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Without pact, CLI will object to plant

By REBECCA HOPKINS
News Messenger

The Caddo Lake Institute will file an objection to an environmental assessment evaluating the effects of a power plant if the city of Marshall doesn't sign a contract with Caddo organizations by next weekend, said Dwight Shellman, CLI president.

"We're going to have to comment," said Shellman. "They're not going to be able to say there's no environmental impact."

He's also planning to protest at the state level for the city's amendment to its water rights permit if he doesn't hear from the city soon.

The city has a budget meeting this Thursday, but the agenda for that meeting hasn't yet been posted.

The Northeast Texas Electric

Cooperative is in the process of applying for a \$95 million government loan, which requires an environmental assessment for approval of the loan. The study, which is funded by Entergy, and compiled a consultant for the Northeast Texas Electric Cooperative states the a power plant scheduled to be built south of Marshall will not bring "significant" environmental harm to the site.

RUS must accept public comment for at least 30 days from July 27, a deadline that ends this week.

The loan through the Rural Utilities Services of the U.S. Department of Agriculture will cover NTEC's 30 percent share of the plant that has been the center of controversy all summer. Entergy will own the remaining 70 percent of the plant due to be finished in

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two years.

Entergy and NTEC have a contract with the city of Marshall to purchase up to 5.5 million gallons of raw water a day to cool the plant. But since the

water comes from the Cypress basin, Caddo Lake residents, business owners and environmentalists have been concerned that lake levels will drop with the extra use, particularly during droughts.

Shellman has submitted a contract to the city to establish conditions for an escrow account that will provide replacement water from Lake O' the Pines during droughts. But the city commission hasn't yet discussed it or voted on it at its meetings. The city of Uncertain and the Greater Caddo Lake Association have also approved this contract.

The city also recently approved an application to the state to amend its water permit to be able to use water for "industrial" use, which would be raw

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water. And the city needs to correct a violation it has committed at least for the past 15 years to send its surplus water from Caddo Lake to the Sabine River. The city's permit states that it must send its surplus water back to Caddo Lake.

The contract submitted to the city by Shellman lists concerns he has, one of which related to the transfer of water from Caddo Lake to Sabine River.

Shellman said he wanted to be able to converse with the city about possibly using this surplus or treated wastewater to cool the power plant instead of putting it in the Sabine River. That way, the city wouldn't have to draw more water from Caddo Lake for the plant.

But now that the city has already submitted its application to the Texas Natural Resource Conservation Commission to amend the water permit, he's worried that the city isn't interested in discussing his concerns.

Karen Goelkel, TNRCC spokesperson, said the state received the application Tuesday. And now the commission will decide whether or not to

take public comment, she said.

When the state believes that amendments won't affect other water rights, it doesn't typically have a public comment session, she said.

"If there's no potential for having (problems) with other water rights, the commission can decide not to put out notice or accept public comment," said Ms. Goelkel. "No decision has been made yet on whether or not we will accept public comment."

Now the TNRCC is in the process of its administrative work which entails making sure the application is complete. Public comment, if accepted, would begin when that process is complete and be posted in newspapers, she explained.

Shellman said that as it stands, the city's contract with Entergy doesn't completely protect the lake, even with another contract the city has with the Cypress Valley Navigation District.

The city signed an agreement with the CVND recently that sets up an escrow account similar to the one the CLI wants to set up. But it doesn't require a third-party trustee to

handle the \$400,000 account that will purchase replacement water at Lake O' the Pines.

CVND board member Vernon Lewis said that he has no problem trusting the city with the money, \$100,000 of which comes from his own personal account.

The CVND approved the contract three days after a hydrology study conducted by the Caddo Lake Institute was complete. Part of that agreement is a "standby agreement" which states the city will pay for any additional water needed from Lake O' the Pines in the event that the escrow account runs dry. And that assurance was enough for many of the CVND members who approved the deal with a 6:2 vote.

Dissenting member Jim McMillen said that he wanted to have a third-party trustee handle the money. And he recently placed an advertisement in the *News Messenger* stating his frustration with comments made by Lewis in his own newspaper ad. And he didn't want the city to handle the money because he was worried it might be put into

the General Fund and used for other projects.

Lewis said he believes the Shellman has been inconsistent in his commitment to a Caddo Lake coalition that was originally formed to make a contract with the city. He worked to have a contract between the city and the CVND before the end of July because of a board meeting Entergy was scheduled to have to decide on the site. He was afraid that Entergy might back out of putting money into the escrow account to purchase replacement water. One of the conditions of the Entergy's agreement to purchase that replacement water is that no Caddo Lake organizations protest any water rights amendments. That has since been changed to include only objections by the CVND. And the agreement Entergy has to purchase water from the city is contingent of the city getting amendments to its water permit.

Lewis said he feels like he's been made out to be the "bad guy in the black hat," when he was just trying to help the lake.

Shellman had said he wanted to wait for the results of a hydrology study before signing onto an agreement. And he said that from the beginning, he was hesitant to be a part of a coalition until his study was complete.