

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MARCH 21, 2019**

PRESENT: Mark L. Morgan, Chair
Quentin Dastugue, Committee Member
Richard A. Luettich, Jr., Committee Member
Herbert I. Miller, Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on March 21, 2019, in the Joseph Yenni Building, Second Floor Council Chambers, 1221 Elmwood Park Boulevard, Harahan, LA. Mr. Morgan called the meeting to order at 9:00 a.m.

Opening Comments: None.

Adoption of Agenda: The Committee adopted the agenda as presented.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meetings held on January 17 and February 12, 2019.

Public Comments:

Ray Landeche advised that he lives on Canal Boulevard and was representing the Lakeshore neighborhood. He stated that even after the adoption of the Memorandum of Understanding (MOU) between the FPA and the Non-Flood Protection Asset Management Authority (NFA), he is still seeking to understand each agency's responsibilities (e.g., parking lot, policing, traffic studies, parking bays and parks) so that he can ensure that the money is being spent accordingly. He also wanted to ensure that any agreements between the FPA Chief Administrative Officer (CAO) and NFA Executive Director are properly documented.

Derek Boese, CAO, explained that the agreement (MOU) was between the two Boards (FPA and NFA) on behalf of the entities. The MOU provides that the parking lot by Landry's, and the parks are the responsibility of the NFA, and Lakeshore Drive (the roadway) is the responsibility of the FPA. Should questions arise relative to a particular border, Mr. Boese was confident that between himself and Wilma Heaton, FPA Chair, the issues can be hashed out. Cooperation between the FPA and NFA continues to be good. The entities collaborated within the past several months on a traffic control issue in the vicinity of the UNO ramp at Lakeshore Drive. UNO is also a stakeholder in the traffic study. Separate parking lots are the responsibility of the FPA. He advised that he would have to refer to the MOU regarding responsibility for the parking bays. The policing of Lakeshore Drive is the responsibility of the FPA.

Regional Finance Director's Report:

Kelli Chandler, Regional Finance Director, reviewed the highlights of her report:

- Staffing - The FPA's Grant Writer turned in her resignation and her last day will be March 22. The position of Purchasing Specialist has been filled and the incumbent will begin work on March 25th. The Accountant 4 position is being advertised. The incumbent will assist with some of the bigger projects (e.g., work-in-kind credits and recording non-flood protection fixed assets). Resumes were received for the Administrative Coordinator 3 position and interviews will take place next week.
- Capturing costs for the Hurricane and Storm Damage Risk Reduction System (HSDRRS) versus the Mississippi River Levee System (MRL) versus the interior system – One way to capture costs is thru payroll, which will require additional columns within the time card and mapping to the general ledger. The process will require significant coding. Finance will work with ADP on this project. Costs will be captured by department and location. Mechanisms will be included in the general ledger to capture the data.
- Excel add-on software was installed that will partner with the accounting (MIP) software to allow Finance to design various reports for staff. Staff will be able to generate updated reports by refreshing the data. The reports will also provide additional data for information purposes.

Mr. Morgan inquired about the management of current grants. Ms. Chandler explained that the FEMA reimbursements and grants reimbursements for some Lake Borgne Basin Levee District projects will be handled internally. She stated that she met with Ms. Chaffin and got up to speed on some of the systems and what has been submitted thus far in costs. The close outs for previous storms will also be handled internally by Ms. Chandler assisted by the Accountant 4. Grant applications will be out sourced.

New Business:

A. Discussion of recertification of the East Jefferson Levee District millage rate for 2019 tax rolls.

Ms. Chandler advised that the Board will be requested to certify last year's millage rate for the 2019 tax rolls.

B. Review and discussion of the Southeast Louisiana Flood Protection Authority-East's (FPA) Fiscal Year (FY) 2020 Budget.

Ms. Chandler explained that the FY 2020 Budget is the first comprehensive entity wide budget by department. She recognized Tuyet Nguyen, Accountant Manager 2, for developing the budget schedules. Ms. Chandler reviewed highlights of the FY 2020 Budget:

Comprehensive Budget (Authority and levee districts):

- Expenses total \$75 million, General Operating Expenses total \$40.4 million, Capital Projects total \$31.1 and Reserves for cycle maintenance total \$3.5 million (approximates given).
- Personnel services increased 16% or \$3.5 million. The increase relates to additional Maintenance positions due to regionalizing the function and the return to the East Jefferson Levee District (EJLD) of large segments of levee that were armored by the U.S. Army Corps of Engineers (USACE). The additional staff will bring the EJLD to its former level prior to the USACE taking over the levees for armoring. The regionalization of the maintenance function is anticipated to bring consistencies across the levee districts and result in a more defined and staffed organization that can maintain the system at the highest level. Civil Service approval of the regionalized maintenance plan is needed and the FPA must initiate an aggressive hiring program. Mr. Luettich requested that the Commissioners be kept apprised of the Maintenance regionalization effort and the resulting benefits.

In addition, the employer's contribution rate to the Louisiana State Retirement System (LASERS) increased from 37.2% to 40.7%. The additional pay (State Supplemental Pay) for Police is budgeted for the entire year.

- Travel and Training increased by 8% or \$16,000 due to increased training for the Orleans Levee District (O.L.D.) Police personnel and additional Maintenance personnel.
- Professional Services decreased by 30% or \$505,000 due to the conclusion of the Fazande Consulting Contract. The decrease was partly offset by an anticipated increase in legal fees and the Grant Consultant for Police.
- Contractual Services are expected to increase. Adjustments were made to the Workers Comp (WC) categories and the WC audit was completed. Increases are expected in vehicle maintenance due to additional staffing and in insurance premiums for the Permanent Canal Closures and Pumps (PCCP). Levee Maintenance was increased because the FPA will be rebidding services; however, the number of cuts were decreased due to the increase in staff.
- Materials and Supplies are expected to decrease due to the reduced need for fill materials and fuel for the PCCP.
- Equipment Purchases decreased by 12% or \$362,000.
- Capital Projects decreased by about \$1.4 million. Some costs were shifted (e.g., the cost for the Visitor's Center was shifted to FY 2021). Additional engineers were hired to assist with the effort to complete Capital Projects. Implementation of Primavera will help plan and allocate resources and schedule appropriately.

Highlights of the Flood Protection Authority Budget:

- The FPA is non-revenue generating and has a break even budget each year.
- Contractual Services includes \$885,000 for insurance premiums.

- Personnel Services increased due to additional positions, budgeting several positions for the entire year and increased retirement costs.
- Training increased 8%. All of the training related to Maintenance is now budgeted at the Authority level based on function rather than district.
- Equipment and Expenses are budgeted at the Authority level for functions or efforts that benefit the entire organization. Equipment and expenses for specific locations (e.g., internet for the PCCP) are included in the budget for the specific district. The integration and consolidation of services is continuing, particularly with regards to IT services.

Mr. Dastugue inquired about changes to the budget that take place during the year. Ms. Chandler explained that Finance staff reviews the budgets each quarter and manages the budgets internally. If it is determined that a budget will be over in total for the Authority or a particular district, it is brought back to the Board. Levels are established for staff and Board authorized purchases. The Lake Borgne Basin Levee District (LBBLD) Budget is tracked on a monthly basis in accordance with the Board's guidance.

It was noted that the FY 2019 Budget for the FPA is currently under budget. Funding for the proposed leasing of IT infrastructure is included in the FY 2019 FPA Budget.

The Finance Committee will recommend that the Board approve the FY 2020 FPA Budget.

C. Review and discussion of the Orleans Levee District (O.L.D.) FY 2020 Budget.

Ms. Chandler reviewed the highlights of the O.L.D. FY 2020 Budget:

- The O.L.D. has two revenue streams: 1) General Fund (Constitutional millage) and 2) Special Levee Improvement (SLIP) Fund (voter approved millage). Combined revenues (General and SLIP Funds) total \$47.8 million and combined expenses total \$51.8 million.
- Capital Outlay expenses for FY 2020 include: On-going Outfall Canal Erosion Repairs (\$2.2 million budgeted), Visitor's Center Design (\$750,000), ID-IQ services (\$2 million), and Seawall Erosion Control Project Phase IV (\$3 million). Capital projects for the PCCP are segregated in order to capture the costs, along with general operating expenses, when the true-up of the numbers takes place with the Sewerage and Water Board of New Orleans. The estimated cost for the Visitor's Center (design and construction) is \$4 million. An additional \$7 million is included for the levee raising portion of the USACE contract for the armoring/levee lift project (USACE estimate is between \$5 million and \$7 million). PCCP safety modifications (\$500,000), includes improvements, safety features and signage needs identified while maintaining the structures or recommended by the I-STORM peer review team.

It was noted that Item 83 - Shooting and Training Range Upgrade-Design will be grant funded. Mr. Dastugue questioned the need to construct a shooting-training range. Chief Najolia explained that the FPA is moving towards identification as

critical infrastructure. Agencies with critical infrastructure (e.g., nuclear power plants) have facilities for training security personnel on a regular basis. Identification of the FPA's infrastructure as critical increases the potential for the FPA to receive Federal and State grant funding. The negative side of this identification is that authorities will look more closely at what the FPA is doing from a training perspective. It is consistent nationally and internationally to have a firing range connected with these types of critical infrastructure. No such facility is located in Orleans Parish at this time. Over 62 groups currently use the Jefferson Parish Sheriff Office's firing range; therefore, it is would be difficult to receive the level of training that the FPA is looking towards. Obtaining grant funding for a firing range increases the FPA's effectiveness in an efficient way. Ms. Chandler advised that Finance attempted to place grant funding dependent projects in a separate listing; however, this project was missed. If grant funding is received, the project will be included in the budget. Therefore, Item 83 - Shooting and Training Range Upgrade-Design will be removed from the Capital Outlay Budget at this time.

Item 116 Transfer to Non Flood Admin is related to the portion of the voter approved millage that was dedicated to non-flood protection assets. The remaining due to/due from balance owed by the NFA was recognized in a previous year as a receivable; therefore, the quarterly payments are recorded as relieving the receivable. Upcoming changes or additional details regarding NFA insurance issues are anticipated in the future.

- The final payment of \$923,500 towards the loan to the LBBLD is included in budget. The payment was initially budgeted in the FY 2019 Budget; however, it was postponed due to the cash flow situation. After grant reimbursements from FEMA are received for the Violet Canal Realignment Project and Pump Stations Nos. 6 and 7 Repair Project, the final payment towards the loan can take place.
- Mr. Dastugue inquired about take home vehicles. Ms. Chandler explained that the purchase of the vehicle is included in the appropriate levee district's budget. The employees are charged a fee for a take home vehicle benefit and the revenue is received by the appropriate levee district.

The members of the Committee concurred with recommending that the Board approve the FY 2020 Budget with the proviso that the Shooting and Training Range Upgrade-Design would be removed from the budget and included in the listing of projects that are dependent upon receipt of grant funding.

D. Review and discussion of the East Jefferson Levee District FY 2020 Budget.

Ms. Chandler reviewed the highlights of the EJLD FY 2020 Budget:

- Estimated Revenues total \$11,468,600 and estimated Expenses total \$13,777,000.
- Capital Projects are estimated at \$4,470,000 and include the following major projects: Sheetpile Renovation and Painting (Airline to Railroad Tracks) and Lakefront Protected Side Drainage and Foreshore Erosion Repairs. The FPA is

awaiting advice from the USACE regarding the Foreshore Erosion Repairs and whether the USACE or EJLD must pay the significant cost for the repairs.

- \$1,146,900 is committed for escrow for cycle maintenance.
- Contractual Services decreased primarily because EJLD employees, with the exception of Police, have been moved to the Authority-level and insurance premiums were shifted to the Authority-level due to the consolidation.
- The budget includes investment income (interest) from LAMP (Louisiana Asset Management Pool). LAMP is a pool used by government agencies, managed by the State Treasurer, for short term, highly liquid investments. A small portion of the LBBLD's excess cash has been placed in LAMP in order to receive the additional revenue.
- State Revenue Sharing is included in the levee districts' budgets under Intergovernmental Revenues.

The Finance Committee will recommend that the Board approve the FY 2020 EJLD Budget.

E. Review and discussion of the Lake Borgne Basin Levee District FY 2020 Budget.

Ms. Chandler reviewed the highlights of the LBBLD FY 2020 Budget:

- Estimated Revenues total \$3,895,700 and estimated Expenses total \$5,734,800.
- Capital Projects are estimated at \$1,115,000 and include the following major projects: MRL Floodgate Repairs and Phase 1 (Soap Factory) of the Violet Canal Realignment Project.
- Small decreases are included for Personnel Services and Equipment Purchases and small increases for Contractual Services (due to rebidding grass cutting services), Material and Supplies and Professional Services (due to legal fees).
- The FY 2020 Budget includes expenses for the pump stations and drainage (\$1.26 million) and the revenues from the voter approved ad valorem tax millage that expires in 2020. Ms. Chandler advised that an alternate draft resolution was available to present to the Board, if the Committee so desired, that did not include these pump station expenses and millage revenues. Mr. Morgan explained that the Board would be asked later today to approve a thirty day extension of the stay of the divestiture of the LBBLD's pumping and drainage operations. Negotiations regarding the divestiture are on-going. Mr. Luettich stated that he has been a strong advocate for the divestiture; however, in terms of added transparency and simply doing the right thing, he would be in favor of leaving the expenses/revenues in the budget at this time. He added that this is part of a good faith attempt and that he hoped that the divestiture would be negotiated prior to the expiration of the stay, after which the budget can be adjusted. Mr. Morgan agreed with Mr. Luettich suggestion.
- The budget includes \$150,000 for legal fees primarily due to the five active suits instituted by St. Bernard Parish Government. Four of the suits relate to the

divestiture and one suit is related to Pump Stations Nos. 1 and 4 repair issues. If an agreed upon divestiture takes place, the legal fees would be reduced.

- The LBBLD budget includes 19 filled positions, one vacancy and three proposed new positions. The position count would be adjusted with the divestiture of the pumping/drainage operations.

Mr. Miller inquired about the number of vacancies for the O.L.D. and EJLD and asked when was the last pay study conducted? Ms. Chandler advised that Human Resources (HR) and Maintenance staff met to discuss potential tools to increase the entrance level pay and optional pay for additional qualifications in order to attract and retain personnel. Mr. Boese explained that there was a historical pattern of hiring personnel at the bare minimum of the pay scale, regardless of past experience. This pattern has been changed. The FPA can only hire, per Civil Service rules, up to the mid-point of the pay scale and experience is reviewed to determine the appropriate point. Prior to the State's revised pay scale instituted about a year ago, the levee districts had special entrance rates for certain positions due to hiring difficulties. The special entrance rates were dissolved when the revised pay scale was instituted. HR is in the process of resubmitting special entrance rates to Civil Service for approval. The FPA is also widening its search net for candidates to fill vacancies.

Mr. Miller asked did the FPA equalized pay across the levee districts? Mr. Boese responded, generally speaking, yes; taking into account experience and seniority. The FPA equalized pay across the levee districts to the best of its ability and continues to look for disparities that can be corrected.

The Finance Committee will recommend that the Board approve the FY 2020 LBBLD Budget. The budget will be adjusted, if and when necessary, relative to the pumping and drainage operations.

F. Discussion of a proposed one-year extension of the Deferred Development Term of State Agency Lease No. 21385 between Upstream Exploration, LLC and the Orleans Levee District for and in consideration of the payment of the sum \$34,890.24 for said term.

Michelle White, Executive Counsel, advised that the leased property is located in the Bohemia Spillway in Plaquemines Parish. The oil, gas and mineral lease with Upstream Exploration, LLC, expires in March. The lessee is still active in the area (exploration at this point) and requested a one-year extension of the lease on the same terms and for the same annual fee. The State Mineral Board sets the parameters of the lease and the fees.

The Finance Committee will recommend that the Board approve the proposed one-year lease extension.

G. Discussion of a proposed service contract with Louisiana Cat for 60 month extended warranty coverage in the amount of \$532,590 for the Caterpillar C175 Switchgear for the PCCP pump stations.

Gerry Gillen, Operations Director, advised that the USACE's contractor warranty for the PCCP expires on May 1, 2019. FPA staff is reaching out to the manufacturers of the major components regarding warranty extensions. Staff recommended that the warranty for the Caterpillar C175 Switchgear be extended for a five-year period due to its highly specialized componentry. In addition, the technology is changing rapidly; therefore, required components may not be available in the next year or two. There is a onetime payment of \$532,590 for the five-year warranty extension.

Mr. Gillen explained that staff decided against extending the warranty on the Caterpillar generators due to the cost. PCCP staff has the expertise to perform the maintenance and one or two generators can be replaced, if necessary, at the same cost as the warranty. A service contract was put into place last year for the smaller generators and their switchgear because of the number of hours of operation due to energy issues.

Ken Johnson, PCCP Power Generator Manager, explained that the internal cost to Caterpillar to replace the C175 Switchgear is \$11 million. The warranty would allow the FPA to mitigate its risk for five years. The FPA's cost for replacing the componentry is estimated at 1.3 to 1.4 million dollars (in today's dollars). Under the warranty Caterpillar would carry all of the components that are at risk, including obsolescence, and would perform annual inspections. If a component that is critical to the network backbone fails after May 1st, it would no longer be supported by the original equipment manufacturer. Therefore, the component may be inexpensive, but because it cannot be replaced, the FPA would have to replace the entire network and everything that touches the network. PCCP staff would continue maintaining the equipment. The warranty would be voidable only if the FPA attempted to modify the equipment.

Mr. Johnson further explained that each PCCP station has two types of power: 1) 480 volt power provided by Entergy with emergency 480 generator backup for house loads and other needs; and 2) 4160 generators with backup that power everything in the station, including the 4160 pumps, during an event.

Mr. Morgan asked about the potential of a failure occurring during the next five years. Mr. Johnson explained that he installed the same type of equipment in Africa and the components ran for 20 years; however, during this time the components were supported by the manufacturer. Due to rapidly changing technology, the components are no longer supported. A potential failure of a no longer supported component requiring the FPA to spend 1.3 to 1.4 million to replace the componentry must be compared to the cost of the warranty providing five years at zero cost risk. In addition, the cost would be much greater should a failure occur during the hurricane season because Caterpillar would have to send a number of people to perform the work within a very short period of time. A condition could be written into the warranty to require Caterpillar to have someone on site within 36 to 48 hours. If a failure occurs during a storm, PCCP staff has enough knowledge on site to work around most of the issues. The five year

warranty period would also provide time for FPA staff to develop plans for dealing with the equipment after the warranty period and for escrowing funding to meet future needs.

Mr. Miller commented that the PCCP stations will most probably lose Entergy power during a storm event. The switchgear is essential to the operation of the PCCP and pumps. The warranty serves as a maintenance, as well as an insurance, policy for the switchgear equipment.

Mr. Johnson pointed out that the Caterpillar C175 Switchgear was designed and built in 2013 and delivered in 2014. Therefore, the switchgear is already five to six years into its lifecycle. He reiterated that due to obsolescence the components are no longer supported by the manufacturer.

The Finance Committee will recommend that the Board approve the five-year extension of the warranty for the Caterpillar C175 Switchgear for the PCCP pump stations.

H. Discussion of a proposed agreement with Universal Data, Inc. for leasing information technology (IT) infrastructure.

Roman Dody, Information Technology (IT) Director, advised that the purpose of the lease with Universal Data, Inc. (UDI) is to address the aging backend infrastructure for the entire organization, to build redundancy within the FPA's IT infrastructure between the EJLD Facility and the O.L.D. Franklin Facility, and to allow staff to access FPA mission critical data via a portal via the cloud during a weather or non-weather event. UDI is under State contract and the equipment sold by UDI is State approved. The proposed agreement for leasing the infrastructure is for a five year period. UDI will perform a refresh at the end of the five year period such that the FPA would remain on schedule. The FPA charged the IT Department with ensuring that a four to five year refresh is conducted on the frontend and backend infrastructure, which is standard throughout the IT industry.

Mr. Dody explained that the agreement would allow UDI to perform a rip and replace of the FPA's backend infrastructure. A complete virtualized environment would be built that would reduce the footprint of the FPA's datacenter. Multiple servers will be built within a host. There would be two multiple-hosts to be located at the O.L.D. and EJLD facilities with redundancy. The O.L.D.'s current server is seven years old. The EJLD facility does not have a comparable server at this time.

Mr. Dody advised that the \$397,239.65 cost would cover the entire five year period. The FPA is spending \$1,000 per month for data replication between the O.L.D. and Baton Rouge. The FPA would be recouping this cost (\$60,000 for a five year period) and investing it within the FPA. The FPA would be spending \$2,500 per month for backup and data storage located in multiple locations (local; Nashville, TN; Atlanta, GA; Houston, TX; and a location in South Carolina) providing multiple redundancies.

Mr. Morgan pointed out that the State advertised and received bids and that UDI is on the State's contract list as a provider.

Mr. Luettich inquired about the cost to purchase the equipment. Mr. Dody responded that he could find out the cost; however, there may only be a slight increase for the purchase. Mr. Luettich asked the advantage of a lease arrangement in which the entire cost is paid upfront versus buying the equipment. Mr. Dody explained that in five years the equipment will be obsolete. Since the FPA has a small internal shop of two men, the negotiated agreement provides that at the end of the term UDI will come in and inventory the equipment, wipe the equipment clean and scale the new, refreshed equipment, which takes significant time and effort. UDI will also help the FPA transition its current setup into the new setup. Once the transfer is completed, the FPA would manage the equipment during the tenure of the lease. The lease agreement is an industry trend given the size of the FPA's IT shop. The current direction of the industry is to reduce the physical footprint and provide more automation with virtualization spearheading the initiative.

Mr. Miller stated that he is in full support of the concept, but not the agreement. He stated that what Mr. Dody is proposing to do is needed, that it is important for the FPA to have redundancy, and that he believed that everyone has acted in good faith; however, he had serious issues with the contract and with the approach. Utilization of State contract is fine for items that are bid or for emergencies; however, this is not that type of situation. He stated that he did not know UDI or a single other entity that provides these services; however, he knew that those entities are out there, and that the FPA has not given other people an opportunity to look at this.

Mr. Dody explained that the FPA brought in three vendors (UDI, Sanmay Technology Solutions and MC). Two vendors were not under State contract. All three vendors provided a presentation, but once the two vendors realized that the FPA was looking for services under the State contract, the two vendors backed out.

Mr. Miller stated that there are at least two other vendors, which were referred to by Mr. Dody, capable of providing these services and that the FPA does not know their proposed costs. He reiterated that he had issues with the contract. First, a clause in the agreement provides that if UDI's vendors do not meet their schedule because they have asked for certain information or products to be supplied, and the information or products are not supplied causing an increase to the cost, UDI does not eat that cost.

Mr. Dody responded that the clause referred to by Mr. Miller is standard in contracts with this type of vendor. The burden is on the FPA (the user) to ensure that the resources are available for UDI to fulfill its side of the contract.

Mr. Miller stated that the upgrading of the operating systems and the application versions are not included in the contract. If there is an upgrade, the FPA must pay the cost. The contract does not include Window licenses and indicates that 80 Microsoft core licenses are needed.

Mr. Dody responded that the FPA IT Department manages the Window core licensing. The FPA uses a preferred Microsoft vendor that is under State contract, SHI Software House International.

Mr. Miller stated that the contract includes a design phase; however, the FPA would bear the cost of any additions that are needed. He stated that the FPA should know what is needed prior to signing a contract. He reiterated that in his opinion there are a lot of problems with the contract and stated that a Request for Proposals (RFP) should be issued to allow other vendors that are not under State contract to bid. He stated that the project is good and needed, but the FPA should not allow itself to be limited to considering just one vendor simply because it is under State contract. Therefore, he opposed the award of the contract.

Mr. Morgan inquired about timing due to the upcoming hurricane season. Mr. Dody explained that with an RFP process, the vendors will first have to do an assessment and then scale their proposals based on the FPA's current infrastructure. Each assessment may take two to three months. Therefore, the assessments may go on past hurricane season.

Mr. Miller stated that the UDI agreement provides a detailed scope of work that could form a significant basis for an RFP. Mr. Dody responded that most vendors want to come in and do their own assessment. Mr. Miller stated that the lease is for a significant amount of money and the FPA has only one quote provided by a company under State contract. He did not see a reason for rushing into a contract, particularly one with clauses in which he sees problems. He reiterated that he would like to have other vendors come in and provide a quote.

Mr. Luettich inquired about the implementation period. Mr. Dody responded that the implementation period is usually three to four months. Mr. Luettich stated that the FPA would not want to implement the project in the middle of hurricane season. Therefore, the Board would have to make a decision in a month or delay the project until the fall. Mr. Boese concurred that the FPA should begin the implementation now or wait until late in the hurricane season. Mr. Luettich suggested that action be deferred one month in order to obtain better information or clarity or delay action until later this year.

Mr. Morgan concurred with deferring the item one month to obtain better information, and if that does not happen, deferring action until about October. Mr. Miller stated that deferring action one month is fine; however, the timeframe between now and October could be used to put out for an RFP. Mr. Luettich added that any bidder will have to come in and understand the system; therefore, it seems unlikely that the FPA can obtain a complete comprehensive package from multiple bidders within a month.

Mr. Luettich asked Mr. Miller whether there was information that could be obtained regarding the proposed agreement that would change his opinion between now and April. Mr. Miller reiterated that he had problems with some of the terms of the contract. He stated that he did not know the firm or have problems with the firm. He stated that he did not have any contact with any other firms. His concern is that the FPA does not know if it has the best price. The FPA had three vendors and two backed out. There are probably multiple vendors out there that would perhaps respond. He added that this may be the best deal and that the FPA may go out for an RFP and come back with UDI.

He was concerned that the FPA was taking the easy way out on a major contract by going to the State contract.

Mr. Dastugue suggested using the scope of work provided in the agreement in an RFP, subject to later review of the equipment, and receiving the information within thirty days. Mr. Boese asked that the Committee give staff the opportunity between now and the April Board meeting to determine whether bids can be obtained by using the same scope or something similar and provide the quotes to the Committee, and if not, staff will come to the Committee in April and provide an update.

The Committee will defer this item for one month.

There was no further business; therefore, the meeting was adjourned at 11:05 a.m.