

**MINUTES OF REGULAR MEETING OF THE  
AMITE RIVER BASIN DRAINAGE & WATER CONSERVATION DISTRICT**

3535 S. Sherwood Forest Boulevard, Suite 135, Baton Rouge, LA

**September 18, 2012**

MEMBERS PRESENT: Don Thompson, Terry Louque, Al Bargas, John Brass, Lawrence Callender, Willie George Lee, Joel Louque, Anthony Rouchon, Randolph Saucier, Jerry Thibeau, Larry Thomas, Dale Zuelke

MEMBERS ABSENT: Russell Cornette  
ALSO PRESENT: Dietmar Rietschier, Executive Director  
Toni Guitrau, Executive Secretary  
Larry Bankston, Attorney

1. The meeting was called to order at 6:00 p.m. by Thompson.
2. Public Comments on Agenda Items: The following comments were offered by Mr. Troy Furr and Ms. Lana Griffin, two of the owners of Profit Island:
  - Mr. Furr stated he received an offer from NRCS, US Department of Agriculture, to put 650 acres under conservation easement. There may be restrictions in the easement that would be in conflict with ARBC purposes in utilization of property for mitigation. The USDA gave the owners of Profit Island two weeks to respond to the offer. Mr. Furr met yesterday with ARBC President, Don Thompson. Mr. Furr is requesting clarity as to when the Amite River Basin Commission plans to move on this matter.
  - Ms. Griffin stated that in October 2011, they submitted a letter of intent to sale Profit Island to the Amite River Basin Commission and this letter has not been acted upon by the ARBC. They realize there are significant obstacles the ARBC had to overcome in order to move forward in purchasing mitigation property for the Comite River Diversion Canal Project. They know the ARBC is committed to working with the USACE to create a plan that would be acceptable to both parties to satisfy the mitigation requirements. She stated the USACE has finalized the Environmental Assessment which means ARBC can move forward with purchasing property for mitigation which is needed in order to move forward with construction of the next phase of the project. She believes Profit Island could satisfy part of that requirement. After speaking to Don Thompson yesterday, there are concerns raised over access, appraisals, surveying, and following the meeting they were left not knowing where ARBC is headed. They are requesting a firm commitment from the ARBC. Bankston said that Burk-Kleinpeter, Jim Delaune, is finishing the HTRW; the appraiser is going out tomorrow. This may be done in 30 days and title work done in 2 weeks. A price and confirmation is needed from USACE saying it is capable of being bought. The Board could consider voting to convey their intent to purchase the entire tract subject to certain conditions. There were no additional public comments. The Board unanimously approved a motion by Rouchon second by Thibeau to add "Profit Island" to the Agenda under "Report by ARBC Legal Counsel."
3. 2011-2012 Audit Report
  - John L. McKowen, CPA, presented the Commission with the completion report for the 2011-2012 Audit. In brief, the audit reflected that there were no violations of state rules or deficiencies. In the opinion of the auditor the ARBC is in compliance with all applicable state and federal laws and the Legislative Auditors Office, as well as internal controls of financial matters within the district. The Board unanimously approved a motion by Bargas, second by J. Louque to accept the audit report as presented. OPEB for FY 2011-12 is \$13,300.
4. Minutes
  - The Board unanimously approved a motion by Rouchon second by Thomas to approve the August 21, 2012 meeting minutes as presented.
5. Financial Statement Report:
  - Bargas presented to the Board the August 2012 General Fund and CRDC Fund financial statements. The statements were discussed in detail. After reviewing the financial spreadsheets as prepared by Bargas, Saucier agreed that for the time being he would like to continue seeing the current format as provided. This was discussed further.
  - The Board unanimously approved a motion by Rouchon, second by Callender to approve the August 2012 General Fund and CRDC Fund financial statements.

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- Bargas offered to host a presentation on credits possibly in October, and Mark Wingate, USACE, is working on the presentation.
  - Bargas reported he met with ARBC staff, Secretary Guitrau, last week and reviewed the financial statements. Reported on the Finance Committee meeting held on September 13, 2012. Attending were Bargas, ARBC Treasurer and Guitrau, ARBC Secretary. Absent were RJ Saucier, Dietmar Rietschier (out of town on work-related business), Don Thompson, Larry Thomas and Tony Rouchon. At the Finance Committee meeting the financial statements for August 31, 2012 were reviewed and discussed. He reviewed most recent formats with Guitrau. Analyzed budget for personnel cost to break down into accounts that match the general ledger. Determined that total cash on accountant's compilation report titled "Cash Receipts and Disbursements" did not tie to total cash on the Balance Sheet. The Compilation does not include petty cash. Although not material Petty Cash has been added to Treasurers report such that the cash outlined agrees with the Balance Sheet. Reviewed Treasurer's financial reporting formats. Treasurer requested and received a Balance Sheet from the month ended August 31, 2011 to be used in developing a "Comparative Balance Sheet" to enhance Commissioners awareness of the financial condition of the ARBC. Overview of new reporting process to be brought to the Commissioners for consideration. Staff/Treasurer Review: Monthly review of all relevant financial transactions. Finance Committee Level: Monthly, Review of ARBC staff generated financial statements and supporting General Ledger Registers, Check Registers and other journals of original entry that are relevant to the financial statements and condition of ARBC. The items on the Finance Committee Agenda could not be addressed due to a lack of sufficient data available and/or no members being present were as follows: Task Order Formats and Schedules; USACE Rejected Credits; Staff time keeping records; Reviewed hand written entries onto a format from Rietschier which do not tie into work hours, lacks data that will map to GCR/BKI/USACE reporting formats and/or ARBC task orders, and sufficient descriptions of work performed to satisfy USACE reasonableness test. Recommends that Rietschier should make entries direct into electronic format to conserve ARBC human resource time and resources; Update Financial Projections HTRW etc.; Dirt Sales; Operating Manuals, Staff Policy Manuals were not discussed due to time constraints; Year End Audit Adjustments have not been reversed; Bargas contacted auditor, John McKowen, and requested he speak to Shoptaugh to make the required adjustment. John McKowen committed to contact Shoptaugh and have the adjustments made; Spoke to Auditor concerning un-recorded liability – In regard to Audit Reporting, the auditor is of the opinion that the match of ARBC as a non-federal partner is not a liability of the ARBC. Bargas requested that in the future Finance Committee members need to contact the ARBC office if they are unable to attend in order to save time and materials used in preparation of the meeting.
  - Discussed keeping correct electronic format of records and time-keeping for past, current and future credits as previously approved by the Board. Discussed the LUC past credit rejection of approximately \$387,000 due to documentation not being sufficient. Bargas said that as Treasurer it is his duty and fiduciary responsibility to report to the Board any issues of concern that he may see. Thompson said that Bargas does not need to get into the 'day to day' operations of the office; that the Board is just an Advisory Board, and the correct chain of command is through the Executive Director. Rietschier said that GCR formats for credits are specific to real estate and that the ARBC Executive Director's roll is more project management. He simplified the USACE form and sent it to the Real Estate Section of the USACE. He has asked them several times for a response and is waiting for their approval before proceeding with utilizing the form. Callender stated that in the Monthly Report provided by GCR it lists that Rietschier submitted a simplified form request to the USACE for consideration on August 27, 2012 and the USACE rejected it on September 4, 2012. Rietschier said he did not see that and will check on it.
  - Thompson called for a vote to the previous motions to approve the August 2012 Financial Statements: The Board unanimously approved a motion by J. Louque, second by Thomas to approve the August 2012 General Fund and CRDC Fund financial statements.
6. Report by Executive Director:
- Rietschier reported the HTRW is being done to get the study completed; received a letter from the USACE Colonel giving the okay to proceed. The official request came about a day or so ago. In terms of

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real estate, they are proceeding on advanced acquisitions; the consultants are working on the title work on the 17 properties. Rietschier suggested, to the DOTD, adding the property on the west end of the channel to advanced acquisitions because construction may be in that area. The Dixon property has been acquired. They are working on the 6 month lease of an easement from Irene Road to the Lilly Bayou Control Structure. The USACE had a meeting with the contractor and may begin next week to do surveys near the Carney Road area. ARBC will work with property owners to gain access. Discussed borrow and fill material: The USACE provided the amount used for Duncan Point. He sent to Ms. LaBure, USACE, documentation going back 7-10 years in regard to the LUC contract credit issue. The documentation shows there was a definite understanding by the USACE in regard to LUC contract. LUC worked directly with the real estate section of the USACE. Rietschier and Saucier met with the Economic Section of the USACE in regard to the BC Ratio. ARBC will help to expedite the 5-year reassessment of the BC Ratio if requested. Saucier reported to the Board the technical side of the meeting in regard to the study. He advised that the Board should not duplicate, repeat, or circumvent or improve upon it at this time. He believes the USACE is working strongly on this BC Ratio Study. Rietschier said that as far as GIS, the USACE is working with East Baton Rouge City Parish.

- Washington, D.C. trip: Rietschier discussed the recent trip to Washington, D.C. in regard to federal funding and the next phase of construction. Bargas said the functionality of Phase 1 will help with the BC Ratio. Rietschier said mitigation property is needed to begin Phase 1, and it is important that all steps forward are taken to begin construction. ARBC seeks to get the \$4 million moved by the USACE to pressing levee work on the Mississippi returned to ARBC., Thompson asked what is taking so long to get the specs on Brooks Lake. Rietschier said that they are 90% complete and finishing 5% on the specs should not take long once we get the funding and land to do the construction.
- 120,000 CY of borrow and fill material was sold to PLD for Duncan Point.

7. Report by ARBC Legal Counsel/Old Business

- Profit Island: As a result of the FONSI being approved on July 27, 2012, the ARBC has issued directives on September 7, 2012 to Commerce Title to proceed with title services for Profit Island and they have committed to deliver a title commitment for the property no later than October 21, 2012. The appraiser Lipscomb is no longer available so ARBC consultants secured the service of an appraiser who has been approved by the LA DOTD and the USACE to do the appraisal. On September 11, 2011 the USACE approved appraiser Michael Defelice for the appraisal of Profit Island. On September 12, 2012 Mr. Defelice's proposal was approved by the USACE and ARBC. Discussed the hunting lease that is on the property with the USACE. BKI is working on the HTRW and it may be completed around October 2, 2012. By the end of October the appraisal, title work and HTRW may be done. The commission can agree to proceed with the purchase of the property subject to the following conditions: 1. an acceptable HTRW 2. Price 3. Total acreage 4. Clean title 5. Acceptance of appraisal. All must be approved by the USACE for acceptable credit. An agreement cannot be reached until these conditions are met. The Board unanimously agreed to convey intent to purchase Profit Island subject to the conditions (5 items) listed as discussed on motion by Rouchon, second by Thibeau. Bargas suggested closing on this within a set deadline of December 26, 2012. The Board did not vote on a deadline but agreed. Bankston believes that once all of the components are submitted to the USACE, they will act expeditiously on this.
- Bankston updated the Board on the Washington, D.C. trip. They met with our congressional delegation including Vitter, Cassidy's staff, Landrieu's staff, Cedric Richmond, and the USACE. They also discussed how the Comite River Diversion Canal Project is the only authorized flood project in Louisiana that can say without any doubt it does not hurt neighboring parishes. ARBC requested reprogramming of the CRDC Project money to give the \$4 million back to the project. Also requested \$10 million in the President's Budget. It was a successful trip and these trips need to be continued as they are beneficial to the CRDC Project. Bargas suggested going quarterly and he would like to see some of the commissioners go and he would like to go and could pay his own way.
- ARBC Bylaws and Policy Manual: The Bylaws need to be updated as some parts are incorrect. It was agreed to call an Executive Committee meeting to review a draft of each as prepared by Bankston in

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order to bring it the full Board for a vote. The Board unanimously agreed to refer this review of Draft Bylaws and Policy Manual to the Executive Committee on motion by Thibeau, second by J. Louque.

- Approval of CEA between ARBC and LA DOTD - ARBC will take title to the properties purchased. There will be a 50%-50% cost share for ARBC and LA DOTD when purchasing properties. The Board unanimously approved the CEA between the ARBC and LA DOTD as presented on a motion by Bargas, second by Rouchon. The Board unanimously approved Resolution 1097 as presented on motion by Callender, second by Saucier.
- Task Order update: This matter was discussed under the Finance Report and Executive Director's Report.
- Proposed Maintenance Contract: The Board unanimously agreed to refer the draft Maintenance Contract to the Executive Committee for their review and recommendation.
- Monthly Review – Absent Board Members: No members were absent at the August 21, 2012 meeting.

8. New Business

Callender presented to the Board for consideration of adoption a "Strategy Forward" document until the end of 2012 and an informational server for the ARBC Commissioners that will allow the Commissioners to follow this process. After much discussion, Rouchon recommended omitting Phase 2 and 3 and is not in favor of spending money other than buying real estate, digging the canal and pouring concrete; there is no need for a server for commissioners to access as they are updated monthly. Callender proposed omitting from the document all but Phase 1 and keep in the advanced purchase of the 17 properties. Rietschier stated that emphasis should be on Phase 1. The Sternberg property may be needed and is not included in the 17 properties. Decisions should be made one at a time, in accordance with how much money is involved, and the cash flow as land purchases progress. Callender asked the Board to consider this document as something written down as a strategy; something that can be used when speaking to the public. Saucier said a document such as this is a good idea. He suggested bringing this to next month's meeting with input from the Board. Board members could contact Callender with their input and suggestions. Thomas said he did not see concentrating on these 17 properties which are only 187 acres when over 700 acres are needed. Bargas said a strategy document is needed and emphasis should be on Phase 1 but the focus should not be only on Phase 1. He stated that you cannot build a \$200 million project and only focus on the slab; you must look forward. The Board unanimously approved a motion by Bargas, second by Callender as follows: The Board of Commissioners of the ARBC hereby approves and directs the Executive Director of the ARBC, Dietmar Rietschier, to immediately take the following actions to acquire the aforementioned "advance purchase" properties; Immediately authorize and direct ARBC Counsel and Burk-Kleinpeter, Inc. (BKI) and GCR, Inc. to contact, in writing, property owner(s) of all seventeen(17) tracts to determine willing sellers; Immediately authorize and direct ARBC Counsel and Burk-Kleinpeter, Inc. (BKI) and GCR, Inc. to negotiate a purchase offer to acquire each property, said offer to comply with the requirements of the USACE and the Louisiana Department of Transportation and Development (DOTD) and the ARBC. Said directive to counsel and BKI and GCR shall be in the form of a duly executed task order issued for each property and in the format directed by previous Board action said task order to include but not limited to;

- Commence necessary title and Hazardous Toxic or Radioactive Waste (HTRW) Investigations and survey work on all 17 tracts simultaneously;
- Authorize GCR to develop offers to purchase to property owners;
- Authorize Counsel to expedite closing on accepted purchase offers;

Rouchon agreed the motion proposed by Bargas was appropriate as the ARBC is already on the path of purchasing the 17 properties.

9. The Board unanimously approved a motion by Rouchon, second by Thomas to adjourn the meeting at 8:20 p.m.

APPROVED:

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/s/ Don Thompson

Don Thompson, ARBC President

Date: October 16, 2012

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/s/ Toni B. Guitrau

Toni B. Guitrau, Executive Secretary