

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 SEPTEMBER 27th, 2018**

9
10 **MEMBERS PRESENT:** **Mr. Ned Goodeaux, Chairman**
11 **Mrs. Estella Scott, Secretary**
12 **Mr. Norman Arbuckle**
13 **Mr. Valmore Byles**
14 **Mr. Daniel Cupit**
15 **Mr. Jeremy Evans**
16 **Mr. Jimmy Foret**
17 **Mr. Byron Gibbs**
18 **Mr. Allen Shane Jeane**
19 **Mr. Therman Nash**
20 **Mr. Mike McCormic**
21 **Mrs. Dayna Yeldell**

22
23 **MEMBERS ABSENT:** **Mr. Stanley Vidrine, Vice-Chairman**

24
25 **OTHERS PRESENT:** **Warren Founds, III, Executive Dir-SRA, Many, LA**
26 **Becky Anderson, Adm Asst 5-SRA, Many, LA**
27 **Mike Carr, Fac Maint Mgr 3-SRA, Many, LA**
28 **Kellie Ferguson, Adm Prog Dir 3-SRA, Many, LA**
29 **Gene Guidry, PE-SRA, Many, LA**

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31 **There were (10) visitors.**
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33

34 Mr. Goodeaux called the meeting to order. Mr. Nash offered the Prayer and Mr.
35 Goodeaux led the Pledge. The roll was called and it was noted that Mr. Vidrine was
36 absent; however, a quorum was established. Mr. Goodeaux stated that Mr. DeFalco has
37 requested to give his presentation on the Audit prior to staff reports because he has
38 another obligation he needs to get to.

39 Mr. Goodeaux asked if there were any additions or deletions to the circulated
40 agenda. Mr. Evans asked to add under New Business, Item #2- Discuss Water Contracts
41 specifically for fracking. Mr. Goodeaux asked for a motion to adopt the amended
42 agenda. **Mr. Evans moved, seconded by Mr. Foret to amend the agenda. Motion**
43 **carried unanimously. Mr. Gibbs moved, seconded by Mrs. Yeldell to adopt the**
44 **amended agenda. Motion carried unanimously.**

45 Mr. Goodeaux stated that the minutes of the August 23rd, 2018 meeting were in
46 the packet. Mr. Byles stated that on P2, Line 17, there was a typo which should read
47 \$159,970.00. **Mr. Byles moved, seconded by Mrs. Scott to approve the corrected**
48 **minutes of the Board meeting of August 23rd, 2018. Motion carried unanimously.**

1 **New Business: Item #1-Accept the Annual Audit Report for FY'18:** Mr.
2 DeFalco stated that he represents Broussard and Company which performed the annual
3 audit required by the Legislative Auditor's Office. He stated that a copy of the complete
4 audit was mailed within the meeting packet and that an error was found on Page #18 in
5 listing of the Board Members, Mr. Davis' name was listed twice instead of Mrs. Yeldell's
6 name being included; however, this error has been corrected and sent to the Legislative
7 Auditor's office. He stated that he would like to refer to the letter attached to the audit
8 report that states what practices were used to review the records of transactions of the
9 Agency. He stated that there were no significant findings. He asked the members
10 present to turn to Pages #7 & #8-Net Position Statement to review. He stated that on
11 Page #7 you will see the current assets were \$90,314,646.00 for 2018 as compared to
12 \$88,666,190.00 for 2017. He stated that on Page #8 you will see the current liabilities
13 were \$19,383,240.00 for 2018 as compared to \$18,766,320.00 for 2017. He explained
14 the restatement on Page #33. He stated that Mrs. Ferguson's staff is to be commended
15 for the great job that they do with the accounting for the Agency. **Mr. Gibbs moved,**
16 **seconded by Mr. Byles to accept the Annual Audit for FY'18 as circulated and**
17 **presented. Motion carried unanimously.**

18 **STAFF REPORTS: Item#1-TBPJO- Power House Operations:** Mr. Guidry
19 stated that Outage for Unit #2 started on September 22nd and is planned to last until
20 November 2nd. He stated that during the outage several items will be examined: general
21 bi-annual maintenance; 3rd party inspection of the welds on the blades by HDR and
22 Structural Integrity; chain replacement, inspection and repairs of head gates #6; wicket
23 gates will be inspected and clearance tested; wicket gate servo system will be inspected
24 and repaired as needed; Turbine Runner and Guide Bearing Assembly will be inspected
25 and repaired as needed; and the cooling pipe system will be cleaned, inspected, tested
26 and repaired as needed. He stated that generation will continue to control the lake level,
27 power and downstream needs. He stated that total billing for the month of August was
28 \$119,023.00. **Reservoir Levels/Status:** The reservoir level on August 1st was
29 168.89'msl and was at 168.13'msl to-date, September 17th. He stated that the plans are
30 to generate (and operate gates) as needed to maintain reservoir level at approximately
31 168.0'msl for the remainder of the year. **Spillway Repairs:** He stated that the re-bid

1 opening was held August 21st with Williams Equipment Services, LLC being awarded
2 the contract for \$8.8MM at the TBPJO Operating Board Meeting on September 6th. He
3 stated that plans are to sign performance contract documents by the first week of October
4 with the pre-construction meeting to immediately follow. He stated at that time, a pre-
5 construction schedule is due from the contractor and a notice-to-proceed issued by mid-
6 October. **NERC/SERC:** The FERC annual dam inspection was held on August 22-23,
7 the Project was up-to-date with all compliance issues; however, TBPJO will be working
8 with FNI in addressing recommendations given by the inspector. Certrec Corporation
9 continues to provide support to SRA-TX and SRA-LA for NERC/SERC/ FERC
10 compliance issues. **DAM INSTRUMENTATION/RELIEF WELLS:** He stated that
11 the Power House Relief wells are working on automatic controls. He stated that routine
12 readings of the piezometers are made to satisfy regulations and ensure the dam remains
13 stable.

14 **Item #2-Shoreline:** Mr. Guidry stated that FERC Environmental Inspection took
15 place on September 20th with visits to the power house, switchyard, transmission lines
16 facility, observation towers on both side of the reservoir, spillway channel, Pleasure Point
17 Park, Cypress Bend Park and Pendleton Bridge Park, Sam Collins Park and the Power
18 House Tailrace Channel. He continued that a post inspection update will be provided
19 after the meeting. He stated that the 3-year Shoreline Survey is in process. He stated that
20 staff has been using “Google Earth” along with data from the local Tax Assessor’s Office
21 to determine deed owners of the suspected encroachments. He stated that there are
22 approximately one hundred twenty (120) encroachments and the plan is to complete
23 identifying encroachments by November. **Permitting:** August 2018, 9 new structures
24 were permitted, and 1 new water withdrawal.

25 **Item #3-Operational: Toledo Bend Division:** Mr. Carr stated that the crew had
26 one cabin remodel left at San Miguel. He stated that the crew continues to keep up the
27 grounds at all park sites and launches. He stated that the “buoy” crew continues to
28 maintain and replace the navigational aids in the 180 miles of boat lanes with over 10,000
29 buoys. He stated that the expansion and upgrading of the greenhouse at Cypress Bend
30 Park is complete. **Sabine Diversion Canal:** He stated that discussions are ongoing with
31 all Industrial Customers regarding the April 2019 renewal of Water Sales Agreements.

1 He stated that a letter will be sent out in October showing the revised price per thousand
2 which gives the customer approximately 180 days to decide if they wish to withdraw
3 from the water contract. He stated that dredging on Canal #1 is complete and the
4 contractor is working on shaping and seeding the spoil piles. He stated that SRA had a
5 follow-up survey done by Pelican Company to use as backup for the quantity of material
6 dredged and are assessing the data. He stated that staff had a conference call with the
7 Calcasieu Parish Police Jury and Fenstermaker Engineering to discuss the Coach
8 Williams Drive extension. He stated that there are a few problems with the design where
9 it crosses the SRD canal and plans are being redesigned for our approval. He stated that
10 August 15th, Pump #1 at Pump Station #4 locked up and staff asked for permission to
11 have the pump pulled, assessed and to get a quote for repairs as well as the cost of a new
12 pump. He stated that on August 23rd, the pump was pulled assessed and the cost to repair
13 is \$84,574. He stated that the repair work was approved and should be completed within
14 six to eight weeks. He stated that third pump installations at Stations #3 and #4 are
15 complete and both have been commissioned and staff is working with Champion
16 Technology to incorporate them into the SCADA System. He stated that staff is working
17 on a contract with a new customer in a “take or pay” format (Juniper GTI).

18 **Item #4-Financial Report:** Mrs. Ferguson stated that for the Toledo Bend
19 Division total revenue was \$491,791.59; expenditures were \$465,360.93 for a profit of
20 \$26,430.66. She stated that for the Diversion Canal Division total revenue was
21 \$440,081.16; expenditures were \$220,234.81 with a profit of \$219,846.35. She explained
22 that due to the way SRA is receiving power payments it is going to be difficult in the
23 future to complete the financial reports prior to the Board meeting. She stated that she
24 would continue to present the report at the meeting; however, it would not be included in
25 the packet. Mrs. Ferguson stated that the final sheet of the report is a list of the current
26 constructions projects and the expenditures for both divisions. She stated that SRA is
27 holding currently holding \$11,851,299.29 for all projects. **Mr. Foret moved, seconded**
28 **by Mrs. Yeldell to approve the Staff Reports as circulated and presented. Motion**
29 **carried unanimously.**

30 **SPECIAL REPORTS: None.**

31 **PUBLIC COMMENTS: None.**

1 **OLD BUSINESS: Item #1-Approve Budget for 2018 Bond Issue:** Mr. Carr
2 stated that a copy of the SRD Capital Improvement Program 2018 was given to each
3 member. He stated that the list shows the two projects from Phase I and proposed new
4 projects to be done with the funds from the bond issue. He also stated that the list at the
5 bottom of the page are three projects that are not included in the current funding. He
6 stated that approximately 80% of the funds could possibly be spent within the first three
7 years. **Mr. Gibbs moved, seconded by Mr. Foret to approve the Capital**
8 **Improvement Program to be funded by the 2018 Bond issue as presented. Motion**
9 **carried unanimously.** (See Report in Board packet.)

10 **NEW BUSINESS: Item #2-Discuss Water Contracts for Fracking:** Mr. Evans
11 stated that he had been contacted by some of his constituents concerning the SRA selling
12 water to companies for fracking of wells. He stated that he understood that SRA Texas
13 was selling “fracking” water for \$4.18 per barrel. He stated that he knew that in October,
14 notice is to be given to the companies that a water rate revision would be reviewed thus
15 allowing the companies approximately 180 days to decide to decline their water contract
16 renewal. **Mr. Evans moved, seconded by Mr. Byles to request that staff review the**
17 **rate assessed in all water sales contacts where the water is used for fracking and a**
18 **letter of notification that this water rate is being reviewed for possible increase.**
19 **Motion carried unanimously.**

20 **COMMITTEE REPORTS:**

21 **1) Diversion Canal:** Mr. Foret no meeting.
22 **2) Parks:** Mrs. Yeldell stated that the Committee had met prior to the Board
23 meeting. She stated that the Committee had discussed several items and had several
24 recommendations for Board approval. **1) Mrs. Yeldell moved, second by Mr. Gibbs**
25 **to approve the closeout of Project 7A-400 San Miguel Fencing, Road, Parking &**
26 **Gate at final cost of \$48,058.88 and Project 11-800 Renovate Existing RV Sites at**
27 **final cost of \$126,273.48. Motion carried unanimously. 2) Mrs. Yeldell moved,**
28 **second by Mr. Foret to allocate remaining \$11,941.12 from Project 7A-400 to**
29 **cover shortage in Project 11-800 and partially cover shortage in Project 7A-3000**
30 **(\$2,410.35). Motion carried unanimously. 3) Mrs. Yeldell moved, seconded by**
31 **Mrs. Scott to decrease Project 11-300 Cypress Bend Cabins by \$12,241.16 to**
32 **cover remaining shortage in 7A-3000 (\$5,741.16) and to increase 7A-3000 by**

1 **\$6,500 to renovate last cabin. Motion carried unanimously. 4) Mrs. Yeldell**
2 **moved, seconded by Mr. Gibbs to approve park rules and regulation changes as**
3 **noted in the Rule Book handout. Motion carried unanimously. 5) Mrs. Yeldell**
4 **moved, seconded by Mr. Byles to approve fee increases as noted in the Rule**
5 **Book handout. Motion carried unanimously. 6) Mrs. Yeldell moved, seconded**
6 **by Mr. Arbuckle to approve \$30,000 from the Reserve Fund for new park**
7 **reservation software. Motion carried unanimously. 7) Mrs. Yeldell moved,**
8 **seconded by Mrs. Scott to approve \$226,295 from the Reserve Fund for San**
9 **Miguel Electrical Upgrade. Motion carried unanimously. 8) Mrs. Yeldell**
10 **moved, seconded by Mr. Arbuckle to approve reallocating and closing the**
11 **Pavilion at Pleasure Point to upgrade 20 RV pads with sewer at Pleasure Point.**
12 **Motion carried unanimously. Mrs. Yeldell stated that the final item discussed**
13 **was the Pleasure Point road which staff was asked to study the issue and make a**
14 **recommendation at a later date for the Pleasure Point Overlay Cooperative**
15 **Endeavor Agreement with the Sabine Parish Police Jury. She stated that**
16 **concludes the recommendations by the Parks Committee.**

17 **3) Leaseback:** Mr. Foret stated that the Committee had met prior to the
18 meeting. He stated that a discussion was held about a resolution for the 120
19 encroachments found during the survey of the shoreline due to the land usage language
20 used in the re-licensing process which states 75ft instead of 50ft from the 172' msl. **Mr.**
21 **Foret moved, seconded by Mr. Gibbs to allow staff and legal counsel to pursue the**
22 **language change within the Shoreline Management Plan for the Louisiana shoreline**
23 **to state instead of 75ft from the 172' msl (normal maximum pool) to 50ft from the**
24 **172' msl and at least 175' msl elevation. Motion carried unanimously.**

25 **4) Finance:** Mr. Byles no meeting.

26 **5) Water Sales:** Mr. Gibbs no meeting.

27 **6) Fishery & Lake Management:** Mr. Cupit no meeting.

28 **7) TBPJO:** Mr. Goodeaux moved, seconded by Mr. Arbuckle to approve the
29 meeting minutes of the Toledo Bend Joint Operations Board dated June 12th,
30 **2018 and July 11th, 2018 as circulate. Motion carried unanimously.**

