

Lavaca-Navidad River Authority

Minutes of January 24, 2018 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, January 24, 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, Parker, Johs, Martin, Muegge, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Janak, Martin, Pearson, Fleeman, Muncrief, and Crenshaw. Also present was Mike Rivet of Formosa Plastics Corporation and Michael Brooks 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:

- General Manager's Quarterly Report as of December 31, 2017
- Update on Education Center Grant and Boat Ramp Grant
- Amendment No. 4 to the Water Supply Contract between Formosa and LNRA
- Hay Meadows Management
- Information Systems Management/IT Policy Statement/Internal Controls
- LNRA Community Development Partnership Program
- Ultimate Texas Barrel Classic recently held at the Main Event Center
- Brackenridge Winter Carnival and Snow Day – January 20
- TWCA Managers Meeting
- Corpus Christi Communications Meeting – January 31

Consent Agenda

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

1. Approval of December 20, 2017 Board meeting minutes.
2. Approval of January 9, 2018 workshop meeting minutes.
3. Acceptance of December 2017 financial statements.
4. Approve invoice summary.
5. Approve Investment Report as of December 31, 2017.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of December 31, 2017. TexPool investments earned an average rate of 1.32% for the quarter. The Board was presented a copy of the quarterly report for their review.

Director Adelman moved to approve the Consent Agenda items 1-5 as presented. Director Parker seconded the motion. Motion passed.

Regular Agenda

Fiscal Year 2017 Financial Audit Report

Perez (RSM US LLP) introduced Carla Contreras, Assurance Manager from RSM. Perez addressed the Board and expressed his appreciation for LNRA's participation in the audit process and commended Director of Accounting Lindsey Fleeman and her team for their expertise.

Perez and Contreras briefed the Board on the Lavaca-Navidad River Authority Annual Financial Report and Letter on Conduct of Audit for the year ended September 30, 2017 at the Board Workshop on January 9, 2018. The Board was presented a copy of the draft Financial Report and Letter on Conduct of Audit for their review.

Director Parker moved to approve the Lavaca-Navidad River Authority Annual Financial Report for the year ended September 30, 2017 as performed by RSM US LLP. Director Taylor seconded the motion. Motion passed.

Proposed Reserve Contingency Fund Expenditures

Brzozowski briefed the Board on the proposed Reserve Contingency Fund expenditure for law enforcement radios. The Board previously approved fund balance allocation of \$12,000 for handheld digital trunking radios for LNRA law enforcement. A bid from Motorola Solutions through Houston Galveston Area Council ((H-GAC) was received for \$5,773.30 per radio. Management recommends purchasing two (2) radios.

Director Martin moved to approve the proposed Reserve Contingency Fund expenditure for law enforcement radios as presented. Director Steffek seconded the motion. Motion passed.

LNRA Board Policy 401 – Banking & Investment

The Board is required under the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE to adopt a Banking and Investment Policy and to review the Policy and investment strategy no less than annually.

Gregory briefed the Board on the LNRA Board Policy 401, Banking and Investment and related Resolution. She indicated the revisions of language in the Policy were not substantive.

The Board was presented a copy of Policy 401 and related Board Resolution for their review.

Director Adelman moved to approve LNRA Board Policy 401 – Banking and Investment and related Resolution as presented. Director Johns seconded the motion. Motion passed.

VFD Replacement and Installation

Bids were solicited for the Lake Texana Pump Station Variable Frequency Drive (VFD) replacement and installation. Brzowski briefed the Board on the bids received. The Board was presented a copy of the bid summary for their review. Management recommends accepting the bid from Rabalais I&E Constructors in the amount of \$269,000.00.

Director Johs moved to approve the bid from Rabalais I&E Constructor for VFD removal and installation as recommended by LNRA Management. Director Taylor seconded the motion. Motion passed.

SCADA System Satellite Internet Service

Brzowski informed the Board that Skycasters LLC is providing 2-way satellite internet services for the SCADA system. Currently, billing is directed through RLC Controls for the services. RLC was the SCADA consultant for LNRA and City of Corpus Christi on the Mary Rhodes Phase II project.

The proposed agreements between LNRA and Skycasters includes service to LNRA Pipeline Office, Woodsboro Pump Station, Bloomington Pump Station, Bay City Booster Station, and ON Stevens Water Treatment Plant with direct billing to LNRA. The two (2) year agreement allows for the cost of satellite internet services to remain at \$249.00 per month per location for a total monthly cost of \$1,494.00.

Director Taylor moved to approve agreements between LNRA and Skycasters as presented. Director Parker seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project

Brzowski informed the Board that reports will be available at the February Board meeting.

The Board meeting adjourned at 8:29a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer