

1 **MINUTES OF THE MEETING OF THE**
2 **SABINE RIVER AUTHORITY**
3 **STATE OF LOUISIANA**
4 **BOARD OF COMMISSIONERS**
5 **PENDLETON BRIDGE OFFICE**
6 **15091 TEXAS HIGHWAY**
7 **MANY, LA**
8 **1:00PM THURSDAY, JANUARY 27TH, 2011**
9

10
11 **MEMBERS PRESENT:** **Mr. Robert Conyer, Chairman**
12 **Mr. Stanley Vidrine, Vice-Chairman**
13 **Mr. Bobby Williams, Secretary**
14 **Mr. Norman Arbuckle**
15 **Mr. C.A. Burgess**
16 **Mr. Daniel Cupit**
17 **Mr. Carlton Gibson**
18 **Mr. Ned Goodeaux**
19 **Mr. Larry Kelly**
20 **Mr. Therman Nash**
21 **Mrs. Estella Scott**
22 **Mr. Kermie Valentine**
23

24 **MEMBERS ABSENT:** **Mr. Byron Gibbs**
25

26
27 **OTHERS PRESENT:** **Jim Pratt, Executive Director-SRA, Many, LA**
28 **Mike Carr, Fac Maint Mgr 3-SRA, Many, LA**
29 **Carl Chance, IT Mgnt Consult-SRA, Many, LA**
30 **Kathy Ebarb, Acct Spec 2-SRA, Many, LA**
31 **Kellie Ferguson, Adm Prog Dir3-SRA, Many, LA**
32 **Ron Thompson, Atty, Baton Rouge, LA**
33

34 **There were twelve visitors.**
35

36
37 Mr. Conyer called the meeting to order. Mr. Nash offered the Prayer and Mr.
38 Conyer led the Pledge of Allegiance. The roll was called and it was noted that Mr. Gibbs
39 was absent; however, a quorum was established.

40 Mr. Conyer asked if there were any additions or deletions to the agenda. Hearing
41 none, Mr. Conyer asked for a motion to adopt the agenda as circulated. **Mr. Goodeaux**
42 **moved, seconded by Mr. Valentine to adopt the agenda. Motion carried**
43 **unanimously.**

44 Mr. Conyer stated that the minutes of the December 9th, 2010 meeting were
45 circulated within the packet. He asked if there were any corrections. Mr. Williams asked
46 that the time of the meeting be corrected. **Mr. Williams moved, seconded by Mr.**
47 **Arbuckle to approve the minutes of the December 9th, 2010 meeting with the**
48 **corrected time. Motion carried unanimously.**

49 **STAFF REPORTS: Public Comments. None.**

1 #1-TBPJO: Mr. Pratt stated that the lake level was 164.30 thanks to some
2 rainfall. He stated that since the drawdown in August, it has been necessary to maintain
3 the downstream flow. He stated that there is minimum continuous flow for
4 environmental purposes, but staff monitors the gauges at Ruliff in order to release enough
5 water to prevent saltwater encroachment to the river as well as water for the canal system.
6 He stated that one unit has been running for two hours on Monday and
7 Wednesday, and four hours on Friday. He stated that the lawsuit filed several months
8 ago has been moved to Federal Court and the Plaintiffs have filed a motion to rescind that
9 motion and have it moved back into District Court. He continued that legal counsel on
10 our behalf will be filing a motion to dismiss the suit as of January 27th stating that the
11 Toledo Bend Reservoir located on the Sabine River is not a flood control reservoir and all
12 of this is on record as approved by the Federal Energy Regulatory Commission who has
13 approved the operating guide for the reservoir. **Mr. Nash moved, seconded by Mr.**
14 **Burgess to approve the Toledo Bend Project Joint Operations report as presented.**
15 **Motion carried unanimously.**

16 Item #2-Re-licensing Update: Mr. Chance stated that in October, a permit was
17 approved for Tri State Pipeline to cross the reservoir. He stated that all issues have been
18 worked through and plans are to sign the permit and collect fees. He stated that Mr. Mike
19 Noack, Chief Operating Officer with TriState Pipeline was present to address the Board.
20 Mr. Noack stated that he would like to say thanks for working through the issues with Tri
21 State and being so helpful during the process. He stated that the project had been placed
22 on temporary hold for approximately six months until the drilling activity resumes in the
23 area. Discussion was brought forth to suggest the agenda be amended to include
24 changing the length of the permit from two years to four years. **Mr. Williams moved,**
25 **seconded by Mr. Arbuckle to approve to amending the agenda to add under Old**
26 **Business Item #1-Permit Request by Tri State Pipeline. Motion carried**
27 **unanimously.** Mr. Chance stated that there was a meeting held to review Texas Parks
28 and Wildlife had several comments. He stated that the data sondes would be put out in
29 the river during the critical period (July-September 2011) to collect water quality data
30 again to meet the TDEQ request for additional DO(dissolved oxygen) data. He stated
31 that the DEQs are the ones who give the 401 certification. He stated that a meeting with

1 the consultants had been held to discuss the project boundaries which includes 1,200
2 miles of shoreline. He stated that he had attended meetings in Orange to discuss and
3 begin work on the draft license application which will be filed with FERC in May and
4 hopefully staff will be able to review all of this during the first week of April. He
5 continued that sometime in April, it would be necessary to have a Joint Board meeting to
6 adopt a resolution for this Board to approve the draft license application before it is filed
7 with FERC. **Mr. Burgess moved, seconded by Mr. Arbuckle to approve the**
8 **relicensing report as presented. Motion carried unanimously.**

9 Item #3- Operational Reports: Mr. Carr stated that the final crossing project at
10 Cit-Con has been started and the second pipe was lined on January 15th. He stated that
11 this project won't be finished until sometime in February. He stated that expenditures so
12 far on this project have been \$1,100,000 with about \$400,000 remaining. He stated that
13 the project will be completed within set budget. He stated that at the November meeting,
14 approval was given to repair one of the security weirs. He stated that the defect was
15 found to be approximately 40 feet running from top to bottom and 4 to 6 inches deep. He
16 stated that the void has been filled and the sealing of the joints would be completed
17 within the week. He stated that CITGO along with other industrial customers would like
18 to attend a meeting of the SRD Committee to get an update on current capital
19 improvements and CITGO has asked to host this meeting sometime in March at the
20 CITGO Park. He stated would like to discuss the method of payment for the capital
21 improvements for the canal system whether it be cash flow or bond issue. He stated
22 possible date would be March 23rd. **Mr. Goodeaux moved, seconded by Mr. Cupit to**
23 **set the date of March 23rd for a SRD Committee meeting at the Citgo Park in**
24 **Sulphur. Motion carried unanimously.** He stated that work continues on the electrical
25 upgrades at Site 15 as well as on the office at Site 11 and both projects are expected to be
26 completed by the end of March. He stated that the Site 10 fishing pier is complete and
27 the contractor has moved on to Site 15. He stated that there are two projects that need to
28 be approved as complete and closed out 1) 10-800, the maintenance fencing at a \$400
29 overrun and 2) 10-900, the maintenance entrance road with a \$639.85 under budget. He
30 stated that also, staff was requesting to re-allocate \$239.85 to Project #10-400,
31 maintenance shop which would leave a balance of \$2,342.31 for this project. **Mr.**

1 **Arbuckle moved, seconded by Mr. Nash to approve staff's request, but withdrew**
2 **the motion to allow the Development and Parks to meet to discuss the project**
3 **closeouts and funds re-allocation.**

4 OLD BUSINESS: Item #1-TriState Pipeline Request: Mr. Chance stated that the
5 current permit for was two years and it has taken approximately six months for the
6 company to get their project issues resolved and TriState is requesting the permit to be
7 extended to a four year term. **Mr. Cupit moved, seconded by Mr. Vidrine to approve**
8 **extending the TriState Pipeline permit to a 4-year term. Motion carried**
9 **unanimously.**

10 Public Comment: None.

11 NEW BUSINESS:

12 Public Comment: None.

13 Item #1-October, November & December 2010 Financial Report: Mrs. Ferguson
14 stated that the report was circulated within the Board packet. She stated that the current
15 year-to-date showed the Diversion Canal with income of \$2,564,389.95; expenditures of
16 \$962,550.07 leaving a profit of \$1,601,819.88. She stated that the current year-to-date
17 for Toledo Bend showed income of \$2,525,684.34; expenditures of \$3,769,374.55
18 showing a deficit of \$1,243,690.21. **Mr. Burgess moved, seconded by Mr. Arbuckle to**
19 **accept the financial reports for October, November, and December 2010 as**
20 **circulated and presented. Motion carried unanimously.** Mr. Williams asked if SRA
21 received interest on the funds held in the Hancock Bank. Mrs. Ferguson stated that very
22 little due to the governmental classification. Mr. Williams asked if the approximately
23 \$3,000,000 in the reserve account has to be left in the current account which is drawing
24 essentially no interest. Mrs. Ferguson stated that those funds must remain because it was
25 a condition of the bond issue. She stated that it might be that some of the funds could be
26 placed on short-term CDs and our placement of funds in any type of investment is
27 mandated by the current State policies. Mr. Pratt stated that perhaps staff could do some
28 research and bring the information to the Finance and Personnel Committee to review.

29 Item #2-Purchase of Trucks for SRD: Mr. Carr stated that two trucks at the
30 Diversion Canal needed to be replaced. He stated that the two older ones would be
31 transferred to the Pendleton Office to be used by park sites. He stated that the

1 approximate cost of each truck would be \$18,982.62 for the one to be used by the
2 maintenance superintendant and \$21,076.00 which is a heavier truck to be used by the
3 levee supervisor who must monitor the levees everyday driving 35 miles one way. Mr.
4 Pratt stated that these vehicles were within the current fiscal year budget. He stated that
5 when it is time for the next fiscal year budget, the plan is to have trucks, equipment and
6 other items to be included in the budget for approval. **Mr. Valentine moved, seconded**
7 **by Mr. Burgess to approve the purchase of two trucks for the Diversion Canal.**
8 **Motion carried unanimously.**

9 Item #3-Purchase of Vehicle for Shoreline: Mr. Pratt stated that there was a need
10 for a new vehicle to be used in the shoreline department once the new employee is hired.
11 **Mr. Kelly moved, seconded by Mr. Williams to approve the purchase of a vehicle**
12 **for the Shoreline Department. Motion carried unanimously.**

13 Item #4-ALH, No.5 Request for Pump: Mr. Pratt stated that golf course irrigation
14 pump had broken and it was necessary to replace it. He stated that the total cost of the
15 new pump was \$13,263.57 and funds from the replacement reserve account were used to
16 make this purchase. He stated that the Board must approve purchases over \$10,000.00.
17 **Mr. Williams moved, seconded by Mr. Kelly to approve the purchase of the new**
18 **irrigation pump by ALH, No.5 for the Cypress Bend Golf Resort with funds from**
19 **the Replacement Reserve account. Motion carried unanimously.**

20 COMMITTEE REPORTS: Item #1-Diversion Canal. Mr. Goodeaux stated no
21 meeting.

22 Item #2-Development & Parks: Mr. Goodeaux stated no meeting. He asked that
23 staff schedule a meeting sometime in February.

24 Item#3-Leaseback & Cutting/Marking: Mr. Arbuckle stated that the committee
25 had met on December 9th and he would like legal counsel, Mr. Thompson to give an
26 update. Mr. Thompson stated that a motion summary judgment hearing was to be held
27 on the Sanders case on 28th which has now been rescheduled for March 3rd. He
28 continued that on the Bass Haven-Jeff Seals case, he is in the process of getting a permit
29 which we do not have yet. He continued that he would direction to file an injunction to
30 cease and decess operation of his sewer system installed on our leaseback for the
31 protection and integrity of the lake. **Mr. Kelly moved, seconded by Mr. Nash to**

1 **approve legal counsel to file an injunction to cease operation of the sewer system**
2 **installed on SRA leaseback at Bass Haven Resort owned and operated by Jeff Seals.**
3 **Motion carried unanimously. Mr. Arbuckle moved, seconded by Mr. Cupit to**
4 **approve the minutes of the committee meeting held on December 9th, 2010 at**
5 **Cypress Bend Conference Center. Motion carried unanimously.**

6 SPECIAL COMMITTEE REPORTS: Item #1-Finance & Personnel: Mr.
7 Williams stated no meeting.

8 Item #2-Water Sales: Mr. Kelly stated that the Committee had met on January 19th to
9 discuss several items. He stated that the Committee would like to recommend to the
10 Board that the Executive Director and the Chairman of the Water Sales Committee to
11 negotiate an agreement to be brought back to the Board for final approval concerning any
12 out-of state water sales. He stated that this would include accepting a \$50,000
13 application fee which would serve to handle legal fees in developing this agreement. Mr.
14 Vidrine interjected that he would also like to have included the Board Chairman to be a
15 part of the negotiating team. Mr. Pratt handed everyone a presentation which explains the
16 water usage for the Sabine River and Toledo Bend Reservoir and discussed it. (See
17 attached.) **Mr. Kelly moved, seconded by Mr. Cupit to approve the Board**
18 **Chairman, the Water Sales Committee Chairman and the Executive Director to**
19 **serve as the negotiating team for the development of a out-of-state water sales**
20 **contract on behalf of the Authority with the final draft to be brought back to the full**
21 **Board for final approval. Motion carried unanimously. Mr. Burgess moved,**
22 **seconded by Mr. Arbuckle to authorize the negotiating team to accept a \$50,000**
23 **non-refundable non-creditable fee from Toledo Bend Partners, LLC the proposer of**
24 **this contract. Motion carried unanimously.** Mr. Pratt stated that he was requesting
25 that the Board approve entering into a contract with Jones & Walker, legal counsel,
26 represented by Ms. Margorie McKeithen to represent the Authority in this endeavor. **Mr.**
27 **Kelly, seconded by Mr. Valentine to approve entering into a professional services**
28 **contract with Jones & Walker for legal counsel for preparation of the water sales**
29 **agreement not to exceed \$50,000. Motion carried. Mr. Kelly moved, seconded by**
30 **Mr. Arbuckle to increase the operating budget by \$50,000. Motion carried**
31 **unanimously.** Mr. Kelly stated that the Committee had a recommendation to negotiate a

1 water sales contract with Entergy Transfer Water Solutions (ETWS) for fracking. Mr.
2 Pratt stated that the price is \$.15 per thousand gallons plus a CPI adjustment annually and
3 a reservation fee of 10% up front each year and the reservation fee increases as the price
4 of water increase; in addition to a \$10,000 non-refundable non-creditable application fee
5 while terms of the agreement are finalized which is subject to approximate 36,500 acre
6 feet per year maximum. He stated that there is a five-year term with a five-year
7 renewable option. **Mr. Kelly moved, seconded by Mr. Arbuckle to enter into a water**
8 **sales agreement with ETWS; accept the application fee of \$10,000 and to authorize**
9 **the Executive Director to execute the documents. Motion carried unanimously.** Mr.
10 Kelly stated that the Committee held a discussion on the staff preparing a
11 Policy/Procedure along with establishing a rate for water withdrawal from streams and
12 tributaries along the Sabine River Basin excluding the reservoir and have staff bring the
13 final draft to the Board for approval. **Mr. Williams moved, seconded by Mr. Nash to**
14 **direct the staff to prepare a Policy/Procedure along with establishing a rate for**
15 **water withdrawal from streams and tributaries along the Sabine River Basin.**
16 **Motion carried unanimously.**

17 Item #3-Fishery & Lake Management: Mr. Vidrine stated no meeting.

18 EXECUTIVE DIRECTOR'S REPORT: Mr. Pratt stated no report. He stated that
19 Ms. Mitchell, Ms. Cheryl Ebarb and Ms. Anderson are at the Tourism Summit in Baton
20 Rouge. He stated he would be speaking to the Evans 4-H Club in March and asked if Mr.
21 Nash or Mr. Burgess would like to attend, he would get them the information. Mrs. Scott
22 thanked Mr. Pratt for speaking at the DeRidder Rotary Club breakfast in December and
23 there were about 30 members present.

24 LEGAL REPORT: No report.

25 Representative Frankie Howard thanked the Board for all the hard work that the
26 Board of Commissioners and the SRA Staff does. He stated that the legislators are facing
27 a tough year. He stated that March 20th, there will be a special session to discuss the re-
28 districting of the State. He stated that the regular session would begin in April and at
29 which time the State is facing a \$1.6 billion dollar deficit. He asked for help, support and
30 patience and asked that everyone remember that he has an open door policy. Mr. Conyer
31 thanked Representative Howard for supporting SRA.

1 Mr. Conyer stated that the next meeting would be February 24th, 2011 at 1:00pm
2 at the Pendleton Bridge Office.

3 With no further business to discuss, Mr. Conyer asked for a motion to adjourn.

4 **Mr. Burgess moved, seconded by Mr. Cupit to adjourn. Motion carried. Meeting**
5 **adjourned at 2:35pm.**

6

7

8

9

10

ROBERT CONYER, CHAIRMAN

11

12

13

14

15

16

17

18

STANLEY VIDRINE, VICE-CHAIRMAN

19

20

21

22

23

24

25

26

27

BOBBY WILLIAMS, SECRETARY

28

29