

# **Minutes** of the meeting of the **North Lafourche Conservation, Levee & Drainage District Finance and Priority Committee Meeting**

**Date: Thursday, February 15, 2018**

A meeting of the Finance & Priority Committee of the North Lafourche Conservation, Levee and Drainage District was called to order by Chairman Kenney Matherne at 4:13 PM on Thursday, February 15, 2018. The meeting was held at the District's office at 3862 Highway 1 in Raceland. The Chairman called roll. Members present were: Matherne, Louis Andolsek, Joni Tuck, and Ad hoc non-voting member Cory Kief. Member Adley Peltier was absent. Also present were: NLLD Executive Director Dwayne Bourgeois; NLLD Project Manager Arthur Ostheimer; and NLLD Administrative Assistant Madonna Viguerie.

Committee Chairman Matherne turned the meeting over to the Executive Director to guide the committee through review and discussion of the recommended revisions for the 2018 Budget. The Director went through the documents provided in the meeting packets. He explained the spreadsheet used to breakdown capital projects for current year funding and future funding and how it flows to the budget sheet that has the starting fund balance and works through to the ending fund balance. The Director then started with the Revenue section and explained the difference from the original 2018 Budget approved in September 2017 to the recommended revised amounts. He reported that there are new funds of \$172,500.00 committed from CPRA/GOMESA in the annual plan for this year and that is dedicated with matching funds from the district for engineering of the TLBB E2 Levee and Hollywood/Bayou Blue Closure projects. He added that he understands the money could be available as early as April 2018 or as late as September 2018 and there is more money in the forecast for the next annual plan for construction of TLBB E2, while there is money in the forecast for the year 2020 for the construction of the Hollywood/Bayou Blue Closure. The Revenues totaled \$8.827M. Discussion ensued regarding the reduced amount budgeted for Ad Valorem and how that relates to the predictions based on the assessor's roll and the decrease in assessable value, as well as taking a conservative approach in expectations of collections.

The Operating Expenditures was the next section reviewed. The Director went through the recommended changes (including the 5% contingency). Explanations and discussions included the following: Audit/Bank Charges – \$1,000.00 increase for an annual fee associated with the Bond 2017 issuance. Insurance Excess Liability – discussion on pursuing additional coverage. Dues, Subscription, and Conferences – \$3,000.00 increase for more active commissioners attending workshops. Info Tech Equipment and Services – \$25K increase for GIS hosting that is a tool that would allow avoidance of limitations of Google Earth through adding layers. The cost for the GIS hosting is being negotiated. Legal expense remained the same as last year in anticipation of landowner issues on other projects. Facility – the 2017 budget was \$152K, but only \$24,500 was completed and spent. The recommended amount for this year's facility budget of \$226K (also maintenance items), includes: completed new roof at \$52K, looking to pave the side lot and put a metal building on the corner to get out from the storage yard at \$108K, looking to replace the windows of the main office building to storm rated windows at \$34,333, the engineering for the side lot and building plan at \$10K. Discussion ensued regarding

the storm proof windows. The Director explained that other alternatives were considered, but with the way these existing frames are made, the replacement to storm rated glass and new frames is the most affordable. The Director added that now that the roof is replaced, a contractor will have to come in and do some touch up repairs to the ceiling. Board President Kief mentioned that he understands the high amount for storm proofing considering the number of windows being changed, but stated the importance of making sure the insurance carrier for the building policy is aware of the replacement value of the new windows and the existing windows. Storage rental is down to \$9,450 in anticipation of the metal building on the side lot and no longer needing the storage facility across the bayou. Discussion ensued on a timeline of the metal building to ensure this cost savings for this year and the size of the building. The Director explained that the metal building measuring 40'x40' with 16' eaves is on order. Project Manager Ostheimer added that the building will be able to store the boat, gator, compressor, oil for the large equipment, and items at the storage yard. The Director added that the Facility budget includes the set-up of a fuel tank. Repairs and Maintenance of large equipment is recommended at \$112K to include track work (roughly \$50K) and miscellaneous repairs on the CAT/Wilco machine. Commissioners' Per Diem is increased slightly to \$15,750 to allow for possibly more meetings with the increased activity of the district. Committee Chairman Matherne and the Director commended the board for refraining from increasing the per diem to the state allowed maximum amount. Travel/Mileage Expense increased to \$43K based on the past couple of years and the increased travels related to MVFCA, LFRC and other issues. Pension Fund Expense is determined by the state and does not come to any employees or commissioners of the district. Consulting Expense is increased a good bit to \$515K due to various items in the works. Consulting Accounting – the district is engaged with Stagni & Co. for consultation on accounting for the Bond 2017 Issuance and other accounting. Consulting Engineering - \$380K that includes Leighton/Rienzi studies in Thibodaux, pump study throughout the parish, Morganza to the Gulf Post Authorization Change report, possible levee LIDAR project, and USACE Programmatic permit. Consulting Other \$100K – Morganza Action Coalition and Louisiana Flood Risk Coalition. Board President Kief stated that the Consulting-Other efforts have brought about a lot of attention from a diverse group in government. ROW Levee Vegetation Control \$262K is the same as the previous budget, but the Director stated that he was pretty confident that things will not be done exactly as before. He added that they were made aware of another aerial spraying company and they may change up the process from the past. Committee Projects \$69K – that includes \$52K for the education initiative. Total Operating Expenditures is \$2,391,187.05, the Total Debt Service is \$957K, and the Amount Available before Capital projects is \$27,651,875.40.

On Capital Projects, a 10% contingency for all of the projects combined is added to the budget on one line item. Individual projects recommended for the budget in the current year and future years include: South Thibodaux \$63K for the construction retainage. TLBB Element 2 \$250K (\$100K from CPRA/GOMESA). Bayou Blue/Hollywood \$165K for engineering of closure (\$72,500 from CPRA). St. Charles By-Pass Backwater project \$353K for construction, miscellaneous charges, and \$100K for a permanent pump. Cyprien Pump District may be revisited for money to support to clean the channel and possibly participate in armoring with Lafourche Parish Government. Edna/Barrios Pumps Consolidation included suggestions to

budget \$600K to remove the old pump and complete the levee, then add a fourth pump. Valentine Return Levee \$2.14M is budgeted to complete the on-going construction. Lockport to Larose A1 Project has a project estimate of \$2.367M for engineering and construction. Lockport to Larose A2 and Claudet project has a remaining amount of \$700K on the construction contract. Lockport to Larose Lift B (Claudet to Parr) will be looked into. Commissioner Andolsek questioned at what point would the district budget money to put some sort of protection along the bayou and the highway. The Director agreed that eventually something would have to be in place to tie the east and west levees across the bayou. Discussion ensued regarding some communications with the other local levee districts for possible future options and with the state future funding. Lockport to Larose C4, C5 & D1 has \$3.25M budgeted for the current and future construction contract and \$2.11M for Phase 2. Lockport to Larose Reach D2 and D3 has \$62K for engineering and \$90K for armoring adjacent to the pump station. Lockport to Larose Reach D3 has \$370K for the ongoing construction. Comeaux Drainage Study has a budget of \$25K in the Town of Lockport. West Choupic \$32,620.00 to work through the wetland delineation and advance the project, and \$60K to work through future landowner issues. Lake Bouef Watershed Backwater Protection \$72K for engineering remaining and additional for wetland delineation and landowner issues, along with \$600K for the first phase in future funding. 40/80 Arpent Canal ROW Clearing \$1.4M between current and future funding for the maintenance spray dredging; the permit may be released in April. Bayou Boeuf School FDA Backwater Protection has remained a Capital Outlay requests for years and the \$30K is for advancement. Zeller Larousse FDA Reach 1 \$829K for the remainder of the current construction contract (CPRA reimbursement). Martinez/Rond Pom Pon FDA (along Hwy 307 in Kraemer) \$75K for engineering. Board President Kief gave a brief explanation of P3 funding possibly becoming available to the political subdivisions through the State from the Restore Act. Mathews Canal/Clotilda Levee FDA \$760K for the remainder of the current construction contract. Des Allemands FDA \$668K for smaller phases of work on the pump and levees. Jessie Dufrene FDA in Gheens \$1.3M as related to the gap associated with the State's Master Plan. New Valentine/Ludevine (T-Bois up to Hamilton Street) \$2.2M for estimates on mitigation and construction. Morganza to the Gulf Reaches K&L \$660K is the cooperative mitigation work with the CAT/Wilco buggy that the district is being reimbursement for. A discussion ensued regarding future evaluations by the committees of projects for budget direction. The Director reminded the committee that the district has NOPET evaluation tool and a process for guidance to vet out a working projects list and Board President Kief suggested possibly revamping the structure of the committees, partly to go through this process. The Director stated that additionally in the current year budget there are amounts for the following: Capital Outlay Match Reserve of \$2M based on the District's current Capital Outlay Requests and a commitment for a joint match on UBRRP. Capital Expenditure of \$40K for two items (survey boat and forklift) being contemplated. General Levee/Drainage Maintenance of \$1M for unforeseen minor issues in the current year. The Director reported that the budget results in a 2018 Ending Fund Balance of \$7.5M and an Unreserved Fund Balance of \$97K. Motion was made by L. Andolsek, seconded by J. Tuck, to recommend this 2018 Revised Budget to the Board for acceptance. The committee members commended the staff for the work to

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produce the budget. There was no public in attendance for comment; the motion passed unanimously.

The meeting was unanimously adjourned at 6:21 PM on motion by J. Tuck, with a second by L. Andolsek.

/s/ Cory Kief, President

/s/ Dwayne Bourgeois, Director