Gregory, Janak, Pearson, and Hartl left the Executive Session at 8:51 a.m.

Executive Session ended at 9:17 a.m. and President Kubecka declared the full Board to be in Open Session.

Director Sachtleben moved to approve an annual salary of \$248,500 and a bonus to the General Manager of the FY2019 budgeted Performance Incentive of \$20,000 based on the following positive evaluation:

- Continued work and struggles with Mary Rhodes Pipeline II and the handling of the operational problems.
- The work and the weight of the Lake Texana Yield Enhancement Project and personally handling the landowner communication and basically spearheading the project at the Board's request.
- For following Board's direction to hire a new engineer as requested.
- Clean and positive 2018 Financial Audit.
- Continually not being satisfied with the status quo and always looking to improve on LNRA's programs, technology, personnel, and amenities to offer the public.

Director Martin seconded the motion. Motion passed.

The Board meeting adjourned at 9:22 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer