

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF LOUISIANA ENERGY AND POWER AUTHORITY (LEPA) HELD AT
THE OFFICES OF LEPA IN LAFAYETTE, LOUISIANA ON MARCH 14, 2019**

The members of the Board of Directors held a meeting on March 14, 2019, at the LEPA Administrative Building, 210 Venture Way, Lafayette, Louisiana after due notice of said meeting.

There were present the following directors (or alternate directors where indicated):

Mayor Mark Piazza, Director, representing the City of Abbeville
Mr. Michael Marcotte, Director, representing the City of Alexandria
Mr. Ernest Brown, Alternate Director, representing the City of Houma
Mayor Michael Kloesel, Director, representing the City of Kaplan
Mr. Jeffrey Stewart, Alternate Director, representing the City of Lafayette
Mayor Frank “Boo” Grizzaffi, Director, representing the City of Morgan City
Mayor Edwin “Ed” Reeves, Director, representing the City of Plaquemine
Mayor Charles “Chuck” Robichaux, Director, representing the City of Rayne
Mayor Melinda Mitchell, Director, representing the City of St. Martinville
Mayor Buzz Craft, Director, representing the City of Vidalia

Absent:

Mr. Michael Fluhr, Alternate Director, representing the City of Minden
Mr. Charles Brossette, Director, representing the City of Natchitoches
Mayor Anthony Davis, Director, representing the City of New Roads
Mayor Kenneth Stinson, Director, representing the Town of Vinton
Mayor Carolyn Louviere, Director, representing the City of Welsh
Mayor George Moss, Director, representing the Town of Winnfield

Non-Voting Member Present:

Mr. 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 for Mayor Reeves that was seconded by Mayor Robichaux, the Board of Directors unanimously voted to approve the Minutes of the January 17, 2019 Board Meeting, copies of which were in Members’ packets.

General Manager Cordell Grand then gave an update on wholesale power costs through January of 2019, copies of which were in Members’ packets. He reported that overall costs for January of 2019 were better than overall costs for January of 2018. He further reported that the overall costs for February of 2019 were at 50.5 mills. Energy costs were at 31 mills. The twelve month strip for natural gas was at \$2.96.

Assistant General Manager Kevin Bihm then gave a report on Rodemacher Unit No. 2 operations. He reported that the spring outage for the unit was about to end. He further reported that the unit should be on-line by March 15th or March 16th.

General Manager Grand reported that he has finalized his retirement plans. He reported that his last day of work for LEPA will be June 30, 2019. Mr. Marcotte then requested that General Counsel check the by-laws regarding the appointment of a General Manager. General Counsel agreed to do so.

Mr. Marcotte then brought up Enlink Midstream's recent filing with the Federal Energy Regulatory Commission. Mr. Marcotte explained that, in his view, although the MMBTU for gas supply has increased, the quality of the methane has been lowered. He explained that some plants can burn that methane and some plants cannot burn that methane. He explained the old heat values were at 1050, and the proposed new heat values would be at 1175. He further advised that there is a deadline for those interested to file protests with the Federal Energy Regulatory Commission, and there is another deadline for those who wish to intervene to file an intervention.

On motion by Mayor Kloesel that was seconded by Mayor Mitchell, the Board of Directors unanimously voted to ratify the final actions authorized by the Operating Committee at the meetings of such Committee held on January 17, 2019 and February 21, 2019.

Assistant General Manager Bihm then gave an update on LEPA Unit No. 1 operations. He reported that LEPA Unit No. 1 is under a spring outage for maintenance although the unit had been up. He reported that the unit was down on the day of the meeting for trouble-shooting by General Electric engineers. He further reported that he is hopeful that the problem will be solved and the unit will be operational during the afternoon after the meeting. General Manager Grand then reported that LEPA had hired a new technician who is well-qualified. He further reported that LEPA had conducted emissions testing recently that were in conformity with standards.

General Manager Grand then reported on the proposed Amendment to the Agreement between the United States of America, Southwestern Power Administration and Louisiana Energy and Power Authority. He reported that the Southwestern Power Administration has requested the changes to make the timing issues consistent with other agreements. On motion by Mayor Grizzaffi that was seconded by Mayor Reeves, the Board of Directors unanimously voted to authorize LEPA staff, including General Manager Grand, to execute the Amendatory Agreement to Contract No. No. DE-PM75-04SW00505-M003, as amended, between the United States of America, Southwestern Power Administration and Louisiana Energy and Power Authority.

General Manager Grand then reported on the proposed Agreement by Legend Consulting Group Limited to be assigned the engineering services which have been provided by Energy & Resource Consulting Group, LLC (ERG), copies of which were in Members' packets. General Manager Grand reported that the staff at Legend Consulting Group Limited is composed of the

same staff that was at Energy & Resource Consulting Group, LLC before the untimely demise of its leader, Mr. Joe Vumbaco. He further reported that Legend Consulting Group Limited is led by Joe Rogers who rendered very good assistance to LEPA regarding LEPA Unit No. 1 during the course of its construction and initial operation.

After discussion, on motion by Mayor Piazza that was seconded by Mr. Marcotte, the Board of Directors unanimously voted to authorize LEPA staff to execute an Agreement by which Legend Consulting Group Limited would continue to provide engineering services through June 30, 2019, but LEPA staff should interview other potential candidates for rendition of engineering services.

Assistant General Manager Bihm then reported on a forward purchase of partial energy and requisite agreements which included a proposed “Master Power Purchase and Sale Agreement Confirmation Letter” and a draft of a Guaranty Agreement associated with the forward purchase of partial energy, which were in Members’ packets. Mr. Bihm then reported on the potential beneficial aspects of said Agreement. He reported that the energy would be provided by one of the subsidiaries of Constellation Energy. He further reported that LEPA staff recommends that the transaction be entered into. He also reported that the form of the Guaranty Agreement in Members’ packets should be subject to approval by General Counsel. He reported that LEPA staff recommended approval with a price not to exceed a certain amount. General Manager Grand then reported that it is the recommendation of LEPA staff that the highest price that should be within the scope of the approval should not exceed \$35.00. On motion by Mayor Reeves that was seconded by Mr. Marcotte, the Board of Directors unanimously voted to authorize LEPA staff to execute the appropriate contracts for purchase of power not to exceed \$35.00 subject to approval by LEPA’s General Counsel.

Mr. Terry Huval, former Director for the Lafayette Utilities System, then gave a Power Point presentation regarding the history of the proposed purchase and/or lease by an independent contractor of the Lafayette Utilities System.

There being no further business to come before the Board, on motion by Mr. Marcotte that was seconded by Mayor Robichaux, the Board of Directors unanimously voted to adjourn the meeting.

Chairman

Secretary