

Lavaca-Navidad River Authority

Minutes of September 27, 2017 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, September 27, 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, Parker, Johs, Martin, Sachtleben, 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:

- Report of LNRA's response to Hurricane Harvey
- Update on Community Education Complex Grant
- Update on Simons Boat ramp Grant
- Research of new equipment for mowing safety
- Potential Recreation Concessionaire Agreement
- House Bill 89 – Provision required in contracts
- NRA Banquet – October 10, 2017

Consent Agenda

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

1. Approval of August 16, 2017 Board meeting minutes.
2. Approval of September 7, 2017 Community Development Partnership Program Review Committee meeting minutes.
3. Acceptance of August 2017 financial statements.
4. Approval of invoices for payment.
5. Approval of proposed budget amendments.

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

Regular Agenda

Revisions to LNRA Fiscal Year 2018 Budgets

No action was taken.

Reserve Fund Reallocations

Brzowski briefed the Board on the Reserve Fund reallocations necessary for funding of anticipated expenditure for the implementation of accounting software. The Board was presented a copy of the reallocations.

Director Parker moved to approve the proposed Reserve Fund reallocations and the anticipated expenditure for implementation of the accounting software. Director Martin seconded the motion. Motion passed.

Community Development Partnership Program

The Community Development Partnership Program (CDPP) grant applications were due on July 20, 2017. Available LNRA grant funds are \$100,000. Seven (7) applications were received. The CDPP Review Committee met on September 7, 2017 to discuss the application reviews and rankings. The Committee took action recommending for the LNRA Board to approve the following grant awards:

Organization	Project Title	Grant Request	Recommended Grant Award
City of Ganado	Patman Square	\$ 50,000.00	\$ 48,000.00
First Baptist Mission	Parking Lot Impr.	\$ 10,500.00	\$ 0.00
Industrial Youth Football	Field Update	\$ 9,000.00	\$ 0.00
Industrial Youth Football	Bleacher Update	\$ 6,750.00	\$ 6,750.00
*JC Memorial Library	Custom Library Sign	\$ 1,223.00	\$ 1,223.00
*Lolita Volunteer Fire Dept.	A/C System	\$ 5,000.00	\$ 5,000.00
FU Methodist Church	Wesley Center Exp.	\$ 50,000.00	\$ 45,250.00

JC Memorial Library and Lolita Volunteer Fire Department grants to be funded from the LNRA Community Services Program (CSP) designated for small grant requests (\$5,000 or less).

The Committee determined that the First Baptist Mission grant application did not meet the CDPP grant criteria, as outlined in the CDPP Grant Application Form.

The Committee also recommended that the Industrial Youth Football League (field update) apply for potential funding (maximum \$5,000) from LNRA's Community Services Program (CSP) later in the year. The CSP applications are accepted throughout the calendar year.

Director Johs moved to approve the CDPP grant awards as recommended by the CDPP Review Committee as presented. Director Taylor seconded the motion. Motion passed.

LNRA Retirees Health Benefits

Information was not available. No action was taken.

TML Board of Trustee Ballot

No action was taken.

Expenditure for Heavy Equipment

Brzowski informed the Board that LNRA Management proposes to mow and maintain the City of Corpus Christi's Colorado River Intake and Booster Pump Station property in lieu of utilizing contractors to perform the work. The General Manager recommended leasing a tractor and shredder for use at the Bay City location. Bids for the tractor and shredder were solicited. The General Manager recommends accepting the bid from Shoppa's for a five (5) year lease for \$575.78 per month. Funds are available in the West Delivery System budget.

Director Adelman moved to approve the proposed expenditure for heavy equipment lease as recommended by the General Manager. Director Taylor seconded the motion. Motion passed.

Freese and Nichols Task Authorization #25

Brzowski briefed the Board on the Freese and Nichols Inc. (FNI) Task Authorization #25 for 2018 General Professional Dam Safety Services. The cost of the services is not to exceed \$100,000.00. The Board was presented a copy of the Task Authorization including a Scope of Work and Deliverables for their review.

Director Parker moved to approve FNI Task Authorization #25 as presented. Director Sachtleben seconded the motion. Motion passed.

Freese and Nichols Task Authorization #26

Brzowski briefed the Board on the Freese and Nichols Inc. (FNI) Task Authorization #26 for Comprehensive Engineering Review of the dam and spillway. Texas Commission on Environmental Quality (TCEQ) Dam Safety Regulation requires high-hazard dams and related facilities to undergo an engineering inspection every fifth (5th) year. The General Manager recommends engaging FNI to perform the Comprehensive Review and related reporting for this purpose. The Task Authorization engineering fee estimate is \$119,500 with an alternate fee estimate of \$154,500 if a Risk Analysis is necessary due to CR findings. The Board was presented a copy of the Task Authorization including a Scope of Work and Deliverables for their review.

Director Martin moved to approve FNI Task Authorization #26 as presented. Director Johs 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 Martin moved to approve the professional services list as presented. Director Adelman seconded the motion. Motion passed.

Board Meeting Dates

Brzozowski presented to the Board the proposed LNRA Board regular meeting dates for Fiscal Year 2018 as follows:

Wednesday	October 18, 2017
Wednesday	November 15, 2017
Wednesday	December 20, 2017
Tuesday	January 9, 2018
Wednesday	January 17, 2018
Wednesday	February 21, 2018
Wednesday	March 21, 2018
Wednesday	April 18, 2018
Wednesday	May 16, 2018
Wednesday	June 20, 2018
Wednesday	July 18, 2018
Tuesday	August 7, 2018
Wednesday	August 15, 2018
Wednesday	September 19, 2018

Director Taylor moved to approve the FY2018 LNRA Board of Director meeting dates as presented. Director Parker seconded the motion. Motion passed.

Update on Lake Texana Yield Enhancement Project

Brzozowski briefed the Board on the Lake Texana Yield Enhancement Project.

Amendment No. 4 to the Water Supply Contract

Brzozowski briefed the Board on the proposed Amendment No. 4 to the Water Supply Contract by and between LNRA and Formosa Plastics Corporation. The Board was presented a copy of the proposed Amendment for their review. The Board discussed Section 8.13 Future Water Supply, specifically the usage of the water from LNRA's Yield Enhancement Project, from the permitting and contracting perspective and the geographical area allowable for transportation and use.

Director Sachtleben moved to approve the proposed Amendment No. 4 as presented with the General Manager's edits to include language that the Company will provide LNRA a letter of intent to enter into a Water Supply and Conveyance Contract with LNRA for up to thirty-three (33%) of the yield from LNRA's Lake Texana Yield Enhancement Project and not limit use and transportation geographical area. Director Parker seconded the motion. Motion passed.

The Board meeting adjourned at 9:06 a.m.

Ronald Kubecka
President

Terri Parker
Secretary-Treasurer