

Lavaca-Navidad River Authority

Minutes of October 19, 2016 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, October 19, 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, Parker, Johs, Martin, Sachtleben, Steffek, and Taylor and LNRA Staff: Brzozowski, Anders, Gregory, Martin, Janak, Pearson, Fleeman and Crenshaw. Also present was Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Mike Rivet of Formosa Plastics, Inc., and Mike Reedy of Freese and Nichols, Inc. LNRA Community Development Partnership Program grant recipients were also present as follows:

Don Doering, City of Edna
Earnest Taylor, Friends of Elder Citizens
Bill Jones, Jackson County Hospital District
Carol Arter and Kelley Aimone, Texana Arts Center

President Kubecka called the meeting to order.

Public Comments

There were no public comments.

General Manager's Report

Brzozowski reported on the following:

- LNRA Community Development Partnership Program Grant Awards
- General Manager's Quarterly Report as of September 30, 2016
- CFG Change Order – East Delivery System – Pipe Recoating Project
- TPWD Indoor Grant Application – Community Education Complex
- Naismith Engineering, Inc. – Additional services rendered
- TPWD Local Grant Agreement – Simons Boat Ramp Improvement Project
- Freese and Nichols Task Order to replace variable frequency drive units at West Delivery System
- Fleet Vehicle Purchases
- Meeting with TXDOT regarding truck traffic FM3131
- Spooktacular –Texana Park – October 22, 2016 6:00 p.m. – 9:30 p.m.
- Relay for Life – Main Event Center – October 29, 2016
- Wounded War Heroes – November 8-10, 2016

Consent Agenda

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

1. Approval of September 21, 2016 Board meeting minutes.
2. Acceptance of September 2016 financial statements.
3. Approval of invoices for payment.
4. Approval of Quarterly Investment Report as of September 30, 2016.

Gregory briefed the Board on the activity of investments as reported on the Quarterly Investment Report as of September 30, 2016. Tex Pool investments earned an average rate of .37% 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 Parker seconded the motion. Motion passed.

Contract Mowing Bids

LNRA solicited bids for contract mowing for miscellaneous mowing. The Board was presented a copy of the bid summary. The General Manager recommends to accept the low bid from Scott Pearson for \$43.00 per hour.

Director Martin moved to accept the low bid from Scott Pearson for contract mowing as recommended by the General Manager. Director Steffek seconded the motion. Motion passed.

Professional Dam Safety Services

Brzowski briefed the Board on the Freese and Nichols Inc. (FNI) Task Authorization #21 for 2017 Dam Safety Program Professional Services. The Board was presented a copy of the Task Authorization and associated Scope of Work. The amount of the Authorization is \$100,000.00.

Director Johs moved to approve FNI Task Authorization #21 as presented. Director Taylor seconded the motion. Motion passed.

Spillway Gate Rehabilitation – Construction Phase Services

Brzowski briefed the Board on the Freese and Nichols Inc. (FNI) Task Authorization #19B for the continuation of Spillway Gate Rehabilitation Project for 2017. The Board was presented a copy of the Task Authorization and Scope of Work for their review. The amount of the Authorization is \$142,260.00. Funds are budgeted in the General Fund.

Director Taylor moved to approve FNI Task Authorization #19B as presented. Director Parker seconded the motion. Motion passed.

Main Event Center Stall Barn Project

Brzowski briefed the Board on the LNRA electrical service project which includes procurement and installation of the electrical service for the newly constructed Main Event Center Stall Barn. Additional funds are needed to complete the project. The General Manager recommends for the Board to approve up to \$25,000 additional funds for the electrical project which would leave adequate funds for the Stall Barn PA system to be procured and installed. Funds would be utilized from the Environmental Recreation Reserve Fund and be replenished with the Recreation Fund Balance available in November.

Director Adelman moved to approve expenditure from the Environmental Recreation Reserve Fund up to \$25,000 for the electrical project as presented. Director Johns seconded the motion. Motion passed.

LNRA Scholarship Program

At their September meeting, the Board discussed possible revisions to the LNRA Scholarship Program. Based on the Board's discussion, LNRA Management recommends revising the Program making available twelve (12) \$1,000 scholarships and the Kay Frels Memorial Scholarship for \$2,000. The \$1,000 scholarships would be divided equally among the three Jackson County school districts and/or areas, making \$4,000 available for each district/area. The Scholarship Committee may adjust the designation of the funds if there are not an adequate number of applicants from a district/area. The Kay Frels Memorial Scholarship will be awarded to an applicant from a Jackson County school district or area.

Management also recommends utilizing LNRA alligator management contract revenue and LNRA hay lease revenue up to \$14,000 annually to support the scholarship program.

Director Martin moved to approve the revisions to the LNRA Scholarship Program as recommended by LNRA Management. Director Steffek seconded the motion. Motion passed.

Briefing on Request for Access at LNRA Gates

Brzowski informed the Board that he was contacted by Gary Olson, PC, who is representing a party who has property off 2982 near Ganado and adjacent to LNRA property. Mr. Olson's client is requesting access; therefore, an easement would need to be granted. The Board was presented a plat of the property indicating the proposed easement. The Board agreed for the General Manager to present a proposed easement agreement for consideration of approval at the November meeting.

Amendment to COA 16-2095, Removal of On-Channel Impoundment, Substituting Storage, and Designation of an Off-Channel Reservoir Site

Brzowski briefed the Board on pursuing an amendment to the LNRA Certificate of Adjudication 16-2095, removal of Phase II on-channel impoundment, substituting storage of Lavaca water into Lake Texana, and the designation and permitting of an off-channel reservoir site.

Reedy addressed the Board and discussed the strategy of the treatment of Certificate of Adjudication 16-2095 based on the results of the Proposed Off-Channel Reservoir Water Rights Permit Evaluation Study. He presented the Board a summary of recommendations.

An analysis of the LNRA Series 2014-B bonds and the potential need to defease a portion of the bonds,

on the assumption that the use of Texana to store Lavaca water for water sales to a non-public entity would affect the bond's tax-exempt status, was presented to the Board for their review.

The proposed LNRA Resolution No. 2017- Authorizing the General Manager to Make Application to Texas Commission on Environmental Quality (TCEQ) regarding LNRA Water Rights was also presented to the Board for its review.

Director Sachtleben moved to authorize the General Manager to pursue amendment to the LNRA Certificate of Adjudication 16-2095, including removal of Phase II on-channel impoundment, substituting storage of Lavaca water into Lake Texana, and the designating and permitting an off-channel reservoir site, and approve Resolution No. 2017-001 as presented. Director Martin seconded the motion. Motion passed.

Briefing on Frees and Nichols Inc. Work Order No. 20

Brzozowski informed the Board on the Freese and Nichols Inc. Work Order No. 20, Evaluation of Water Right on Carancahua Creek.

President Kubecka declared the Board to convene in Executive Session, 551.071 (Consultation with Attorney) and 551.072 (Deliberations about Real Property) at 9:12 a.m.

Executive Session ended at 9:45 a.m. and President Kubecka declared the full Board to be in Open Session.

The Board meeting adjourned at 9:46 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer