

Talking Points – Proposed Water Sale Agreement Sabine Parish Police Jury 12/21/2011

- **Introduction**

- My name is John Toliver....I am Sec/Treas.) of the Toledo Bend Citizens' Advisory Council (TBCAC).(Explain TBCAC vs TBLA.)
- My purpose in addressing you is to inform you of the pending “Water Sale Agreement between the SRA of LA and Toledo Bend Partners, LP.”
- My comments today are on behalf of the TBCAC and as a concerned resident of Sabine Parish. I believe I also speak for a significant number of business owners and other residents throughout the greater Toledo Bend area.
- I hope the information which follows will help answer or explain many of the questions and/or concerns you have. Handouts.

- **Brief background of SRA/TBP Water Sale Agreement**

- SRA-LA and Toledo Bend Partners negotiated a contract back in July/Aug. Governor Jindal did not approve due to lack of competition/no public bids.
- SRA advertised in two or three "local" newspapers - there was no national exposure or even state-wide exposure for this multibillion dollar contract.
- TB Partners remained the only bidders.
- There was very little opportunity for public input prior to any agreement discussions or negotiations.
- Agreement went from Committee to SRA Board of Commissioners for approval on Dec. 8. I and 5 others, including Mayor Freeman, Linda Curtis-Sparks. Proposed vote on the

Agreement was tabled, put on SRA website for public review and comment by Jan 6; and will be back up for vote on Jan. 26, 2012. Hence, TBCAC's urgent involvement.

Sale of Water in large volumes, i.e. hundreds of thousands of acre feet, from TB is inevitable - **it will happen.** We are not opposed to selling water. We are opposed to the agreement as written.

Basic lake information

Firm yield of the lake is determined to be approximately 2.0 million acre feet/year. Firm yield in effect is the amount of water that flows into the lake annually that can be used and not have a permanent or long-lasting impact on the lake.

- Each state, TX and LA, has available for future distribution/sale approximately 1.0 million acre feet of water (approx. 650 billion gallons of water combined).

Basics of the Agreement

- SRA-LA agrees to sell 600,000 of its 1.0 million ac ft of firm yield water per year to TB Partners who will in turn sell it to TX. This is LA water going to TX. LA will have 350-400,000 ac ft. left.

So what are the key components and TBCAC concerns?

A 99-year commitment to sell 600,000-acre feet of LA's water to TX?

Initial 50 yr contract, with renewal clause for another 49 yrs – basically in perpetuity.

- Where does your (LA) water come from once we/you need more than that which remains available to us for future use (400,000-acre feet.) i.e. when we really have drought problems.
- SRA-LA tells us it is highly probable that TX will provide ½ of this (300,000 ac ft) from their allocated portion, leaving LA with 700,000 ac ft, **but** no written commitment has been provided.

- As it stands, TX will get LA's 600,000 ac ft and still have their mill.
- TX has developed comprehensive water use plan. TX water use is protected and preserved for the people of TX to use. Before we commit to a 99-year sale of a substantial portion of our allocated water rights from TB, we need our state officials to develop a long-term water rights/use program?

Continued Hydropower generation?

- SRA developed a strategic plan. Goal IV, Objective IV (B) is the following statement: "Develop Water Supply as the primary source of revenue to support the Toledo Bend Project in lieu of Hydroelectric Power Production by 2018.
- SRA-LA says the amount of water sold will be in lieu of water used for power generation. Hence the lake level will be better stabilized. However, there is no guarantee of this. Will it continue in perpetuity as allowed under state statute, e.g., to 168 feet msl?

Drought contingency plan?

-Level 1 Kicks in at 168 msl ft. level with warning there is a mild water shortage.

-Level 2 at 164.7 SRA-LA "may if necessary" reduce the amount by 10% i.e. to 540,000 ac. ft.

-Level 3 at 160.4 SRA-LA "may if necessary" reduce the amount by another 10% to 480,000 ac ft.

The Agreement as proposed allows the taking of water at any elevation up to the contracted amount, regardless of lake level

Is there possible statutory protection to ensure we have a useable lake, e.g. a lake level that ensures equal access to our water by all interested parties, public water systems, recreational users, fire fighting operations etc.

When the lake goes low, the economy," your economy," goes low: sales tax, occupancy tax, property values decrease and your property taxes revenue decreases. The businesses in your Parish close, the people in your Parish lose their jobs and their ability to spend money is diminished. At 163 ft msl the economy associated with the lake plummeted 65% in 2011.

Revenue from the sale of water will come to the state and SRA?

- There is no commitment for any of it to come to the surrounding Parishes. We need infrastructure for economic development i.e. better roads, high-speed internet; better cell phone coverage, better and more efficient water systems, better fire protection etc.

We are extremely concerned about the potential of a "ripple" effect on the economy of the parishes and counties that surround TB. One only has to look at what's happened this past year and the devastating impact to business owners who are doing their best to stay afloat. While the low lake levels we have seen this year were primarily a result of the exceptional drought we are currently experiencing, why would we want to exacerbate this with continued withdrawal of our water in large volumes when the lake level reaches a level at which most recreational users have limited, if any, access.

What is TBCAC Doing?

- * Retaining legal counsel
- * Educating public – why I am here
- * Why we had the community meeting last night with 200 attendees

What can you do?

- * Let your voice be heard by contacting all who may have the ability to stop or delay this pending agreement until our concerns are adequately addressed.
- * Submit comments to the SRA, either through their website, the US Postal Service, or by calling their offices.

- * Attend the SRA-LA Public Hearing at 6:30 p.m. on Jan. 12, 2012 at Cypress Bend Resort.

Closing Remarks

- * Not against water sales - it is inevitable that this will happen
- * "Controlled water sales" must be part of any water sale agreement to prevent irreversible damages to the economic welfare of our community while also allowing for the uninterrupted recreational use of the lake
- * Properly handled, the sale of TB water can, and should be, a win-win for all.
- * The proposed agreement as written benefits only TB Partners, TX "non TB area" residents and the coffers of state government. All at the expense of we the people of LA in perpetuity.

John Toliver
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