

Lavaca-Navidad River Authority

Minutes of November 22, 2016 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Tuesday, November 22, 2016 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, Steffek, and Taylor and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Janak, Pearson, and Fleeman. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP and Mike Rivet and Jack Wu of Formosa Plastics.

President Kubecka called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

Brzozowski reported on the following:

- Freese and Nichols Change Order for West Delivery System SCADA Upgrades
- Formosa Third Delivery Point
- Spillway Gate Recoating Project
- Legislative Update
- Accounting Software
- Bureau of Land Management Leases

Consent Agenda

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

1. Approval of October 19, 2016 Board meeting minutes.
2. Acceptance of October 2016 financial statements.
3. Approval of invoices for payment.

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

LNRA Professional Services Provider List

Brzozowski briefed the Board on the performance of professional services rendered. The Board was presented a professional services list indicating each consultant that provided services for LNRA in a professional and ethical manner.

Director Taylor moved to approve the professional services list as presented. Director Johs seconded the motion. Motion passed.

Ratification of Executive Committee's Approval

The General Manager met with the Executive Committee on October 19, 2016 following the Board meeting to request approval of expenditure for proposal from Water Monitoring Solutions for assistance in preparing the 2017 Lavaca Basin Summary Report as required by the Texas Commission on Environmental Quality (TCEQ) Clean Rivers Program for \$16,000. Funds are available in the Professional Services budget. The Committee approved the expenditure.

Director Martin moved to ratify the Executive Committee's approval of expenditure as presented. Director Steffek seconded the motion. Motion passed.

Ratification of Executive Committee's Approval

The General Manager met with the Executive Committee on October 19, 2016 following the Board meeting to request approval of proposed General Fund, West Delivery System, and East Delivery System budget amendments from Professional Services to Insurance for annual Auto Liability, Real and Personal Property, and Real and Personal Property, respectively, for the three funds. The Committee approved the proposed budget amendments.

Director Taylor moved to ratify the Executive Committee's approval as presented. Director Adelman seconded the motion. Motion passed.

Formosa Third Delivery Point Project

Brzozowski updated the Board on the Formosa Third-Delivery Point Project. Bids will be solicited in December for the construction of the third-delivery point. Formosa has indicated that in lieu of the sale of bonds to finance the construction costs, their preference would be to cash flow the project through the budget to be included in their monthly invoice from LNRA.

Director Johs moved to approve financing the construction costs of the third-delivery point through the budget and to include these costs on the monthly invoice from LNRA. Director Martin seconded the motion. Motion passed.

Allocation of Fiscal Year 2016 Fund Balance

Brzozowski briefed the Board on the proposed allocations of Fiscal Year 2016 fund balance. The Board was presented a summary outlining the proposed allocations and the Capital Improvement Plan.

Director Martin moved to approve the proposed 2016 fund balance allocations as presented. Director Johs seconded the motion. Motion passed.

O&M Shop Improvements

Brzozowski briefed the Board on the planned O&M building improvements for employee work areas.

Before beginning to plan for the improvements to the work areas, reorganization of the available space is necessary. Proposals have been received to remove and close in doors and windows on the rear of the building. Additionally, plans are to construct a new attic access by installing a new platform in the woodshop area, move the existing stairs, and create a new accessible doorway into the attic storage. This will allow for additional raised storage, then LNRA staff will begin the remodel work. The anticipated cost is \$19,415. Funds are available in the Reserve Contingency Fund.

Director Taylor moved to approve the Reserve Contingency Fund expenditure for the O&M building improvement project as presented. Director Steffek seconded the motion. Motion passed.

Variable Frequency Drive Replacement Project

Brzowski briefed the Board on the Freese and Nichols Work Order #22 for the West Delivery System pump station variable frequency drive (VFD) replacement. Services in the work order include final design, bid phase services and construction phase services in the amount of \$80,000.00.

Director Johs moved to approve Freese and Nichols Work Order No. 22 as presented. Director Taylor seconded the motion. Motion passed.

Briefing on draft Amendment No. 4 to Formosa Water Supply Agreement

Brzowski informed the Board on the draft Amendment No. 4 to the Water Supply contract by and between Lavaca-Navidad River Authority and Formosa Plastics Corporation. The Board was presented a copy for their review.

Vehicle Purchase

Brzowski briefed the Board on the bid received from Buy Board Cooperative Purchasing for a new Kubota D1105 all-terrain vehicle to replace an out of service Kawasaki Mule. The bid received is \$11,480.48, which includes a trade-in of \$5,000 for the Kawasaki Mule. Funds are available in the Reserve Contingency Fund.

Director Martin moved to accept the bid from Buy Board Cooperative Purchasing as presented. Director Johs seconded the motion. Motion passed.

The Board meeting adjourned at 8:28 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer