

**MINUTES OF A MEETING OF THE OPERATING COMMITTEE
OF LOUISIANA ENERGY AND POWER AUTHORITY (LEPA)
HELD AT THE OFFICES OF LEPA IN LAFAYETTE, LOUISIANA ON
OCTOBER 19, 2017**

The members of the Operating Committee of LEPA held a meeting on October 19, 2017, at the LEPA Administrative Building, 210 Venture Way, Lafayette, Louisiana after due notice of said meeting.

Voting members present:

Mayor Chuck Robichaux, Chairman

Mr. Al Levron, Vice Chairman

Mayor Buz Craft, Secretary-Treasurer

Mayor Frank Grizzaffi

Voting members absent:

Mayor Edwin Reeves#

Non-voting member present:

Cordell Grand, General Manager

The meeting was called to order and the presence of a quorum was noted. The Pledge of Allegiance was recited.

On motion by Mayor Craft that was seconded by Mr. Levron, the Minutes of the July 21, 2017 meeting of the Operating Committee were unanimously approved as circulated to Committee members.

General Manager Grand then gave a report on wholesale power costs as set forth in the documents in members' packets. He reported that energy costs for August were at 33.1 mills. Energy costs for September were at 37.5 mills. He reported that energy costs for October should be lower than energy costs for September. He reported that the 12 month strip for natural gas was at \$3.02. He reported that in July, LEPA started getting bills associated with Cleco's Teche unit. Cleco is taking the position that if LEPA and Entergy want Cleco to keep running the Teche unit, LEPA and Entergy should pay their share of costs. LEPA's attorneys in Washington are contesting some of the costs. Entergy is also contesting some of the costs. General Manager Grand further reported that the City of Abbeville is also being assessed a portion of the charges.

General Manager Grand then gave an update on Rodemacher Unit No. 2. He reported that the unit is running fine. A fall outage may not be necessary. He reported that there has been more utilization of the unit. Also, railroad freight costs for coal have gone down due to the low price of natural gas.

Assistant General Manager Kevin Bihm then gave an update on LEPA Unit No. 1 via a PowerPoint presentation. He reported that a fall outage has been planned for October. He further reported that a green powder was seen on a flange in the fuel line. The Texas Gas filter was checked and it was relatively clean and did not have the green powder. LEPA's Y-strainer did not have the green powder. GE and LEPA will remove a stop valve and fuel flow meter for further inspection of the fuel system on the GE package. Swabs will be done and sent to a lab. It will probably take two weeks for the results to come back. GE has recommended that the plant not be run until the problem has been fixed. He further reported that the Siemens turbine had a failure on the exciter caused by a winding failure. Siemens has agreed to manufacture another exciter. Delivery is expected to be on November 15. Installation will take about a week.

General Manager Grand then gave a brief report on the status of the litigation and document production.

General Manager Grand then gave a report on the audit engagement letter submitted by Wright, Moore, DeHart, Dupuis, & Hutchinson, LLC, a copy of which was in members' packets. He reported that the cost of the audit will be \$33,125. On motion by Mayor Craft that was seconded by Mr. Levron, the members of the Operating Committee unanimously voted to authorize execution of the letter.

General Manager Grand then reported on the proposed budgets, copies of which were in members' packets.

President Dove then spoke. He inquired about an anticipated deficit associated with LEPA Unit No. 1. as set forth in the budget. General Manager Grand advised that the anticipated deficit is approximately \$10.3 million.

The members of the Operating Committee decided to differ on recommendations concerning the budgets until they met again.

Mr. Levron then announced his impending retirement.

On motion by Mayor Grizzaffi that was seconded by Mayor Craft, the members of the Operating Committee unanimously voted to adjourn the meeting.

Chairman

Sec.-Treasurer

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