

**MINUTES OF THE  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
SPECIAL BOARD MEETING  
THURSDAY, MARCH 23, 2007**

A Special Board Meeting of the Southeast Louisiana Flood Protection Authority - East (SLFPA-E or Authority) was held on Friday, March 23, 2007, in the Second Floor Hall, Lake Vista Community Center, 6500 Spanish Fort Boulevard, New Orleans, Louisiana, after due legal notice of the meeting was sent to each member and the news media and posted.

The meeting was called to order at 11:10 a.m. by President Jackson, who then led in the pledge of allegiance. The roll was called and a quorum of the Board was present.

Present:

Thomas L. Jackson, President  
Abril B. Sutherland, Vice President  
John M. Barry, Secretary  
Timothy P. Doody, Treasurer  
David P. Barnes, Jr.  
Stradford A. Goins  
George Losonsky, Ph.D.  
Larry A. McKee  
Sara Lee St. Vincent  
Louis E. Wittie

Absent:

Ricardo S. Pineda

OPENING COMMENTS:

President Jackson commented on the extensive two day U.S. Army Corps of Engineers' (USACE) Partnering Session that he and Mr. Doody attended on March 21-22, 2007, relative to Inner Harbor Navigation Canal (IHNC) flood protection. Gated closure structures are not anticipated to be completed until late 2010, and in the interim, the risk along the IHNC corridor would remain, which is not acceptable. He commented on the enthusiastic commitment demonstrated by the USACE to provide interim protection as quickly as possible, and advised he and Mr. Doody would be participating on a panel next week that will look at any and all options to provide this interim protection. President Jackson stated the SLFPA-E would continue to fight for the best interests of those areas under its jurisdiction and would keep the public up to date on these matters.

Mr. Doody noted, on the first day of the USACE Partnering Session, only the long term solution with completion projected in 2010 was offered; however, by the second day of the session, there was a consensus for providing interim protection. He pointed out that closure of the MRGO cannot be done until Congress deauthorizes the MRGO, and a resolution will be presented later in this meeting setting forth the Board's position.

President Jackson advised the USACE presented a proposal for testing a section of floodwall along the London Avenue Canal and requested that the SLFPA-E execute a right of entry that does not include the usual hold harmless agreement. He further noted the Sewerage & Water Board's interest in this endeavor, which should also make it a signatory to this proposed right-of-entry.

President Jackson commented on the leak reported on the northwest corner of Robert E. Lee Boulevard and Marconi, which was investigated by Orleans Levee District (O.L.D.) staff and found to be a water line leak to a contractor's facility at that site and was not affecting flood protection.

President Jackson further advised the USACE is working on additional pumps at the 17<sup>th</sup> Street and London Avenue Canals and at the same time are doing repairs on the existing in place pumps.

President Jackson commented on the ruling by Judge Livaudais regarding the potential seizure of approximately \$20 million of O.L.D. assets resulting from Bohemia Spillway litigation that was in place prior to the seating of the current Board. He expressed concern relative the serious consequences this may have on the SLFPA-E's and O.L.D.'s flood protection mission, and noted this was a regional problem that impacted the adjacent levee districts as well. The Board's legal counsel was scheduled to provide a presentation relative to this issue later in the meeting.

#### RESOLUTION #03-23-07-001 - AGENDA

President Jackson requested item 8.A be added to the agenda for a presentation by O.L.D. attorney Scott O'Connor on the Haspel & Davis Milling & Planting Co. Ltd., et al v. O.L.D. matter. Mr. Doody offered a motion, which was seconded by Mr. Goins, to adopt the agenda with the addition of the aforementioned item 8.A.

On the motion of Mr. Doody,  
Seconded by Mr. Goins, the following resolution was offered:

A resolution to approve and accept the agenda, as amended, for the Special Board Meeting of March 23, 2007.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

#### RESOLUTION #03-23-07-002 - SLFPA-E BUDGET

On the motion of Mr. Doody,  
Seconded by Mr. Barry, the following resolution was offered:

A resolution to adopt the Southeast Louisiana Flood Protection Authority – East 2007-2008 budget.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

#### RESOLUTION #03-23-07-003 – DEFENSE AND INDEMNIFICATION

Mr. Doody explained a resolution was previously adopted to obtain and bind public officials liability coverage with a \$100,000 deductible. The proposed resolution provides for payment of the deductible for Board members, which would include attorneys' fees, in the event any are personally sued.

On the motion of Mr. Doody,  
Seconded by Mr. Barry, the following resolution was offered:

WHEREAS, claims or demands may be asserted in actions, suits, proceedings or investigations against the Commissioners, officers and employees of the Southeast Louisiana Flood Protection Authority-East that involve activities performed in the course of the execution of his duties or because of any act or omission arising out of performance of his official duties as commissioners of the Southeast Louisiana Flood Protection Authority-East and/or officers or employees of the Southeast Louisiana Flood Protection Authority-East, and

WHEREAS, the Board desires to defend and indemnify against loss or liability any of its Commissioners, officers or employees whenever a claim, demand, action, suit, proceeding or investigation is made or threatened, or whenever proceeded against in any court, board, commission or other public body to defend or maintain his official position or a position on the assumption that said act is taken in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Authority, and

WHEREAS, the Board desires to authorize payment for the expenses, including attorneys' fees, actually and reasonably incurred by the Commissioners, officers and employees named as defendants or parties in any claim, demand, action, suit, proceeding or investigation, made or threatened, or proceeded against in any court, board, commission or other public body and to indemnify said individuals in the event that judgment is rendered against them, and

WHEREAS, the expenses, including attorneys' fees, incurred in defending a claim, demand, action, suit, proceeding, or investigation may be paid by the Authority in advance of the final disposition of such claim, demand, action, suit, proceeding, or investigation as authorized under LSA-R.S. 38:330.9.

BE IT HEREBY RESOLVED, That the Southeast Louisiana Flood Protection Authority-East Board of Commissioners authorizes the payment of attorneys' fees and costs for the defense of said Commissioners, officers and employees named in such claims, demands, actions, suits, proceedings, or investigations on the presumption that such activities were performed in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Authority of the Southeast Louisiana Flood Protection Authority-East, unless proven otherwise.

BE IT FURTHER RESOLVED, That Southeast Louisiana Flood Protection Authority-East hold harmless and indemnify the Commissioners, officers and employees in their individual capacities in these claims, demands, actions, suits, proceedings or investigations against the individual Commissioners, officers and employees of the Southeast Louisiana Flood Protection Authority-East, from any financial interest, monetary damages and attorneys' fees, arising out of a claim, demand, action, suit, proceeding, or investigation on the presumption that such individual(s) at the time the damages were sustained was acting in the discharge of his duties and within the scope of his employment and/or official capacity, and that such damages did not result from the intentional wrongful act or gross negligence of such individual(s).

BE IT FURTHER RESOLVED, That, if necessary, Legal Counsel shall provide notice to the Office of the State Attorney General, and shall obtain any authority that is warranted under the Statutes.

BE IT FURTHER RESOLVED, That the President or Director be authorized to sign any and all documents necessary to carry out the above.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

**RESOLUTION #03-23-07-004 - PUMP DRAINAGE SYSTEMS STUDY**

Mr. Jackson indicated the proposed resolution acknowledges awareness of the study called for in Act 1 for a pump drainage systems study, but gives explanation as to why the study cannot be accomplished by the April 1<sup>st</sup> deadline. He further commented

on the presentation provided at a previous meeting on the polder systems concept, and the possibility of including the study of the polder concept in this drainage systems study in order to determine the best approach for a second or third line of defense.

Mr. McKee questioned the intent of the Legislation regarding the study, as there could be several directions for such a study, and Mr. Barry commented it was his experience such legislation is to be interpreted to the best of the entity's ability. The Board discussed the various options or directions that could be taken for the study.

On the motion of Mr. Barry,  
Seconded by Mr. Doody, the following resolution was offered:

A resolution that the Southeast Louisiana Flood Protection Authority – East Board will consider a study of pump drainage systems operated by entities within the territorial boundaries of the authority to determine the challenges, benefits, and opportunities of developing a plan to fully coordinate the systems as soon as it is practicable to do so.

WHEREAS, Section 6. of Act 1 of the 1<sup>st</sup> Extraordinary Session of 2006 of the Louisiana Legislature provides that the board of commissioners of the Southeast Louisiana Flood Protection Authority – East “shall conduct a study of pump drainage systems operated by entities within the territorial boundaries of the authority to determine the challenges, benefits, and opportunities of developing a plan to fully coordinate the systems and shall submit a written report of its findings and recommendations to the Senate and House committees on transportation, highways, and public works by April 1, 2007”; and

WHEREAS, the board of commissioners of the Southeast Louisiana Flood Protection Authority – East (“SLFPA-East”) has had insufficient time to consider the requested study because the board has been seated for a relatively short amount of time, and more importantly, because the great number and serious nature of the immediate needs of the Orleans Levee District, the Lake Borgne Basin Levee District and the East Jefferson Levee District regarding repairs and operational changes have required the complete attention of SLFPA-East; and

WHEREAS, SLFPA-East desires to make a formal response to the Legislature at this time.

Therefore be it resolved by the Southeast Louisiana Flood Protection Authority – East that:

Section 1. Although the board of commissioners of the Southeast Louisiana Flood Protection Authority – East is unable at this time to consider a study of pump drainage systems operated by entities within the territorial boundaries of the authority to determine the challenges, benefits, and opportunities of developing a plan to fully coordinate the systems, the board will consider such a study as soon as it is practicable to do so.

Section 2. This resolution be forwarded on behalf of the Southeast Louisiana Flood Protection Authority – East to the Louisiana Senate and House committees on transportation, highways, and public.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

**RESOLUTION #03-23-07-005 – DE-AUTHORIZATION  
AND CLOSURE OF THE MISSISSIPPI RIVER GULF OUTLET**

Mr. Doody stressed that nothing can happen relative to closure of the MRGO until Congress deauthorizes the MRGO. There is a movement in Congress to begin that process and he requested the SLFPA-E's support.

President Jackson discussed the gated structures at Seabrook, GIWW and MRGO that would need to be constructed, with operational costs to be borne by the SLFPA-E or the levee districts, should Congress not deauthorize the MRGO for deep and shallow draft navigation and shipping is allowed to continue, and commented on the potential surge that could be experienced along this corridor before completion of the structures. The resolution is further aimed at accelerating the USACE's study so that a recommendation can be provided to Congress and Congress can act as quickly as possible.

Mr. Barry commented that in this case he agreed with the Legislature, but for the record stated that he very strongly objected to the Legislature dictating to any board a position on a technical issue, including the MRGO. He felt that this is a terrible precedent for the Legislature to set, and that it should have no influence on SLFPA-E'S position.

The Board briefly discussed the intent of the legislation in dictating the SLFPA-E's position on this matter.

On the motion of Mr. Doody,  
Seconded by Mr. Barry, the following resolution was offered

A resolution strongly urging the immediate de-authorization by the United States Congress of the Mississippi River Gulf Outlet as a navigable waterway and closure of the Mississippi River Gulf Outlet as soon as possible.

WHEREAS, Article 330.1.A (3) of Act 1 of the 2006 First Extraordinary Session of the Louisiana Legislature provides that the position of the Southeast Louisiana Flood Protection Authority East ("SLFPA-E") that "the Mississippi River Gulf Outlet ("MRGO") navigability is no longer necessary and the value associated with it remaining open is far outweighed by the danger it poses to the citizens of St. Bernard Parish, the Lower Ninth Ward of Orleans Parish, New Orleans East and surrounding areas;"

WHEREAS, SLFPA-E acknowledges and supports the position as stated above regarding the closure of MRGO;

WHEREAS, SLFPA-E recognizes that the existence of the MRGO significantly contributes to, and also enhances, risks and damages related to hurricane storm surges within the territorial jurisdiction of SLFPA-E;

WHEREAS, at this time the MRGO poses an enormous danger and specific risk to persons and property within its territorial jurisdiction and also inhibits effective planning for hurricane and flood protection;

WHEREAS, the closure of MRGO would directly and significantly reduce such danger and risk to persons and property within its territorial jurisdiction; and

WHEREAS, the de-authorization of MRGO as a navigable waterway is required before closure of MRGO;

**Therefore be it resolved** by the Southeast Louisiana Flood Protection Authority – East that:

Section 1. The Southeast Louisiana Flood Protection Authority–East strongly urges the immediate de-authorization by the United States Congress of the Mississippi River Gulf Outlet as a navigable waterway and the closure of the Mississippi River Gulf Outlet as soon as possible.

Section 2. This resolution be forwarded on behalf of the Southeast Louisiana Flood Protection Authority – East to the Louisiana Delegations in the United States Congress.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

RESOLUTION #03-23-07-006 –  
LAKE BORGNE BASIN LEVEE DISTRICT MARK HANNA LEGAL SERVICES

On the motion of Mr. Barry,  
Seconded by Mr. Doody, the following resolution was offered:

A resolution authorizing the engagement of Mark E. Hanna to perform certain legal services for the Lake Borgne Basin Levee District.

WHEREAS, a real necessity exists to engage legal counsel to advise and represent the Lake Borgne Basin Levee District in litigation titled “The Lake Borgne Basin Levee District v. Hanover Insurance Company”, United States District Court, Eastern District of Louisiana, Civil Action No. 06-11417, Section “N”, a lawsuit to recover property insurance proceeds from Hanover as a result of Hurricane Katrina;

WHEREAS, in consideration of services performed, the Lake Borgne Basin Levee District agrees to pay counsel as follows:

Directors (having experience of 10 years or more in the practice of law)	\$175.00/hr
Directors/Associates having experience of 5-10 years)	\$150.00/hr
Associates (3-5 years of experience)	\$125.00/hr
Associates (having experience of less than 3 years)	\$100.00/hr
Paralegals	\$ 45.00/hr
Law Clerks	\$ 25.00/hr

WHEREAS, this engagement shall commence immediately and end on June 30, 2007, and said contract shall be terminable with or without cause immediately by the Authority and with thirty (30) days notice by Counsel;

WHEREAS, said engagement shall be submitted to the Louisiana Attorney General’s office for approval.

BE IT HEREBY RESOLVED, That the Authority retains the services of Mark E. Hanna as counsel for the above-described legal matter.

BE IT FURTHER RESOLVED, That this Resolution be submitted to the Office of the Attorney General for the State of Louisiana for approval, under the terms set forth above.

BE IT FURTHER RESOLVED, That the President is authorized to sign any and all documents necessary to carry out the above.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

RESOLUTION #03-23-07-007 - AUTHORIZATION FOR SLFPA-EAST  
CAPITAL ONE MASTERCARD BUSINESSCARD CREDIT CARD

President Jackson explained the proposed resolution is required in order to obtain a Capital One Mastercard, which is needed by the SLFPA-E’s staff for small purchases and expenses.

Mr. Barry offered a friendly amendment to the resolution to provide a maximum card limit of \$10,000, and that the card include a cash back provision, and the Board had no objection.

On the motion of Mr. Doody,  
Seconded by Mr. Barry, the following resolution was offered:

WHEREAS, there is a need for a credit card for small purchases for the operation of the Southeastern Louisiana Flood Protection Authority – East;

Be it resolved by the Southeast Louisiana Flood Protection Authority – East that:

Section 1. The Board of Commissioners of the Southeastern Louisiana Flood Protection Authority – East (“SLFPA-East”) hereby gives authorization to Capital One, N.A. to open a Capital One MasterCard BusinessCard credit card, containing a cash back provision, for SLFPA East with maximum card limit of Ten Thousand Dollars and No/100 [\$10,000.00].

Section 2. The SLFPA-East President, SLFPA-East Treasurer and SLFPA-East Administrative Assistant to the President have the Board’s authorization to incur debt on behalf of SLFPA-East by using that credit card and have authorization to sign and inquire on the credit card account at Capital One.

The foregoing was submitted to a vote, the vote thereon was as follows:  
YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie  
NAYS: None  
ABSENT: Mr. Pineda

**RESOLUTION #03-23-07-008 –  
RESOLUTION ESTABLISHING POLICY FOR CITIZENS’ CONCERNS**

Ms. Cornelia Ullmann, O.L.D. Interim Counsel, explained the proposed resolution presents procedures for the communication of citizens’ concerns and needs by first addressing such concerns and needs to the levee districts’ executive directors, and then by their communication to the individual commissioner representing that district and the President’s office. This will ensure those who need to be informed are so informed, and concerns are addressed in a timely manner by the executive directors who are in the best position to either act on those concerns or provide information to the commissioners.

President Jackson further explained the proposed resolution is being considered due to the increasing intensity of communications from citizens and neighborhood associations, and is intended to improve reaction and bring attention to these communications, and to involve the commissioner representative from the specific parish. In most instances, the levee districts’ executive directors are able to respond more quickly to a situation than the President or a Board member.

Mr. McKee suggested setting up a reporting or “hot line” system in the future, which was briefly discussed by the Board.

On the motion of Mr. Doody,  
Seconded by Mr. McKee, the following resolution was offered:

WHEREAS, following the devastation caused by the effects of Hurricanes Katrina and Rita, the Louisiana Legislature enacted Act 43 of the First Extraordinary Session of 2006, and pursuant to said act, the concerned voters of the State of Louisiana overwhelmingly approved a Constitutional Amendment allowing the creation of regional flood protection authorities for Southeast Louisiana, and as provided by Act 1 of said Session the Southeast Louisiana Flood Protection East and West Authorities were established; and

WHEREAS, the aforementioned legislation purposed unencumbered focus on regional protection, and the safety and preservation of life and property, through the construction and maintenance of an integrated, comprehensive flood protection system; and

WHEREAS, Article 330.12 of Act 1, Management of non-flood protection functions and activities, does not definitively address certain properties or areas of management and activity which are not construed by the SLFPA-E to be within the focus of the aforementioned legislation or the intent of public officials and the voters of the State of Louisiana, which consistently echo the mandate of flood protection; and

WHEREAS, the SLFPA-E is mindful of and acknowledges the concerns of those communities affected, as well as the concerns of all of the citizens within its areas of jurisdiction, and until such time as a final determination or clarification is provided by the appropriate officials or through additional legislation relative to flood/non-flood issues, the SLFPA-E wishes to address these concerns, as well as other public concerns, as efficiently and promptly as possible through the implementation of certain procedures.

RESOLVED, The SLFPA-E adopts the following procedures to address public concerns:

A.) Immediate concerns shall first be directed to the appropriate Executive Director for each of the levee districts under its jurisdiction, who shall communicate those concerns to the SLFPA-E Commissioner representing the affected parish, as well as the SLFPA-E President.

B.) Immediate concerns relative to Orleans Levee District's (O.L.D.) non-flood assets shall be directed to Mr. Louis Capo, Director of Real Estate, Recreational and Non-Flood Assets, and shall also be communicated to the SLFPA-E Commissioner representing the affected parish, as well as the SLFPA-E President.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barnes, Mr. Barry, Mr. Doody, Mr. Goins, Mr. Losonsky,  
Mr. McKee, and Mr. Wittie

NAYS: None

ABSENT: Mr. Pineda

PRESENTATION ON HASPEL & DAVIS MILLING & PLANTING CO. LTD.,  
ET AL V. ORLEANS LEVEE DISTRICT ("Haspel & Davis")

Mr. Scott O'Connor, attorney with Gordon, Arata, McCollam, Duplantis & Eagan, provided an overview of the Haspel & Davis litigation. The situation stems from Acts of the Louisiana Legislature in 1984 and thereafter which provided that the Bohemia Spillway was no longer used for flood protection purposes, and that the lands purchased by the O.L.D. by expropriation or under the threat of expropriation for the construction of the Bohemia Spillway should be returned to the private owners or their successors in interest. Among other things, the legislation did not even provide for the return of the original purchase price to the O.L.D.

Litigation ensued from approximately 1986 through 2000, among other things challenging the constitutionality of the legislation and whether the mandated return of land to private owners included the return of revenues attributed to those lands. A sharply divided Louisiana Supreme Court ultimately determined that the legislation was constitutional.

Meanwhile, the La. Department of Natural Resources (D.N.R.) set up a process for the certification of the private owners or their heirs. After the constitutionality of the legislation was upheld by the Louisiana Supreme Court, the O.L.D. began transferring lands back to those former owners or successors certified by D.N.R.

Concurrently, the plaintiffs in Haspel & Davis Milling & Planting Co. v. O.L.D. filed suit in Plaquemines Parish seeking class certification, the return of their lands and the return of revenues attributable to those lands. The O.L.D. defended this litigation for



over twelve years with mixed results to a point where the Board in December, 2000, entered into a settlement agreement and consent judgment in excess of \$20 million, which called for an initial multi-million payment and certain additional minimum annual payments thereafter. Mr. O'Connor further explained the reasons behind the settlement agreement.

The O.L.D. paid the initial multi-million payment and from 2000-2005 the O.L.D. made additional partial payments, although it was not always in a position to appropriate the full \$2.6 million minimum annual payments called for under the settlement agreement. In each case, the plaintiffs agreed to accept the lesser amounts appropriated by the O.L.D.

In mid-2005, a superseding settlement agreement was reached providing for a lump sum of \$10.2 million to be paid on or before January, 2006, which was proposed to be funded through the issuance of bonds and was on the agenda for the October, 2005 Bond Commission meeting; however, due to Hurricane Katrina, it was determined that the bonds could not be funded. One of the terms of the 2005 agreement was that should the settlement not be funded timely, it could be set aside. The plaintiffs elected to exercise their rights to have the 2005 settlement set aside and voided for non-payment.

The plaintiffs then filed suit in federal court in July, 2006, alleging that the O.L.D.'s failure to fund the second settlement and failure to pay all monies due under the first settlement amounted to an unconstitutional taking of their property in violation of federal law. Judge Livaudais of the federal court sided with the plaintiffs and has held that he is not constrained by State law anti-seizure provisions from ordering the seizure of assets owned by the O.L.D. to satisfy the \$17.65 million (plus interest) judgment he granted in plaintiffs' favor.

Mr. O'Connor further explained, under actions by Judge Livaudais, unless the O.L.D. is able to post a bond or show adequate financial resources can be set aside pending an appeal, garnishments or seizures may be ordered and are imminent. He suggested in order to deal with this potential imminent seizure that the O.L.D.: first make a determination of the affect that the actual seizure of approximately \$18 million of assets would have on the O.L.D.'s ability to discharge its function of flood protection; and, second, determine whether an alternate form of security could be proposed to the District Court or the U.S. Fifth Circuit Court of Appeal so as to obtain a stay of execution of Judge Livaudais' judgment pending appeal.

President Jackson pointed out it will be necessary for the SLFPA-E to look carefully at the O.L.D.'s assets, many of which are the result of FEMA grants and insurance proceeds which are committed, noting those assets set aside may be tied up for a period of up to a year.

Mr. O'Connor continued, Judge Livaudais has determined the amount remaining to be paid is \$17.65 million, plus applicable judicial interest which is accruing at the rate of approximately \$72,000 per month from March 1, 2007. The current appeal will address the validity of the plaintiffs' takings claims and the attempted seizures in view of the terms of the 2000 settlement agreement and state court consent judgment.

President Jackson stressed this is an extremely serious issue, since this potential seizure amounts to two years of the O.L.D.'s budget.

#### DISCUSSION OF ORLEANS LEVEE DISTRICT POLICE ISSUES.

Mr. Joe Hassinger, President of the Lake Terrace Property Owners Association, informed the Board he had heard that the Authority had instructed O.L.D. police officers not to enforce traffic laws along Lakeshore Drive and not to patrol in the Lakefront neighborhoods. He commented on the open areas used by the public and the need for enforcement of speed limits, as well as other laws, along Lakeshore Drive. He stated the O.L.D. police historically patrolled the area between Robert E. Lee Boulevard and the Lake and that the New Orleans Police Department (NOPD) relied on the O.L.D. Police to patrol these areas. Mr. Hassinger felt these services should be continued and

that the SLFPA-E did not have the authority under legislation subsequent to Act 1 regarding police functions to change the function of the police until additional legislation is passed. He asked for assurance from the Board that the police functions performed prior to the creation of the authority would remain the same.

President Jackson explained he had been extremely busy focusing on the grave issues dealing with flood protection. He advised that any such instructions that Mr. Hassinger had referred to did not come from him nor the Authority. He further explained in discussions with management of the East Jefferson Levee District he instructed that its police also take notice of activities taking place along the levees and other observable occurrences while carrying out their levee inspection duties. Negotiations are on-going with the Division of Administration (DOA) regarding non-flood assets. He advised the Board understood the concerns expressed, and that it will carry out its legal responsibilities. Further, the Board has instructed the O.L.D. management to continue grass cutting and patrol until those discussions are completed and agreement is reached between the Board and the DOA.

Mr. Barry indicated he sympathized with those present concerning this situation; however, he noted the legislation referred to subsequent to Act 1 was directly in conflict with Act 1. He further advised the instructions Mr. Hassinger referred to had never been discussed or raised before him.

Mr. Doody commented that due to a smaller tax base and decreased revenues the O.L.D.'s resources are stretched very thin. Also, the Board is struggling with providing flood protection and setting priorities.

Ms. Sutherland commented she did not feel it unreasonable to direct the Police to continue these duties until they are taken over by others.

President Jackson felt an agreement would be reached between now and the end of the Fiscal Year, and as of this time half of the Police personnel (16 positions) will go to the non-flood side. He noted all O.L.D. police officers, as well as the officers of the other levee districts, while patrolling levees, in effect, also patrol activities along those levees, including Lakeshore Drive.

Mr. Hassinger asked that there be no gap until the Legislature addresses this situation, and President Jackson responded it was never the intention to have any gap.

Mr. Hassinger further requested that it be made clear to O.L.D. police officers that these functions have not changed.

Mr. Steven Spencer, O.L.D. Director, advised O.L.D. police are still patrolling Lakeshore Drive and the neighborhoods; however, the officers are not performing radar checks that were previously performed because of the personnel shortage.

Ms. Sutherland requested that Mr. Spencer get together with the Police supervisors to advise them to continue its duties and responsibilities.

Mr. Hassinger felt the enforcement of speeding along Lakeshore Drive was lax because the officers were not shooting radar.

Mr. McKee commented he would be opposed to any impediment to the flood mandate and felt relief may come from the DOA.

#### PUBLIC COMMENTS:

Mr. Michael Hayden stated he had a copy of the letter issued by the NOPD approximately 10 years ago regarding O.L.D. police activities. He asked whether any changes had occurred and that should any changes occur that the NOPD be notified. He noted there were activities taking place along Lakeshore Drive that needed to be addressed by police professionals.

Mr. Laurence Cohen, Lake Terrace Property Owners Association President, stated the voters did not know these other issues would be involved. He felt there was a covenant with the homeowners on the Lakefront for protection and the status quo should be maintained.

Ms. Liz Leonard advised she assists with coordination of neighborhood patrol efforts and was under the impression the O.L.D. police would continue their patrols. In meetings the NOPD have emphasized its shortage of officers and that it does not patrol the lakefront area.

Mr. Bob Drouant indicated he understood the emphasis on flood issues, adding, however, that the rebuilding of the protection system interacts with other issues, such as traffic and individuals passing through the neighborhoods.

Mr. Robert Massart commented regarding the dangerous traffic situation on Lakeshore Drive and asked for better communication between the O.L.D. Police Department and NOPD.

President Jackson interjected that the agreement had not been changed and the departments are in communication; all services will be continued until the division of assets is completed.

Ms. Holly Callia advised her concerns relative to the issues of public safety and protection, and primarily the issue of patrols.

Public comments were received on the perceived disconnect between the Sewerage & Water Board (S&WB) and the O.L.D., and that homeowners assume that should the S&WB be notified of a concern, that concern would be relayed by the S&WB to the O.L.D. More continuity between the governmental agencies was requested.

Mr. Jeb Bruneau advised that when the people in these neighborhoods voted, they were assured that the quality issue would be addressed. He felt a direction was given and asked that the neighborhoods not be left in limbo until the flood / non-flood assets are divided.

Dr. Vibhakar Dave thanked the Board for its service and noted the rise in the crime rate and commented in the past these areas have enjoyed security. He further commented that the seawall is the first barrier in flood protection and requested the Board take the maintenance of the seawall into consideration.

There being no further business, the meeting was adjourned at 1:28 p.m.