

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 71449**
8 **1:00PM THURSDAY, OCTOBER 26TH 2017**

9
10 **MEMBERS PRESENT:** **Mr. Byron Gibbs, Chairman**
11 **Mr. C. A. Burgess, Vice-Chairman**
12 **Mrs. Estella Scott, Secretary**
13 **Mr. Norman Arbuckle**
14 **Mr. Daniel Cupit**
15 **Mr. Frank Davis**
16 **Mr. Jimmy Foret**
17 **Mr. Ned Goodeaux**
18 **Mr. Jerry Holmes**
19 **Mr. Therman Nash**
20 **Mr. Mike McCormic**
21 **Mr. Stanley Vidrine**
22 **Mr. Bobby Williams**

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24 **MEMBERS ABSENT:** **None.**

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27 **OTHERS PRESENT:** **Jim Pratt, Executive Director-SRA, Many, LA**
28 **Warren Founds, III, Deputy Dir-SRA, Many, LA**
29 **Becky Anderson, Adm Asst 5-SRA, Many, LA**
30 **Mike Carr, Fac Maint Mgr 3-SRA, Many, LA**
31 **Carl Chance, IT Dir-SRA, Many, LA**
32 **Kellie Ferguson, Adm Prog Dir 3-SRA, Many, LA**
33 **Gene Guidry, Eng 6-SRA, Many, LA**
34 **There were (10) visitors.**

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37 Mr. Gibbs called the meeting to order. Mr. Nash offered the Prayer and Mr.
38 Gibbs led the Pledge. The roll was called and it was noted that all members were present;
39 therefore, a quorum was established.

40 Mr. Gibbs asked if there were any additions or deletions to the agenda. Mr. Pratt
41 stated that Mr. Mike Defalco, CPA with the Broussard Group needs to attend another
42 meeting and would like to present the audit before the Staff Reports if the Board will
43 accept the request. Hearing no objections to the request, Mr. Gibbs asked for a motion to
44 amend the agenda. **Mr. Cupit moved, seconded by Mr. Burgess to amend the**
45 **agenda. Motion carried unanimously. Mr. Vidrine moved, seconded by Mr.**
46 **Arbuckle to adopt the amended agenda. Motion carried unanimously.**

47 Mr. Gibbs stated that the minutes of the August 23rd, 2017 meeting were in the
48 packet and asked if there were any corrections; hearing none, Mr. Gibbs asked for motion
49 to approve the minutes. **Mr. Foret moved, seconded by Mr. Arbuckle to approve the**

1 **minutes of the Board meeting of August 23rd 2017 meeting as circulated. Motion**
2 **carried unanimously.**

3 **STAFF REPORTS:**

4 **Item#1-TBPJO- Power House Operations:** Mr. Guidry stated that significant
5 generation was produced through August, September and early October to lower the
6 reservoir level to 168.00' msl for the planned outage for Unit #1. He stated that Unit #1
7 runs at a power rate of 40MW at ~7290cfs and Unit #2 runs from 26MW to 35MW at
8 ~6650CFS. He stated that gross energy delivered for the months of August and
9 September was 26,522 and 49,275 MWH. He stated that gross generation thus far in
10 October (10/19/17) is 3994 MWH. He stated that Unit #1 maintenance outage began
11 October 3 at 00:00hrs and should last approximately six weeks and part of this outage is
12 to reline cooling pipes which is part of the Capital Project. **Reservoir Levels/Status:** He
13 stated that SRA worked with Entergy to achieve the necessary lake level by October 1st.
14 He stated that inflow for the months of August, September and October to-date is
15 1,098,672 AF and the net release for the same time period is 1,703,712 AF resulting in a
16 net release of 605,040 AF. He stated that the lake level on August 1st was 171.34' msl
17 and on October 19th was 167.78' msl. **Spillway Status:** He stated that there is no
18 significant change to report since the last meeting. **Dam Status & FERC:** He stated that
19 the scheduled removal of trees near toes of dikes on Dike #1 is complete, but on Dike #2
20 there are still a few to be removed. He stated that installation of various French drain
21 systems on the dam and the dikes is to be done. **NERC:** He stated that compliance
22 continues with Certec assistance and coordination with Entergy. **Relief Wells:** He stated
23 that wells are working and keeping aquifer at safe levels to prevent uplift of powerhouse
24 discharge channel and the wells were put on automatic control as of October 18th 2017.

25 **Item #2-Shoreline:** Mr. Chance stated that Shoreline Permits for **August 2017:**
26 **New Structures – 9 @ \$35 = \$315; Transfer Structures: 4 @ \$35 = \$140; New Water**
27 **Withdrawals- 2 @ \$100 = \$200 for a TOTAL of \$655.** He continued Shoreline Permits
28 for **September 2017: New Structures – 10 @ \$35 = \$350; Transfer Structures – 1 @**
29 **\$35 = \$35; New Water Withdrawals- 1 @ \$100 = \$100 for a TOTAL of \$485 for a**
30 **GRAND TOTAL of \$1,140.** He stated that with the lake elevation down to the fall
31 operating level, the permit activity has increased. He stated that staff has been busy

1 checking lots for realtors for issues before they sell. He stated that staff has also been
2 working with legal on building maps for two of the lawsuits. He stated that the two-year
3 audit shoreline field work has been completed. He stated that staff has been spending
4 time on correlating all the collected data and will be reviewing and revisiting those which
5 have violations whether minor or significant. He stated that within the FERC compliance
6 status, the August daytime electro fishing was done on the 17th in the spillway but not in
7 the tailrace because of generation; however, there were seven eel caught and an
8 additional five observed in the spillway. He stated that the September night time eel
9 electro fishing in the spillway resulted in eight captures and seven observed. He stated
10 that the tailrace was not sampled because of generation. He stated that October electro
11 fishing was a daytime event netting five captures and four observed in the spillway and
12 two eel were captured in the tailrace. He stated that the extension of time to complete the
13 TCP study was approved. He stated that the Public Safety Plan as required by Article
14 #306 was approved by FERC. He stated that the water quality and cofferdam
15 effectiveness monitoring report has been completed and sent out for agency review and
16 comment as required by Article #404.

17 **Item #3-Operational: Toledo Bend Division:** Mr. Carr stated that work on the
18 Pleasure Point seawalls are about 90% complete. He stated that routine park maintenance
19 and weekend callouts continue and increase along with the usage. He stated that the
20 concrete work on the pads in the brown section at Cypress Bend is complete. He stated
21 that cabin remodeling continues at San Miguel with only two left. He stated that staff
22 will continue on refurbishing the cabins at Cypress Bend Park upon availability. **Sabine**
23 **Diversion Canal:** He stated that the third pumps for Pump Station #3 & #4 are
24 scheduled to be delivered in November. He stated that staff is waiting on the pump curve
25 certification and the method used for reshaping the impellers due to unapproved
26 efficiency performance. He stated that the Sasol Permanent Crossings-Crossing #1 & #2
27 road/railroad crossing, the SRA siphons have been installed and work is moving forward
28 on the road crossings with the pavement having been installed on both crossings. He
29 stated that at the I-10 North Frontage Road there are two runs of pipe in place and there
30 are numerous leaks which are unacceptable. He stated that the Calcasieu Parish Police
31 Jury engineers are working with the contractor to remedy the leaks before covering with

1 backfill. He stated staff has met with the contractor and the CPPJ engineer concerning
2 this situation. He stated that the Canal #1 Dredging will be addressed later in the
3 meeting. He stated that the Water Quality Equipment instruments have been ordered and
4 SRA has entered into a contract with C.C. Lynch to install the equipment at Pump Station
5 #1 discharge and Pump Station #3 & #4 intake. He stated that staff will work on
6 providing the web based information to our customers. He stated that with Axiall's
7 additional reservation of 8,000GPM, it will be necessary to install bigger pumps at Pump
8 Station #3. He stated that staff prepared a report for your information to show the
9 limitations at this station and plans are to prepare a scope of work and a method of
10 funding for Board approval at the January meeting. He stated that Lyondell property was
11 sold to Bio Lab and a new water sales agreement with them allowing for a demand rate of
12 500GPM and is effective which will be provided from Pump Station #3. He stated that
13 this WSA will expire on April 1, 2019 with all other industrial customers in Calcasieu
14 Parish.

15 **Item #4-Financial Report:** Mrs. Ferguson stated that revenue for Toledo Bend
16 for September was \$1,468,877.26; expenses were \$696,196.67 leaving a profit of
17 \$772,680.59. She continued year-to-date Toledo Bend has a profit of \$992,565.40. She
18 stated that revenue for the Diversion Canal was \$323,049.07; expenses were \$360,333.41
19 showing a loss of \$37,284.34. She stated that year-to-date the Diversion Canal has a
20 profit of \$210,284.46. **Mr. Goodeaux moved, seconded by Mr. Vidrine to approve**
21 **the Staff Reports as circulated and presented. Motion carried unanimously.**

22 **SPECIAL REPORTS:** Mr. Tom Harris, Secretary-Department of Natural
23 Resources, State of Louisiana addressed the Board with concerns of reviewing plans and
24 preparations in the incident of flooding along the Sabine River. He stated that he also
25 serves as Chairman to the State Water Resource Commission. He stated that his
26 department had been reviewing plans that deal with natural disasters such as flooding and
27 he wanted to inform the Board that it was felt that SRA had used their best judgment in
28 the prior events. He stated that he was aware of several resolutions that had been
29 proposed asking the SRA and FERC to consider changing the current operations of the
30 Toledo Bend Reservoir as well as the Sabine River in an anticipation of upcoming rain
31 events in the future as to prevent flooding but it is not clear if there are any other options

1 that could be explored that might produce even more devastation. He stated that his
2 department has been modeling of flows and looking for possibility of more flexibility
3 within the plans. He thanked the Board for allowing him to speak. Mr. Gibbs thanked
4 Mr. Harris for his support.

5 Mr. Nicholas Gasper, attorney addressed the Board with his concerns about the
6 water rate for commercial customers who use the water for fracking wells especially the
7 contract with M5. He stated that he had discussed with some individuals their concerns
8 that the rate that the SRA was selling water for fracking was too low and that the Board
9 should consider an increase to make it fair to all participants. Mr. Pratt explained to Mr.
10 Gasper the Board had just recently increased the price of water from \$.15 per 1,000
11 gallons to \$.18 per 1,000 gallons. He stated that the gas production companies are not the
12 only commercial customers that purchase water from SRA and at any time the Board
13 increases the water rate, it would affect all commercial customers; in other words, not one
14 company is singled out for the price increase. He also reminded Mr. Gasper, SRA is a
15 non-profit organization. Mr. Gibbs thanked Mr. Gasper for his concerns.

16 **PUBLIC COMMENTS:** None.

17 **OLD BUSINESS:**

18 **NEW BUSINESS: Item #1-Accept Annual Financial Audit FY'17 by Mike**
19 **DeFalco of The Broussard Group:** Mr. DeFalco stated that each member should have
20 received a copy of the audit report within their packet. He asked that everyone turn to
21 Page #7-Balance Sheet to review. He stated that the current assets cash, cash equivalents
22 restricted and non-restricted, accounts receivable and other assets total \$20,062,368.00.
23 He stated that this figure is down about \$3.5 million due primarily to less power
24 generation. He continued that noncurrent assets along with other deferred assets bring
25 the entire total assets to \$90,420,209.00. He stated that in reviewing the liabilities, there
26 was a decrease in the total current liabilities of \$771,527 due to accounts and retainage
27 payables. He stated that some of the fluctuation in the accounts was due to the KCS
28 Project. He stated that there were no findings of concern within the internal control and
29 that the staff has done a great job of performing their duties within the operations of the
30 accounting system.

31 **Item #2-Request AG Opinion on TBPJO Official Journal-Bobby Williams:**
32 Mr. Williams stated that he had requested an opinion from the Attorney General's office
33 in Baton Rouge concerning whether the Toledo Bend Project Joint Operations should
34 select and print the minutes in an official journal. He stated that he as member of the
35 SRA Board of Commissioners needs to ask the Board to support his request. **Mr.**
36 **Williams moved, seconded by Mr. McCormic to request in writing an opinion to the**
37 **Attorney General's Office as to whether or not the minutes of the Toledo Bend**

1 **Project Joint Operations Board should select an official journal for publication of**
2 **the minutes of each meeting that is held. YEAS: 12 NAYS: 1 Motion carried.**

3 **COMMITTEE REPORTS:**

4 **1) Diversion Canal:** Mr. Foret stated that the Committee had met on October
5 19th at the SRD office in Sulphur to discuss Project #6-Canal #1 Dredge. He
6 stated that the Committee had four recommendations that needed Board action:

7 **Item #1) Mr. Foret moved, seconded by Mr. Cupit to accept the bid of**
8 **\$2,905,000.00 from Bertucci Contracting Company to Project #6-Canal #1**
9 **Dredge. Motion carried unanimously.**

10 **Item #2-Mr. Foret moved, seconded by Mrs. Scott to approve spending**
11 **\$395,000.00 for Engineering and Quality Control for Project #6-Canal #1**
12 **Dredge. Motion carried unanimously.**

13 **Item #3-Mr. Foret moved, seconded by Mr. Cupit to approve utilizing**
14 **undesignated Bond Proceeds of \$750,000.00 for Project #6-Canal #1 Dredge.**
15 **Motion carried unanimously.**

16 **Item #4-Mr. Foret moved, seconded by Mr. Burgess to approve dedicating up**
17 **to \$2,002,633.54 from the SRD Water Fund to Project #6-Canal #1 Dredge.**
18 **Motion carried unanimously.**

19 **2) Parks:** No meeting.

20 **3) Leaseback:** No meeting.

21 **4) Finance:** No meeting.

22 **5) Water Sales:** Mr. Burgess stated that the Committee had met at 10:30am
23 prior to the Board meeting. He stated that the meeting was held at a request by
24 Representative Larry Bagley of DeSoto Parish to discuss the rate for water to be
25 used in fracking gas wells. He stated that there were several individuals at the
26 meeting representing the industry especially those with Indigo whose project is
27 the permanent pump station which SRA permitted along with FERC and Corps of
28 Engineers. He stated that SRA has a short term water contract with M5 to
29 purchase water for fracking from Toledo Bend Reservoir. He stated there are no
30 recommendations from the Committee.

31 **6) Fishery & Lake Management:** No meeting.

32 **LEGAL REPORT:** No meeting.

33 **EXECUTIVE DIRECTOR'S REPORT:** Mr. Pratt stated that nothing else to
34 report. Mr. Williams asked if the new power sales agreement would be in place by April
35 2018? Mr. Pratt and Mr. Founds both stated that they felt there would be a new
36 agreement in place, but it might not meet the April 18th 2018 deadline that it might take a

1 few months longer to be in place. **Mr. Vidrine moved, seconded by Mr. Foret to**
2 **approve the Executive Director's report as presented. Motion carried unanimously.**

3 Mr. Gibbs stated that the next meeting would be December 7th 2017 at 11:00am at
4 the Cypress Bend Conference Center 2000 Cypress Bend Parkway Many, Louisiana.

5 With no further business to discuss, Mr. Gibbs asked for a motion to adjourn.

6 **Mr. Cupit moved, seconded by Mr. Burgess to adjourn. Motion carried**
7 **unanimously. Meeting adjourned at 3:13p.m.**

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BYRON GIBBS, CHAIRMAN

C.A. BURGESS, VICE-CHAIRMAN

ATTEST: _____
ESTELLA SCOTT, SECRETARY