

## **Lavaca-Navidad River Authority**

### **Minutes of June 19, 2024 Board Meeting**

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, June 19, 2024 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 and was also available through video teleconference. Board members present were President Adelman, Directors Aimone, Kucera, Mitchell, Parker, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Stuhrenberg, Terry, Sklar, and Crenshaw. Also present was Doug Caroom of Bickerstaff Heath Delgado Acosta LLP and Jason Ward of Freese and Nichols. Stephen Phillips of Formosa Plastics and Cody Cockcroft and Joshua Watson of Freese and Nichols joined the meeting via video teleconference.

President Adelman called the meeting to order.

### **Public Comments**

There were no public comments.

### **General Manager's Report**

- Sunset Advisory Committee Response
- Response to State Auditor's Office Regarding Sunset Compliance
- Interruptible Water
- Update on ATT fiber link
- Thunderdome Pipeline
- BLM Oil and Gas Lease
- Independence Day Celebration – July 6, 2024
- Discussion with GLO today

### **Consent Agenda**

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

1. Consider approval of Board meeting minutes of May 15, 2024 and act as necessary.
2. Consider acceptance of May 2024 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.
4. Consider approval of proposed budget amendments and act as necessary.
5. Consider approval of proposed reserve contingency expenditures and act as necessary.

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

## **Regular Agenda**

### **Annual Cybersecurity Training Compliance**

Brzozowski informed that in compliance with Texas Government Code 2054.5191, LNRA employees and Board of Directors completed the required annual cybersecurity training.

Completion of the training was reported to the Department of Information Resources.

The Board was presented with a copy of the compliance report as sent to the Department of Information Resources.

Director Taylor moved to approve the compliance report sent to the Department of Information Resources. Director Kucera seconded the motion. Motion passed.

### **LNRA Employee and pre-65 Retiree Health Benefits 2024-2025**

Brzozowski and Martin briefed the Board on the health benefits proposal for 2024-2025. LNRA currently provides employee health benefits through TML Health. LNRA also provides pre-65 retirees health benefits through TML. LNRA covers retirees between the ages of 59-65. The retiree benefits and plan are the same as employees.

LNRA pays for 100% of employee and retiree premiums and 50% of dependent premiums for employees and retirees.

The Board was presented with a copy of the Health Benefit Proposal, which includes the current plan and the associated costs and the proposed option and associated costs.

The General Manager recommends accepting the proposed option for health benefits for employees and pre-65 retirees.

Director Mitchell moved to approve the proposed option for LNRA Health benefits as presented and recommended by the General Manager. Director Parker seconded the motion. Motion passed.

### **LNRA Employee Retirement Benefits**

Brzozowski briefed the Board on LNRA's employee retirement benefits. LNRA's retirement plan is with the Texas County & District Retirement System (TCDRS). The Board was presented with a copy of the funding projections for Plan Year 2025 and program benefit information.

Brzozowski also briefed the Board on the LNRA's employer contribution rate to TCDRS. TCDRS require that participating employers review and confirm their benefit plans on an annual basis.

The calculated employer contribution rate for 2025 is 9.56%. LNRA Management recommends continuing contributing at the optional higher elected rate of 15% for 2025.

Director Steffek moved to approve the LNRA employee retirement benefits and employer contribution rate of 15% as recommended by the General Manager. Director Taylor seconded the motion. Motion passed.

### **Interlocal Agreement between LNRA and TML Risk Pool**

Brzozowski informed the Board that Texas Municipal League Intergovernmental Risk Pool (Pool) is LNRA's provider for Workers' Compensation, Property, and Liability which includes Cyber Liability and Data Breach Response Coverage (Cyber Coverage).

Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. For this reason, the Pool has created a separate Cyber Fund and updated Cyber Coverage. The Pool's total annual payout for cyber claims will be capped at \$25 million. The Cyber Coverage premiums will increase based on LNRA's elected limits. Premiums range from \$1,000 to \$1,850 depending on coverage level.

The Board was presented with a summary indicating coverage and costs. LNRA Management recommends Core+ coverage for 2024-2025 for an annual cost of \$1,875.

The Board was also presented with a copy of the TML Intergovernmental Risk Pool Cyber Liability and Data Breach Response Interlocal Agreement.

Director Parker moved to approve the Interlocal Agreement between LNRA and TML for Core+ coverage for an annual cost of \$1,875 as presented. Director Taylor seconded the motion. Motion carried.

### **PRO-ROV Services, LLC Proposal**

Brzozowski briefed the Board on the PRO-ROV Services, LLC proposal to perform the annual spillway inlet channel and outlet channel surveys. Total estimated cost is \$30,000.00. Funds are available in the General Fund Budget.

The Board was presented with a copy of the PRO-ROV proposal and scope of work for their review.

Director Aimone moved to approve the proposal from PRO-ROV for the annual spillway inlet channel and outlet channel surveys as presented. Director Steffek seconded the motion. Motion carried.

### **Capital Improvement Fund Expenditure**

LNRA solicited bids for Spillway fencing at the east parking lot, east spillway bridge and the west spillway bridge including the east parking lot guard rail. Two bids were received.

The Board was presented with a copy of the bid summary for their review.

The General Manager recommends accepting the bid from Bludau Fencing LLC for \$23,374.96. Funds are available in the Capital Improvement Fund.

Director Taylor moved to approve the capital improvement fund expenditure of \$23,374.96 for spillway security fencing as recommended by the General Manager. Director Parker seconded the motion. Motion carried.

### **WDS Expenditure for Sludge Removal**

Brzozowski informed the Board that since being placed into service, the MRPII system, moving water from the Colorado River and storing/passing that water through the 6mgallon storage tank on LNRA property has produced considerably more sediment (waste) than what was anticipated.

To date, LNRA has evacuated and removed the sludge/sediment from the tank three times, February 2017, August 2019, and September 2021. On each occasion, LNRA land applied the sediment/sludge on LNRA property. To date the volume of fluid and sediment totaled nearly 6000 cubic yards.

In 2021 LNRA became conscience that the City's water right did not authorize interbasin transfer, meaning the tank drain function can no longer be used to lower the water level in the tank to manage the fluidized sediment.

While LNRA's routine would have included cleaning the tank in 2023, we chose not to act until the City determined if they would amend their water right, adding the interbasin transfer authorization.

LNRA has researched multiple options to remove the sediment from the tank including altering the pre-sedimentation Basins in Bay City, agitating the tank volume and sending the sediment through the pipeline to Corpus, and the recommended method, using proprietary equipment to "vacuum" the sediment.

Given the volume of sediment currently in the tank and the fact that the City has chosen not to pursue an amendment to the water right, it is our (LNRA and the City) recommendation to use the service proposed by Commercial Diving Service.

Director Mitchell moved to approve the Commercial Diving Service proposal for \$144,553 to remove and dispose of the sludge from the MRPII 6m-gallon tank utilizing West Delivery System budgeted funds. Director Parker seconded the motion. Motion carried.

### **Briefing on WDS MRP Optimization Study**

Brzozowski briefed the Board as follows:

- The City of Corpus Christi has been evaluating the condition of the Mary Rhodes Pipeline (MRP) over the past two years.
- As part of the effort, the data indicates pressure exceedances at the pipeline's crossing of Garcitas Creek and the San Antonio River, and near exceedance at the Lavaca River.
- Given the number of pipe related issues/repairs at these locations, the City is working to develop a plan to mitigate the pressure exceedances.
- As part, or an extension thereto of the current engineering study, the City has proposed engaging a specialty consultant, Specific Energy, to evaluate the performance of the pumping equipment and operating scenarios.

- Given LNRA is charged with operating the pumping systems, much focus has been placed on LNRA operating procedures.
- The City management and staff (which are all new to the City), have a better understanding of the MRP operation, including LNRA's dedicated service on behalf of the City, over the past 25 years.
- If value is found in the performance optimization study, LNRA will likely add the cost of maintaining the "equipment" into the West Delivery System operating budget.

The Board will be informed as this project develops.

### **West Delivery Storage Building Aerobic Septic System**

Brzozowski informed the Board that the WDS storage building is progressing on schedule. The septic system needed to support the restroom that is included in the building plan is to be provided by LNRA. Two quotes have been obtained from Hurts Wastewater Services and Victoria Precision for a complete aerobic wastewater treatment system. Estimated cost is \$10,000.

LNRA will be responsible for providing electrical service to the pumps that are included in the treatment plant. The General Manager recommends accepting the bid from Hurts Wastewater Management and authorizing expenditure of up to \$12,000 for this project.

Director Steffek moved to approve the bid from Hurts Wastewater Management and authorize expenditure of up to \$12,000 for the aerobic septic system project as recommended by the General Manager. Director Taylor seconded the motion. Motion carried.

### **TxDOT Quit Claim Deed**

LNRA is approaching abandonment of their easements to the Department of Transportation.

The Department has chosen to use their form Quit Claim Deed to document the transfer. The Board was presented with a copy of the Quit Claim Deed for their review.

Understanding portions of the 36" pipeline are to be abandoned in place, LNRA ask TxDOT to consider modifications to the Quit Claim document. After consideration, the Department has chosen not to accept LNRA's recommendation and use the Quit Claim Deed as is.

While it was our opinion the recommended language gave clarity to what was to be abandoned, by choosing to not accept the change, TxDOT is accepting "all" and "everything" left in LNRA's easement that is being acquired by TxDOT, as is.

Director Parker moved to approve the TxDOT Quit Claim Deed regarding the East Delivery System Pipeline Relocation Project as presented. Director Steffek seconded the motion. Motion carried.

### **Inspection of 54" Intake Pipe**

Brzozowski informed the Board that in 1980 LNRA constructed the 54" piping that feeds water from the East M&I structure to the East Intake Pump Station located downstream. The piping is buried approximately 33 feet below the surface of the ground within the bounds of our dam embankment.

The pipe is bell and spigot and has never been inspected.

Given the critical nature of the installation, the pipe needs to be inspected. At the same time, because we are unable to dewater the M&I, the type of inspection and/or detection method that can be used is limited.

Late last year, LNRA learned about Xylem and the service they were providing to Dallas water.

After working through our installation and our needs with the Company, we are confident we can use the Company's technology to detect leakage (if any exist) in the suction piping.

The Board was presented with a copy of Xylem's proposal including the proposed scope of work. Total estimated cost of the project is \$60,255.

Director Steffek moved to approve the reserve fund expenditure for inspection of the 54" intake pipe by Xylem.

After discussion among the Board members, the decision was made not to act at this time.

Director Steffek withdrew his motion.

Brzozowski will discuss with Xylem and attain additional information.

### **Briefing/Update on Dam Safety Remediation Project**

Brzozowski briefed the Board as follows:

- Freese and Nichols staff and sub consultants are working to begin to carry out the Phase I design support activities. Geotechnical fieldwork is expected to start the week of June 17<sup>th</sup>.
- LNRA is working with adjacent landowners to gain access for a couple of soil borings.
- Brzozowski has communicated with Formosa Plastics and the City of Corpus Christi, offering a synopsis of the issue.
- Both water customers have suggested they would rather be billed directly versus LNRA issuing bonds. Brzozowski will continue discussions with these two entities. Once their position is defined, he will approach our other customers. Either way, the issue and mode of finance will need to be known before our 2025 operating budgets are finalized in August.

**Briefing on East Delivery System Pipeline Relocation Project**

Brzozowski briefed the Board as follows:

- The pipeline contractor is nearing tie-in of the 57” pipeline. This is expected to occur near June 19<sup>th</sup>.
- The contractor has removed the majority of the old 36” pipe materials and is nearing completion of that work item.
- Brzozowski visited Alcoa about finalizing the easement issues. It’s our understanding they agree with our recommended treatment of the easement documents and will try and get these signed off by the end of the month.
- The funding for the construction management services provided by Freese and Nichols is nearing full expenditure. We would rather not add dollars to this item and will handle the remaining quality control aspects in-house using LNRA employees, augmented as needed with FNI input.
- Once the 57” pipe is placed into service, the remaining items are easement cleanup/fix up.

**Briefing on Lake Texana Yield Enhancement Project**

Brzozowski briefed the Board as follows:

- LNRA received notification from TCEQ that they had chosen September as the month in which the public meeting would be held. Of the six dates given, we (LNRA, TCEQ, Legislators, FNI, Bickerstaff) settled on September 24<sup>th</sup> at 7:00 in the evening.
- The meeting will be held at the Edna Independent School District Auditorium in Edna. Note LNRA’s Board of Directors Meeting is the following morning, September 25<sup>th</sup>.
- Bickerstaff legal counsel has reviewed the issues surrounding GBRA’s water right permit issued for the entities planned mid-basin project.
- Several recommendations have been suggested for LNRA to produce additional environmental documentation.

The Board meeting adjourned at 9:23 a.m.

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Jerry L. Adelman  
President

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Jennifer Storz  
Secretary-Treasurer