

Lavaca-Navidad River Authority

Minutes of October 18, 2017

Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, October 18, 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, Muegge, Sachtleben, Steffek, and Taylor, and LNRA Staff: Brzozowski, Anders, Gregory, Janak, Martin, Pearson, Fleeman, and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta 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:

- Presentation of LNRA's Community Development Partnership Program Grant Recipients:
 - City of Ganado Mayor Clinton Tegeler \$ 48,000.00
 - Industrial Youth Football Bradley Yendrey/Heidi Yarborough \$ 6,750.00
 - JC Memorial Library Cherie Robinson \$ 1,223.00
 - Lolita Fire Department Bradley Yendrey \$ 5,000.00
 - First United Methodist Adam R. Knapp \$ 45,250.00
- General Manager's Quarterly Report as of September 30, 2017
- Freese & Nichols Task Authorization 19B-Spillway Gate Rehabilitation-Construction Phase Services
- Information regarding River Outlet Works (ROW)
- Management Audit Review
- TWDB Meeting in reference to Regional Water Planning

Consent Agenda

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

1. Approval of September 27, 2017 Board meeting minutes.
2. Acceptance of September 2017 financial statements.
3. Approval of invoices for payment.
4. Approval of Investment Report as of September 30, 2017.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of September 30, 2017. TexPool investments earned an average rate of 1.00% 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 1-4 as presented. Director Johs seconded the motion. Motion passed.

Regular Agenda

Revised LNRA Board Policy 202 and Employee Information Manual

Brzowski recommended revisions to the LNRA Board Policy 202 – Employee Benefits and the LNRA Employee Information Manual regarding LNRA retiree health benefits. Recommended revisions are as follows: ***Retiree Health Program*** - LNRA will offer a medical, dental and vision insurance plan. LNRA will pay 100% of retiree's insurance premiums and 50% of dependent's premiums. All coverage ceases when retiree reaches age 65.

The Board was presented a copy of the Board Policy and Employee Information Manual recommended revisions for their review.

Director Martin moved to approve the revised LNRA Board Policy 202 – Employee Benefits and Employee Information Manual as presented. Director Adelman seconded the motion. Motion passed.

LNRA Retiree Health Benefits with TML

Brzowski briefed the Board on the LNRA retiree health benefits with Texas Municipal League MultiState Intergovernmental Employee Benefits Pool (TML).

Pre 65 Retiree Plan

- General Manager recommends retirees between the ages of 59 and 65 access the active employee medical benefit plan at 195% of the active employee rate.
 - LNRA pays 100% retiree medical contributions and 50% of dependent medical contributions
 - 2018 Rate: \$1,333.18 per retiree per coverage month
\$1,062.68 per coverage month for dependent
- General Manager recommends offering retirees between the ages of 59 and 65 a dental and vision benefit plan.
 - Dental IV Rate: \$45.58 per retiree per coverage month
\$75.26 composite rate
\$61.60 spouse rate
\$52.46 child(ren)
\$91.18 family
 - Vision A Rate: \$7.68 per retiree per coverage month
\$15.32 family

Post 65 Retiree Medicare Supplement Plan

- Plan year is effective January 2018 through December 2018.
- Contributions are paid 100% by retiree.
- General Manager recommends Medical Supplement Plan K Option 1
 - 2018 Monthly Rate: \$134.11 (No increase from last year)
 - \$2,000 Annual Medical Deductible then plan pays at 100% for most services.

- General Manager recommends PDP Plan Option 2 Generic Gap Coverage
 - 2018 Monthly Rate: \$101.11 (\$16.85 increase from last year)
 - Tier I Generic Gap Coverage
 - Formulary G

The Board was presented a copy of the proposed LNRA retiree health benefit revisions for the plan year January 2018- December 2018 for their review.

Director Steffek moved to approve LNRA retiree health benefits with TML as recommended by the General Manager. Director Muegge seconded the motion. Motion passed.

LNRA Board Policy 107 – Law Enforcement & Commissioned Security Unit

Brzowski briefed the Board on proposed vehicle markings for LNRA's Law Enforcement vehicles. He asked for the Board's input on changing the markings on the vehicles from "Law Enforcement" to "Police". After more research and thought given to making this change, Brzowski will inform the Board of his final recommendation at a future date.

No action was taken by the Board.

Texana Education Center

Brzowski briefed the Board on the plans and construction cost estimate for the planned Texana Education Center. The Board was presented draft plans and costs estimate prepared by Hanson Professional Services, Inc. for their review. The Board's consensus was for this project's cost to be no more than \$1.2 million.

No action was taken by the Board.

Automated Data Processing (ADP)

Brzowski informed the Board of the expiration of the current agreement with Automated Data Processing (ADP) for payroll services and human resources application. The Board was presented a copy of the proposed three (3) year agreement for the period October 2, 2017-October 2020. The proposed agreement shows no increase for 2017, a 1% increase in 2018, and 2% increase in 2019.

Director Martin moved to approve the ADP three (3) year agreement for payroll services and human resources applications as presented. Director Taylor seconded the motion. Motion passed.

CEC Corrosion Services Work Order

Brzowski briefed the Board on the CEC Corrosion Services Work Order and estimated costs. The Board previously approved CEC to perform services for LNRA's corrosion protection program. The Board was presented a copy of the Work Order.

Director Johns moved to approve the CEC Corrosion Services Work Order as presented. Director Adelman seconded the motion. Motion passed.

Concessionaire Proposal for Kayak Rental

Brzowski presented to the Board a copy of the Concession Proposal for Kayak Rental from PaddleEZ as discussed at the September Board meeting. The proposed Agreement between LNRA and PaddleEZ allows PaddleEZ to install, operate, and maintain self-service lockers at Lake Texana Park and Campground that will contain watersports equipment that may be rented through PaddleEZ's website. The three (3) agreement provides for LNRA to be paid a percentage based on annual revenue.

Director Martin moved to approve the Agreement between LNRA and PaddleEZ as presented. Director Muegge seconded the motion. Motion passed.

Amendment No. 4 to Formosa Water Supply Contract

Brzowski informed the Board of the discussion with Formosa regarding Section 8.13(6) of the proposed Amendment No. 4 to the Water Supply contract by and between LNRA and Formosa Plastics Corporation. Updates will be given to the Board as available.

Lake Texana Yield Enhancement Project

No updates.

The Board meeting adjourned at 9:05 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer