

Lavaca-Navidad River Authority

Minutes of August 21, 2024 Board Meeting

A meeting of the Lavaca-Navidad River Authority Board of Directors was held on Wednesday, August 21, 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, Vice President Johs, Secretary-Treasurer Storz, and Directors Aimone, Kucera, Parker, Steffek, and Taylor. Also present was LNRA Staff: Brzozowski, Gregory, Anders, Hartl, Martin, Stuhrenberg, Terry, Sklar, and Crenshaw. Jack Wu of Formosa Plastics also attended the meeting. Board of Director Mitchell, Bill Dugat of Bickerstaff Heath Delgado Acosta LLP, Stephen Phillips of Formosa Plastics, and Joshua Watson of Freese and Nichols joined the meeting via video teleconference.

President Adelman called the meeting to order.

Public Comments

Jack Wu of Formosa Plastics greeted the LNRA Board members and Management.

General Manager's Report

- Interruptible Water
- Clean Rivers Program Annual Meeting – August 27, 2024 – 1:00 p.m. - CEC
- Community Development Partnership Review Committee Meeting September 5, 2024 - CEC
- Youth Alligator Hunt – September 20-21, 2024
- TCLOE Fitness for Duty Policy

Consent Agenda

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

1. Consider approval of Board meeting minutes of July 17, 2024 and Board Budget Workshop minutes of August 13, 2024, and act as necessary.
2. Consider acceptance of July 2024 financial statements and act as necessary.
3. Consider approval of invoices for payment and act as necessary.

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

Regular Agenda

Proposed Reserve Contingency Expenditure

Brzozowski informed the Board of the proposed Reserve Contingency Fund expenditure as follows:

Main Event Center

Sound System – Replacement of six (6) aging amplifiers with a three-four channel Powersoft Unica (amplifier platform). Purchase of two (2) used processors to act as a backup in the event of failure due to age.

Equipment and labor to install: \$25,000.00

In accordance with LNRA BOARD POLICY 304 – Procurement, bids are solicited for proposed expenditures as applicable.

Director Storz moved to approve the proposed reserve contingency expenditure as presented. Director Parker seconded the motion. Motion carried.

Agreement between LNRA and U.S. Geological Survey

Brzozowski briefed the Board on the proposed standard joint-funding agreement between LNRA and U.S. Geological Survey (USGS) for surface-water and water-quality data collection activities for the period from October 1, 2024 to September 30, 2025.

LNRA will contribute budgeted funds of \$110,611 and USGS will contribute \$26,297 to cover the cost of the necessary field and analytical work related to the agreement for a total of \$136,908.

The Board was presented a copy of the agreement for their review.

Director Aimone moved to approve the agreement between LNRA and USGS as presented. Director Kucera seconded the motion. Motion carried.

LNRA Board Policy 402 Budget and Audit

Brzozowski informed the Board that in response to the State Auditor's Office review of LNRA's implementation status of the Sunset Advisory Commission's management action recommendations, Management recommends revising Board Policy 402- Budget and Audit, 402.202 Reserve Funds, to include information about when to return excess revenue to customers.

The Board was presented with a copy of the proposed revision to 402.202 Reserve Funds.

Also, for the Board's information, a copy of the SAO's spreadsheet that shows results of their review was presented.

Director Taylor moved to approve the proposed revision to LNRA Board Policy 402 – Budget and Audit, 402.202 Reserve Funds as presented. Director Johs seconded the motion. Motion carried.

Community Development Partnership Program (CDPP) Grant Funding Levels

Brzozowski informed the Board that LNRA's annual funding level of \$100,000 for CDPP grants has not changed since inception of the program in 2011.

Consistent with LNRA's policy on Reserve Funds, the General Manager recommends the Board consider setting funding thresholds for the CDDP Reserve Fund at \$250,000. The Board will review program funding, prior year expenditures from the fund and available funding remaining.

Director Parker moved to approve CDDP grant funding levels with a minimum of \$100,000 and a maximum of \$250,000 annually. Director Johs seconded the motion. Motion carried.

Proposed Capital Improvement Fund Expenditure

Brzozowski recommended to the Board that LNRA purchase a Utility Task Vehicle (UTV) for LNRA's law enforcement for \$22,097.11. Funds are available in the Capital Improvement Fund.

The UTV will be used in policing/serving LNRA's Recreation areas, special events, and for off-road investigations/surveillance.

Director Storz moved to approve the proposed capital improvement fund expenditure for the purchase of a Kubota UTV as presented. Director Aimone seconded the motion. Motion carried.

Proposed Capital Improvement Fund Expenditure for Road Maintenance

Brzozowski recommended to the Board that LNRA purchase 400 tons of PB4 asphalt cover stone for roadway maintenance for \$28,000. The material will be used to resurface/pave select parking lots and roads, including east and west side of spillway, inside LNRA Gate E1, which provides access to the ROW and East Pump Station, and boat ramp 5.

Funds are available in the Capital Improvement Fund.

Director Johs moved to approve the proposed capital improvement fund expenditure for asphalt material for roadway maintenance as presented. Director Parker seconded the motion. Motion carried.

Change Order with Daybreak Lighting

Brzozowski informed the Board that Daybreak Lighting provided the labor and materials to improve the arena lighting at the Main Event Center.

Given the costs and service provided, the General Manager recommends engaging Daybreak Lighting to change the lighting in the MEC commons and to add additional fixtures in the Main arena to improve the quality of light near the center of the arena.

The proposed cost is \$22,544.63 for the additional lighting in the Main Event Center arena and the commons. Funds are available in the reserve contingency fund.

Director Aimone moved to approve the change order with Daybreak Lighting authorizing additional LED lighting in the Main Arena and Commons area of the Main Event Center as presented. Director Steffek seconded the motion. Motion carried.

Pro-ROV Services, LLC Proposal

Brzowski briefed the Board on the Pro-ROV Services, LLC proposal for hydrographic services to be conducted at the eastern end of Lake Texana. The proposal objectives are:

- Establish and or verify existing geodetic control network to support the scope of hydrographic services.
- Perform full coverage Multibeam Echosounder (MBES) within project boundary in accordance with guidelines set forth in the SOW.
- If requested, to perform High Resolution Sidescan Survey of the lakebed area.
- Process and deliver all data and work with client to develop areas of damaged/failed concrete.

Total estimated cost for the High Resolution Multibeam Survey and Side scan is \$29,970.00. Funds are available in the General Fund Budget.

The Board was presented with a copy of the Pro-ROV Services, LLC proposal for their review.

Director Johs moved to approve the Pro-ROV Services, LLC proposal for hydrographic services as presented. Director Taylor seconded the motion. Motion carried.

LNRA Board Policy 401 Banking & Investment/Resolution

The Board is required under the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE to adopt a Banking and Investment Policy and to review the Policy and investment strategy no less than annually.

Brzowski briefed the Board on the LNRA Board Policy 401, Banking and Investment, and related Resolution No. 2024-001. No revisions were recommended.

The Board was presented a copy of Policy 401 and related Board Resolution for their review.

Director Parker moved to approve LNRA Board Policy 401 – Banking and Investment and related Resolution as presented. Director Aimone seconded the motion. Motion passed.

East and West Delivery Systems Budgets Expenditure

Brzowski informed the Board that as previously presented, Management would like to use the technology provided by Xylem to investigate the East and West suction piping that routes water from the Lake to the Intake Pump Stations.

After additional discovery by both groups, a cost of \$51,453 for two (2) days' work has been determined. The company would average \$12,200/day for additional days.

If approved, the actual field work will be scheduled for a date later in 2024 or early 2025, as can be managed by the consultant and dependent on Lake levels and discharge/delivery rates at that time.

There is \$75,000 reserved for this project. The General Manager recommends authorizing expenditure up to \$64,000, understanding LNRA will attempt to get the field work completed in the two (2) days quoted.

Director Johs moved to approve the East and West Delivery Systems budget expenditure up to \$64,000 for inspection of M& I intake suction piping by Xylem as presented. Director Storz seconded the motion. Motion carried.

Fiscal Year 2025 Budgets

A Board workshop was held on August 13, 2024 and the Board was briefed and presented copies of the proposed Fiscal Year 2025 budgets (General Fund, Recreation, Clean Rivers Program, Wastewater Treatment Plant, West Delivery System, Mary Rhodes Phase II, and East Delivery System) and Capital Improvement Plan.

Sklar presented several non-material changes in the budgets from the presentation at the Board workshop.

Director Taylor moved to approve the proposed Fiscal Year 2025 budgets as presented. Director Steffek seconded the motion. Motion passed.

Dam Safety Remediation Project

Watson briefed the Board on LNRA's dam safety remediation project via power point presentation.

Freese and Nichols has completed their Phase I work and will use this "new" information/data to determine the chosen alignment of the planned cutoff wall.

Phase II work will include another round of close-interval geotechnical boring to define work and identify potential construction issues.

LNRA and FNI will begin a conversation with TxDOT regarding closure of 3131. The project is on schedule for a Spring letting.

LNRA and the water customers are discussing and determining individual funding paths for the project.

Briefing on East Delivery System Pipeline Relocation Project

Brzozowski briefed the Board as follows:

- The contractor is preparing to move connections of the existing 57" pipeline to the new 57" pipeline by placing saddles on the existing line for insertion of line stops to stop water flow.
- Crews have been working on vaults and manways on both the 57" and 36" pipelines.
- Crews also have been performing ROW site maintenance including grading, removing silt fines, and mowing.
- LNRA has been working with the contractor and FNI to resolve a change order to remove a section of 36" pipe that was encased in concrete.

The Board was presented a copy of the Freese and Nichols Status Report as of July 2024.

Briefing on Lake Texana Yield Enhancement Project

Brzozowski briefed the Board as follows:

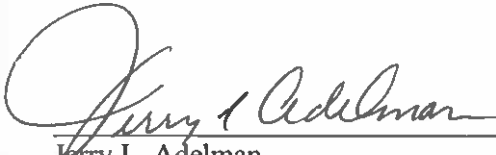
- The public meeting is to be held:
Tuesday, September 24, 2024 at 7:00 p.m.
Edna High School Auditorium
1303 West Gayle Street
- LNRA received communication from TCEQ requesting law enforcement presence and an English/Spanish translator at the 9/24th meeting.

The Board was presented with a copy of the Freese and Nichols Status Report for July 2024.

Adelman asked for Public Comments.

Wu of Formosa Plastics requested that Formosa's portion of the funding of the dam remediation project be billed proportionately for twelve (12) months beginning with calendar year 2025. A meeting is planned between LNRA and Formosa to discuss funding and Agreement/Commitment Letter.

The Board meeting adjourned at 8:45 a.m.



Jerry L. Adelman
President

Jennifer Storz
Secretary-Treasurer