

Lavaca-Navidad River Authority

Minutes of March 22, 2017 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, March 22, 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, Johs, Martin, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Janak, Pearson, Crenshaw and Fleeman. Also present was Bill Dugat and Doug Caroom of Bickerstaff Heath Delgado Acosta LLP, Mike Reedy, Philip Taucer, Jason Afinowicz, Tom Gooch, and Jon Albright of Freese and Nichols, Mike Rivet of Formosa Plastics, and Millie Diaz 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:

- Meeting – Water Rights Amendment – March 22, 2017
- Review of Board Policies – 201, 202, 204, 205, 208
- Management Audit and Annual Financial Audit RFQs due April 7, 2017
- Meeting with JC Chamber – Event Planning
- LNRA Community Project
- Update on Mary Rhodes Phase II Project
- LNRA Community Nature/Education Center TPWD Grant Application
- LNRA Scholarships due March 31, 2017
- Personal Financial Statements due May 1, 2017

Consent Agenda

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

1. Approval of February 15, 2017 Board meeting minutes.
2. Acceptance of February 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 Board Policies 103, 104, 105

Brzowski briefed the Board on the proposed revisions to LNRA Board Policies 103, 104, and 105. The Board was presented a copy of the proposed revised Board Policies at the February meeting for their review.

Director Martin moved to approve the revisions to LNRA Board Policies 103, 104, and 105 as presented. Johs seconded the motion. Motion passed.

Proposed Recreation FY17 Budget Amendment

Brzowski briefed the Board on the proposed FY17 Recreation budget amendment. Stall Rental, Shaving Sales and RV Rental revenues were adjusted with offsetting anticipated expenses for Cost of Goods Sold, Credit Card Fees, Contract Labor, Uniforms and General Maintenance Supplies as follows:

Budget Category	Budget Subcategory	Current Budget	Proposed Amendment	Amended Budget
<u>Recreation</u>				
Revenue	<i>Stall Rental</i>	60,000.00	10,000.00	70,000.00
Revenue	<i>Shaving Sales</i>	30,000.00	10,000.00	40,000.00
Revenue	<i>RV Rental</i>	65,000.00	10,000.00	75,000.00
		<u>155,000.00</u>	<u>30,000.00</u>	<u>185,000.00</u>
Cost of Goods Sold	<i>MEC - COGS</i>	18,600.00	6,400.00	25,000.00
Public Relations	<i>Bank / Credit Card Fees</i>	45,000.00	5,000.00	50,000.00
Contracts	<i>General Contract Labor</i>	5,000.00	15,000.00	20,000.00
Contracts	<i>Uniforms</i>	3,500.00	2,000.00	5,500.00
Operations & Maintenance	<i>General Maintenance Supplies</i>	44,750.00	1,600.00	46,350.00
		<u>116,850.00</u>	<u>30,000.00</u>	<u>146,850.00</u>

Director Taylor moved to approve the proposed Recreation FY17 budget amendment as presented. Director Adelman seconded the motion. Motion passed.

Hay Meadow Bids

Brzowski informed the Board that hay meadow bids were solicited in February. The Board was presented a copy of the bid summary. The General Manager recommended to accept the only bid received for each hay meadow as follows:

Bidder	Hay Meadows Minimum Bid \$15.00 per acre				
	9	10	11	15	15A
	No bid	No bid	No bid	No bid	No bid

Bidder	Hay Meadows Minimum Bid \$20.00 per acre				
	8	20	28	42	55
Blake Stancik	\$25.00 per acre \$950.00 total bid	No bid	\$21.00 per acre \$945.00 total bid	No bid	\$22.50 per acre \$652.50 total bid

Director Johs moved to approve the bid for each hay meadow received as recommended by the General Manager. Director Steffek seconded the motion. Motion passed.

West Delivery System Intake Pump Station VFD Bids

Brzowski briefed the Board on the West Delivery System Intake Pump Station variable frequency drive (VFD) bids received. The Board was presented a bid summary and Recommendation of Award prepared by Freese and Nichols. Recommendation by Freese and Nichols and the General Manager is to accept the low bid from Siemens (Five Star Electric) in the amount of \$487,754.00.

Director Johs moved to approve the low bid from Siemens for \$487,754.00 as recommended by the General Manager. Director Taylor seconded the motion. Motion passed.

Briefing on Shooting Sports Project

Brzowski discussed with the Board possibilities for the Shooting Sports Project. He visited with representatives from the Texas State Rifle Association regarding their interest in the project and will inform the Board as information is available.

Amendment No. 4 to the Formosa Water Supply Contract

Brzowski informed the Board that Formosa had responded and sent comments regarding the Draft Amendment #4 to the Formosa Water Supply Contract. The Board was presented a draft revised copy of the Amendment for their review.

Director Sachtleben moved to approve the Amendment #4 to the Formosa Water Supply Contract as presented. Director Martin seconded the motion. Motion passed.

Lake Texana Yield Enhancement Project Phase I

Reedy and Taucer of Freese and Nichols (FNI) presented a final overview of the work completed on the initial work order associated with the Lake Texana Yield Enhancement Project indicating Water Rights Permit Evaluation and Recommendations.

Brzowski informed the Board that immediately following the Board meeting, LNRA, FNI and Bickerstaff were meeting to begin to establish a scope of work associated with the path forward on this project.

The Board meeting adjourned at 9:32 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer