

**MINUTES OF THE MEETING OF THE
SABINE RIVER AUTHORITY
STATE OF LOUISIANA
BOARD OF COMMISSIONERS
PENDLETON BRIDGE OFFICE
15091 TEXAS HIGHWAY
MANY, LA 71449
1:00PM WEDNESDAY, OCTOBER 16TH, 2013**

MEMBERS PRESENT: Mr. Ned Goodeaux, Chairman
Mr. Therman Nash, Vice-Chairman
Mr. Ron Williams, Secretary
Mr. Norman Arbuckle
Mr. C.A. Burgess
Mr. Frank Davis
Mr. Jimmy Foret, Jr.
Mr. Byron Gibbs
Mrs. Estella Scott
Mr. Stanley Vidrine
Mr. Bobby Williams

MEMBERS ABSENT: Mr. Daniel Cupit
Mr. Jerry Holmes

OTHERS PRESENT: Jim Pratt, Executive Director-SRA, Many, LA
Becky Anderson, Adm Asst 5-SRA, Many, LA
Mike Carr, Fac. Maint Mgr 3-SRA, Many, LA
Carl Chance, IT Dir 1-SRA, Many, LA
Kellie Ferguson, Adm Prog Dir3-SRA, Many, LA
Daniel Jones, Fac Asst Mgr 1-SRA, Many, LA
Travis Williams, Engineer SRA/TX

There were nine (9) visitors.

Mr. Goodeaux called the meeting to order. Mr. Nash offered the Prayer and Mr. Goodeaux led Pledge. The roll was called and it was noted that Mr. Cupit and Mr. Holmes were absent; however a quorum was established.

Mr. Goodeaux asked if there were any additions or deletions to the agenda. Mr. Pratt stated that staff would like to request to add under New Business, Item #4-Purchase Large Format Printer/Scanner for SRD. **Mr. Vidrine moved, seconded by Mr. Davis to amend the agenda. Motion carried unanimously. Mr. Vidrine moved, seconded by Mr. Davis to adopt the amended agenda. Motion carried unanimously.**

Mr. Goodeaux asked for a motion to adopt the minutes of the September 26, 2013 Board meeting as circulated. **Mrs. Scott moved, seconded by Mr. Foret to approve the minutes of the Board meeting of September 26th 2013 meeting as circulated. Motion carried unanimously.**

STAFF REPORTS: Public Comments. None.

Item#1-TBPJO: Mr. Pratt stated that the lake level was 167.53' msl. He stated that the units had been shut down except one unit ran on Friday and Sunday to ensure downstream flow. He stated that with the rains in the past few days, there should be some inflow. He stated that there is not a projection report from Mr. Rumsey because he has been out sick. He handed the current Outage Report on the work being performed at the dam and explained things are on schedule with no safety violations.

Item #2-Shoreline/Relicensing: Mr. Chance handed each member a copy of the Notice of Authorization for Continued Operation until September 30, 2014 or until the issuance of a new license for the project is granted. He stated that he and Mr. Pratt had met with the new owners of Tranquility Bay Marina to discuss their violations and possible solutions. He stated that the new owner plans to take the necessary action to get into compliance. He continued the other commercial property owners should have their violations resolved by November.

Item #3-Operational: a) Toledo Bend-Mr. Jones stated that staff had met with Mr. Steve Brown representative of the DeSoto Parish Police Jury to review the blacktopping process for Oak Ridge Park Site #2. He stated that the crew had to add another culvert as requested by Mr. Brown, and weather permitting, the asphalt will be laid beginning in November. He stated that the RV pavilion at Site #2 is not complete because the dividers for the restrooms haven't been delivered and then they will have to be installed. He continued once these partitions are installed, the Fire Marshall will have to do an inspection. He stated that he had visited Pleasure Point Park Site #15 to discuss and compile a list of materials for the office renovation. He stated that the list has been submitted for bids. b) Mr. Carr stated that the Capital Projects at the Diversion Canal are moving along. He stated that Projects #1 and #3- the bypass pumps installation is complete with the exception of a small punch list; Projects #2, #4 & #5-Pump Station Electrical upgrades are about 60% complete with the new motors and drive to be delivered by the end of the week; Project #6-Canal #1 staff has taken an instrument to the intake canal to give us a good reading on the condition of the bottom in order to help us prepare documents and information for a bid request; Project #7-SCADA System is 50% complete and a bid has been accepted for Phase 2; Project #8-Control Gates are 100% complete with retainage paid; Project #9-Highway 90-bid was accepted from Gassiot

with no progress due to the unavailability of the lining for the project; Project #10-Intake Grates , fabrication is 100% complete, grates have been installed at Station #1, but waiting for LCC to complete their work at Stations #3 & #4 before installing the grates. He stated that it had been a majoring undertaking to approach these projects all at the same time and he wanted everyone to know that he really appreciated the efforts of the entire staff at the Diversion Canal office for helping to coordinate these projects.

Item#4-Financial Report: Mrs. Ferguson stated that there were no financial reports because she had not received all the statements necessary to close out the month. She stated that at the next Board meeting, she would present the September and October reports. **Mr. Burgess moved, seconded by Mrs. Scott to approve the Staff Reports as circulated and presented. Motion carried unanimously.**

OLD BUSINESS: Public Comments. Mr. Goodeaux reminded everyone that the Sabine Parish Chamber of Commerce was sponsoring a “trash drive/cleanup” day on Saturday October 19th and wanted to encourage everyone who lived within the parish to please do their part by participating in helping to pick up trash along the roadways.

Item #1-SRD Water Sales Contracts: Mr. Carr stated that a copy of the draft of the contract was included within the Board packet. He stated that there were a few changes made within the Contract. He stated that the list of changes included were 1) new price per 1,000 gallons was \$.23 for all customers. He stated that the all customers had been notified 180 days in advance per the contract of the rate increase; 2) Article I- deleted the definition of pipeline and canal customer as well as the definition of billing date; 3) Article II-provision of water demand rate will be calculated in early January; 4) Article III-changed termed dates to reflect upcoming renewal period; 5) Article IV- changed payment receipt time to 20 days; 6) Article V-changed rates to \$.23/k for all customers and removed the word “written” for notice of upcoming rates since everyone agreed upon “email” notification; 7) Article VII, Paragraph #2-changed water quality wording; 8) Article VIII-added Paragraph #5 to Conoco, Basell, & LA Pigement; and 9) Article IX-added the words “up to” for each fund contribution. He used a map to explain to the Board how the meter monitoring would be handled for the purchase of water. **Mr. Burgess moved, seconded by Mr. Foret to approve the changes to the water**

contracts for the Diversion Canal customers as presented. Motion carried unanimously.

Item #2-Adopt Resolution for Acquisition for ALH, No. 5-Mrs. Ferguson stated a copy of the resolution was enclosed in the Board packet. She stated that the Board had previously approved asking legal counsel to review this as an option since SRA could purchase items at a cost savings much more readily for the Cypress Bend Resort and Conference Center. She stated that the resolution prepared by legal added a paragraph to Section 13.2 which explains that in order for SRA to purchase any replacement or additional furniture, fixtures, and/or equipment (FF&E) several things need to take place such as SRA must approve the purchase, then ALH, No.5 must provide SRA with the sufficient funds from the replacement reserve account for the purchase and then SRA will purchase the item(s) and secure them for delivery. **Mr. Vidrine moved, seconded by Mr. Ron Williams to adopt the resolution for acquisition(s) for ALH, No.5 as an addition to the current lease agreement when all conditions are met and allow the Executive Director to execute any necessary documents. Motion carried unanimously.**

NEW BUSINESS: Public Comments: None.

Item #1-Oak Ridge Park Site #2 Archeological Study: Mr. Pratt stated that it is necessary to have an archeological study done of the location due to the fact that the soil is being disturbed. He stated that this Phase #1 study would cost approximately \$14,000.00. He continued that it would help with future projects especially in the event that a Corps of Engineer permit is necessary. **Mr. Burgess moved, seconded by Mr. Arbuckle to approve the approximate cost up \$14,000.00 for an archeological study to be done on the grounds of Oak Ridge Park Site #2. Motion carried unanimously.**

Item #2-Entergy Request Power Sales Agreement: Mr. Pratt stated that negotiations had continued with Entergy concerning to the Power Sales Agreement. He stated that Entergy has decided to contract with MISO Management Company. He introduced Travis Williams, engineer with SRA Texas, who addressed the Board to explain the options with Entergy's request. Mr. Travis Williams handed each member a copy showing the three options proposed. (See attached copy.) He stated that Option #1 was to do absolutely nothing which would require no amendment to the Power Sales

Agreement (PSA) nor would there be any additional expenses. He stated that Option #2 was to identify replacement index as Average of TX & LA MISO Hub with 16-hr peak block with ability to negotiate a different index prior to May 1, 2014 based on actual data after MISO transition (Dec.19, 2014). He continued that there would be no exposure to the authorities regarding potential expense for providing data relation generating station nor any concerns about potential volatility of Platts “into Entergy” index would be minimized. He stated that on the other hand, replacement power differential would be based on the 16-hr on-peak block in-lieu of the 24-hr around the clock block and a brief comparison of the 16-hr block vs 24-hr block indicates a potential savings of 10-25% (using 24-hr block) if authorities are required to pay for replacement power. He stated that Option #3 was to identify replacement index as average of TX & LA MISO hub with 24-hr around the clock block, add cap of \$20,000 for potential volatility and ability to negotiate a different index prior to may 1, 2014 based on actual data after MISO transition (Dec.1, 2014). He stated that there was potential of 10-25% savings, based on a brief review of historical information, should authorities have to pay for replacement power and concerns about potential volatility of Platts “into Entergy” index would be minimized. He stated that the only negative with this Option is the potential \$20,000 exposure to authorities regarding expense for providing data relating to generating station. He stated that the Authorities had asked to divest the switchyard and 3-mile transmission line to avoid NERC/CERC requirements and potential penalties in the future. He stated that these options are a part of the negotiations which have not been accepted by either party. He stated that SRATX would meet the following day to discuss the options. **Mr. Gibbs moved, seconded by Mr. Vidrine to authorize the Executive Director to represent SRA/LA during the continued negotiations on behalf of the Board as pertaining to reaching an agreement on Option #2 or Option #3 with Entergy concerning the Power Sales Agreement. Motion carried unanimously.**

Item #4-SRA By-law Revisions: Mrs. Ferguson stated that a copy of the current by-laws showing the proposed revisions were included in the meeting packet. She stated that the standing Committees for SRA Board of Commissioners are as follows: Sabine River Diversion Canal, Parks, Leaseback, Water Sales, Finance, Fishery & Lake Management and TBPJO Operating Board. She stated that “special committees” would

be those appointed by the Board Chairman to serve for a “specific” purpose and would not be a long-standing committee. She explained that the name of some of the Committees had been changed such as the “Leaseback Committee” does not deal with Cutting/Marking of boat lanes. She stated that this paragraph was moved to the Fishery & Lake Management Committee. She stated the Developmental & Parks Committee had been changed to Parks Committee and Paragraph C under their responsibilities had been updated to meet the recreation plan that was submitted to FERC during the re-licensing process. She continued that the Finance & Personnel Committee had renamed “Finance Committee”. She asked if there were any questions. She explained that no action was necessary until the December meeting giving everyone time to re-review the proposed changes. She also stated that the meeting agenda would be updated to reflect the proposed changes if the Board votes at the next meeting to approve the changes. Mr. Goodeaux reminded the members present that if anyone had any other suggestions to please let the staff know before the next meeting.

Item #4-Purchase a Large Printer/Scanner for SRD: Mr. Carr stated that staff would like to make a request to the Board to purchase a printer/scanner which could print copies of maps when necessary as well as to have scanning capabilities in order to preserve the maps since they are old and “well-used”. He stated that software would also have to be purchased along with the equipment. He stated the equipment that staff has researched is portable so it could be brought to the Pendleton Office or the Damn Office to be used to scan their maps, documents, etc.. He stated that the approximate cost is \$17,000. **Mr. Vidrine moved, seconded by Mr. Nash to authorize the purchase of a Large Printer/Scanner along with the software for the Agency. Motion carried unanimously.**

COMMITTEE REPORTS:

- 1) Diversion Canal: No meeting
- 2) Development & Parks: No meeting.
- 3) Leaseback & Cutting/Marking: No meeting.

SPECIAL COMMITTEE REPORTS:

- 1) Finance & Personnel: No meeting.
- 2) Water Sales: No meeting.

3) Fishery & Lake Management: No meeting.

EXECUTIVE DIRECTOR'S REPORT: Mr. Pratt stated that he would be traveling to Baton Rouge for a Water Resource Commission Meeting on October 17th 2014 (a copy of the agenda attached) and that the Sabine River Compact Administration would hold its fall board meeting in San Antonio October 25th, 2014. He stated that Mrs. Ferguson, Mr. Rumsey and he would be attending as well as Mr. Bobby Williams and Dr. Douglas Brandon from Louisiana. **Mr. Davis moved, seconded by Mr. Gibbs to approve the Executive Director's report as presented. Motion carried unanimously.**

LEGAL REPORT: Mr. Pratt stated that a copy of the decision on Simmons/McBride/Bonner lawsuit made by the US Court of Appeals ruled that the Federal Regulatory Commissions (FERC) preempts the any other rules therefore the lawsuit was dismissed. He stated that the 2001 McKay lawsuit has been offered a settlement by the State Office of Risk Management and SRA was not held liable for payment.

Mr. Goodeaux stated that the next meeting would be December 12th, 2013 at 10:30am at the Cypress Bend Resort Conference Center.

With no further business to discuss, Mr. Goodeaux asked for a motion to adjourn. **Mr. Burgess moved, seconded by Mr. Foret to adjourn. Motion carried. Meeting adjourned at 2:32pm.**

NED GOODEAUX, CHAIRMAN

THERMAN NASH, VICE-CHAIRMAN

ATTEST:

RON WILLIAMS, SECRETARY