

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON FEBRUARY 3, 2011**

PRESENT: Stephen Estopinal, Chair
Timothy Doody, Committee Member
George Losonsky, Committee Member

The Finance Committee met on February 3, 2011, in the Second Floor Hall of the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, Louisiana. Chairman Stephen Estopinal called the meeting to order at 8:33 a.m.

Opening Comments: None

Adoption of Agenda: The agenda was adopted as presented.

Approval of Minutes: The minutes of the December 7, 2010 Finance Committee meeting were approved.

Public Comments: None.

New Business:

A. Discussion of allocation of cost of Task Order No. 02-03-006 (Review of U.S. Army Corps of Engineers Hurricane Surge Frequency Analysis) issued to Taylor Engineering, Inc.

Robert Turner, SLFPA-E Regional Director, explained that the Board discussed the issuance of a task order to Taylor Engineering, Inc. for the review of some of the U.S. Army Corps of Engineers' (USACE) hydraulic and hydrology (H&H) work. A scope of services was finalized and a Task Order executed with a cost not to exceed \$49,500. A decision is needed on the cost allocation of these services to the levee districts. Since the review involves the entire system, he recommended that the cost be allocated equally across the three levee districts.

Mr. Losonsky asked whether there is an equal split in benefit to the levee districts and suggested that the executive directors meet and discuss the benefits to be received and come to an agreement concerning the cost allocation. Mr. Turner explained that all of the levee districts benefit if the system does not fail in any one spot and stressed that this is a review involving the entire system. He pointed out that there are areas of greater concern probably in East Jefferson because of some of the thoughts that were expressed having to do with the way that the H&H was done and in particular the ADCIRC modeling. There was a question about the storm surge still water elevations along the lakefront in East Jefferson not correlating directly to the results of the ADCIRC modeling for Hurricane Katrina. Therefore, some of the work involves the attempt to reconcile this data.

Mr. Estopinal recommended that the decision be made by the Committee and not the executive directors. He pointed out that an equal split of the cost would be under \$17,000 for each district.

Mr. Doody offered a motion, which was unanimously adopted, that the cost of the subject task order be equally allocated (one-third) to each of the levee districts.

B. Distribution of draft budget for the Fiscal Year ending June 30, 2012 for the SLFPA-E, East Jefferson Levee District, Lake Borgne Basin Levee District and Orleans Levee District.

Mr. Turner explained that rough draft budgets for the SLFPA-E and levee districts were being distributed to the Committee members. Additional work will need to be done to the budgets over the next month, which includes the coordination of cost allocations and budget formats and the inclusion of additional grant information. The budgets will be reviewed at the Finance Committee meeting in March.

C. Discussion of process to select the auditor to provide audit services for the SLFPA-E and levee districts for the Fiscal Year ending June 30, 2011.

Mr. Turner advised that the three year term of the contract between the State Legislative Auditor on behalf of the SLFPA-E and the auditor has ended. The option to renew the contract will not be exercised. The Legislative Auditor's Office will proceed with the process of issuing a Request for Proposals and the selection of an auditor for the next audit.

D. Discussion of renewal of Public Officials Liability Insurance coverage.

Hardie Edgecombe with Arthur J. Gallagher Risk Management recommended that the Public Officials Liability Insurance coverage with the current carrier, ACE, be renewed. There is a premium rate increase of about \$4,000; however, the cost of coverage will remain the same. The Orleans Levee District Non-Flood Assets Division has been carved out of the coverage for the upcoming year; however, revenues have increased. This cost is allocated between the levee districts based on revenues.

Mr. Doody offered a motion, which was unanimously adopted, to recommend renewal of coverage with the current carrier to the Board.

There was no further business; therefore, the meeting was adjourned at 9:48 a.m.