

Lavaca-Navidad River Authority

Minutes of June 21, 2017 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, June 21, 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, Martin, Muegge, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Pearson, Janak, Fleeman, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Mike Reedy of Freese and Nichols, and Grant Jackson and J. Eric Rivera of Hanson Professional Services, 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:

- Texas Sunset Advisory Commission Review Process
- Management Audit by RSM scheduled
- Legislation 2017 presented by Bill Dugat

Consent Agenda

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

1. Approval of May 17, 2017 Board meeting minutes.
2. Approval of May 23, 2017 Board workshop meeting minutes.
3. Acceptance of May 2017 financial statements.
4. Approval of invoices for payment.
5. Approval of budget amendments.

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

Regular Agenda

Employee Health Benefits

LNRA currently provides employee health benefits through TML MultiState Intergovernmental

Employee Benefits Pool (TML). Under the current plan, the proposed rates for 2017-2018 indicate a 20% increase in cost for medical insurance. The Board was presented a Health Benefit Proposal, including the Current Plan; Plan 1 indicating the 20% increase, and Plan 2, the proposed 2017-2018 plan indicating a 14% increase with an increased deductible for their review.

Director Adelman moved to approve the proposed Plan 2 2017-2018 employee health benefits as presented. Director Steffek seconded the motion. Motion passed.

Revisions to the LNRA Employee Information Manual

In May, the board adopted changes to the LNRA Employee Information manual (EIM) to establish a policy statement for LNRA issued cell phones. Additional questions and discussion arose following this approval. Brzowski briefed the Board on proposed revisions to the Cell Phone Policy. The Board was presented a copy of proposed revisions for their review.

Director Muegge moved to approve the proposed revisions to the Cell Phone Policy in the LNRA Employee Information Manual as presented. Director Martin seconded the motion. Motion passed.

Revisions to LNRA Board Policy 307 Fixed Assets

Brzowski briefed the Board on the proposed revisions to LNRA Board Policy 307 – Fixed Assets. It is recommended to revise 307.301 GUIDELINES, second bullet to read:

Fixed Assets with a useful life of greater than one year and a cost greater than \$5,000 shall be capitalized and included in a Fixed Assets ledger.

The proposed revision for capitalization of fixed assets from \$1,000 to \$5,000 was recommended by the LNRA financial auditors.

Director Taylor moved to approve the proposed revision to LNRA Board Policy 307 – Fixed Assets as presented. Director Martin seconded the motion. Motion passed.

Proposed Reserve Contingency Fund Reallocations

Brzowski briefed the Board on the proposed Reserve Contingency Fund reallocations to move funds from one category to another to allow expenditures for planned projects. The Board was presented a copy of the proposed Reserve Contingency Fund Reallocations.

Director Taylor moved to approve the proposed Reserve Contingency Fund reallocations as presented. Director Muegge seconded the motion. Motion passed.

Ratification of Executive Committee's Approval – Reserve Contingency Fund Expenditure

On May 17, 2017, the LNRA Executive Committee was contacted to approve reserve contingency funds up to \$20,000 for the repair/replacement of the LNRA front entrance gate. The Executive Committee approved the expenditure.

Director Muegge moved to ratify the Executive Committee's approval to expend reserve contingency funds up to \$20,000 for the repair/replacement of the LNRA front entrance gate. Director Adelman seconded the motion. Motion passed.

Ratification of Executive Committee's Approval – East Delivery System Pump Repair

On June 12, 2017, the LNRA Executive Committee was contacted to approve the expenditure of an estimated cost of \$85,000 for East Delivery System pump repair. The Committee approved the expenditure.

Director Martin moved to ratify the Executive Committee's approval to expend up to \$85,000 for East Delivery pump repair. Director Steffek seconded the motion. Motion passed.

Reserve Fund Expenditures for Recreation Improvements

Brzowski briefed the Board on recommended recreation reserve fund expenditures as follows:

\$ 3,500.00 - Replacement of Brackenridge Park and Campground exit gates. This includes a bid from Ranger Gates for constructing 6' galvanized panels and necessary materials required for LNRA staff to install.

\$ 4,427.00 - Replacement of air conditioning unit in Cabin #4 due to existing unit failing. Bid received from Efficiency Air, Inc.

Director Martin moved to approve the reserve fund expenditures for recreation as presented. Director Taylor seconded the motion. Motion passed.

Director Muegge abstained from voting and discussion.

Capital Improvement Fund Reallocations for O&M Building Improvements

Brzowski briefed the Board on the planned O&M Building improvements. He recommended reallocating funds in the Capital Improvement Fund and expenditure up to \$50,000 for this project. The Board was given a copy of the Capital Improvement Fund indicating the recommended reallocations.

Director Adelman moved to approve the capital improvement fund reallocation and expenditure up to \$50,000 for the LNRA O&M building improvements. Director Muegge seconded the motion. Motion passed.

Agreement between LNRA and U.S. Geological Survey

Brzowski briefed the Board on the proposed standard joint-funding agreement between LNRA and U.S. Geological Survey (USGS) for surface-water and water-quality data collection activities for the period from October 1, 2017 to September 30, 2018. LNRA will contribute budgeted funds of \$85,282 and USGS will contribute \$31,406 to cover the cost of the necessary field and analytical work related to the agreement for a total of \$116,688. The Board was presented a copy of the agreement for their review. Funds are budgeted for FY2018.

Director Taylor moved to approve the agreement between LNRA and USGS as presented. Director Adelman seconded the motion. Motion passed.

Texas Parks and Wildlife Agreement

Brzowski briefed the Board on the Texas Parks and Wildlife Commission award of \$475,559 non-urban indoor grant to LNRA for the planned Community Education Complex. Proposed development includes a 3,885-square foot building with an exhibit hall, kitchen, meeting rooms, commons area, office and restrooms. The Board was presented a copy of the grant agreement and budget summary for their review.

Director Taylor moved to approve the grant agreement between Texas Parks and Wildlife and LNRA for the planned LNRA Community Education Complex as presented. Director Muegge seconded the motion. Motion passed.

Hanson Professional Services, Inc. Professional Services Agreement and Task Order

Brzowski briefed the Board on the proposed Task Order No. 01 from Hanson Professional Services, Inc. (formerly Naismith Engineering), for the development of construction documents for the planned Community Education Complex and related sitework, utility and parking improvements, including the building and an outdoor amphitheater. The cost of services is \$126,500, with funds available in the LNRA Environmental and Recreation Fund.

Director Muegge moved to approve the Hanson Professional Services, Inc. Task Order No. 01 and funding as presented. Director Martin seconded the motion. Motion passed.

Texas Water Development Board Regional Water Planning Contract

Brzowski briefed the Board on the TWDB Regional Water Planning Contract with the LNRA, Contract No. 1548301844, Amendment No. 1. As the contracting entity for the Lavaca Regional Water Planning Group, LNRA must approve the contract amendment which revises the scope of work, the task and expense budgets, and the total committed funds. Application to the Texas Water Development Board by the LRWPG requesting grant funding to complete the Fifth Cycle of Regional Water Planning was submitted in February 2017. This amendment increases funding by \$83,547 bringing the total committed funds amount to \$122,544. The Board was presented a copy of the Contract Amendment No. 1 for their review.

Director Taylor moved to approve the Texas Water Development Board Regional Water Planning Contract with LNRA, Amendment No. 1 as presented. Director Steffek seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project

Reedy briefed the Board on the Lake Texana Yield Enhancement Project and the associated Freese and Nichols Work Order No. 23, Due Diligence Investigation for the Proposed Off-Channel Reservoir Site. Fee estimate is \$292,000. The Board was presented a copy for their review.

Director Muegge moved to approve Freese and Nichols Work Order No. 23, Due Diligence Investigation for Proposed Off-Channel Reservoir Site as presented. Director Martin seconded the motion. Motion passed.

The Board meeting adjourned at 8:21 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer