PROCEEDINGS OF A REGULAR MEETING OF

**THE BOARD OF COMMISSIONERS OF**

**THE MORGAN CITY HARBOR AND TERMINAL DISTRICT**

**December 11, 2017**

 The Board of Commissioners (“Board”) of the Morgan City Harbor and Terminal District (“District”) met in regular session at the District’s office at 7327 Highway 182, Morgan City, Louisiana on December 11, 2017 at 5:00 p.m. Duane Lodrigue, President, convened the meeting with Commissioners, Gary Duhon, Deborah Garber, Thomas Ackel, Joseph Cain, Ben Adams, Adam Mayon and Lee Dragna in attendance. Tim Matthews was absent. Also present at the meeting were Raymond Wade, Executive Director; Tori Henry, Office Manager; Cindy Cutrera, Manager of Economic Development; Gerard Bourgeois and Jennifer Reasoner, Board Attorneys; Michael Knobloch, Knobloch Professional Services; Executive Officer Luis Carmona, United States Coast Guard (“USCG”); Clay Breaud, GSE/Providence Engineering; Councilman Tamporella, City of Morgan City; Chris Fetters, Mike Lowe, Brenton Jenkins, GIS; Jeremy Meaux and Patti Falcon, Darnall, Sikes, Gardes & Frederick; Bill Hidalgo and Roger Beaudean representing Brice Civil Constructors, along with members of the media and general public.

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

It was moved by Mr. Dragna and seconded by Mr. Duhon that the minutes of the Regular Meeting of November 13, 2017 be approved and adopted, with said motion carrying unanimously.

It was moved by Mrs. Garber that the report of receipts and disbursements for the month of November 2017 be received and accepted and that all invoices presented to the Board for the month of November 2017 be paid. Mr. Cain seconded that motion, which carried unanimously.

 Jeremy Meaux presented to the Board Darnall, Sikes, Gardes & Frederick’s Audit Report for the year ending June 30, 2017 with an unmodified opinion on the District’s financial statements, which is the highest audit opinion. Mr. Meaux did report the lack of segregation of accounting duties finding, but because of the number of Port employees, it is not feasible to comply with this requirement. Mrs. Garber noted that she met with the auditors, Tori, Mac and Cindy and they came up with a solution to segregate the duties to remove the finding. Mr. Meaux also presented their Statewide Agreed-Upon Procedures recommendations report. Mrs. Garber moved to accept said reports, which was seconded by Mr. Cain and carried unanimously.

Executive Officer Carmona reported a 4.3% decrease in November from the previous year.

Tim Connell reported via telephone conference that: (i) the Dredge *Borinquen* began working the sand plug at Mile Marker (MM) 151-148 but is broken down. Once dredging commences, it should take 30 days to complete; (ii) with the $2.6 million left from the Continuing Resolution (CR) 2018 funding and $1 million carryover from 2017 funding, they will move up to MM142 for shoaling and MM144 for sand; (iii) because no special purpose dredge is available right now and is not likely to be available until mid to late 2018, by applying the current funds in the project we will clear out the sand. If the special purpose dredge becomes available in late 2018, the remaining funds will be available for obligation and use on the contract and assuming we would receive a similar or greater amount of funding in 2019, we would continue them operating the special purpose dredge with 2019 funding and clear out the fluff problem. And, if the fluff problem is cleared out and sand problem doesn’t reoccur, we would be at a -20’ depth for the 1st time in a long time;. (iv) Office of Counsel is working on a cooperative agreement to accept the additional $1,250,000 in Port to supplement dredging efforts. Mr. Bourgeois suggested a special meeting before the regular meeting may be necessary to approve the agreement, once released from the Corps.

Mike Knobloch reported that FY16 Port Security Grant projects are underway and should be completed by Christmas.

Clay Breaud has evaluated the HVAC report, which has extensive recommendations and is soliciting quotes to report back to the Board.

Chris Fetters reported that they have met with the Commissioner of Conservation due to DNR requesting a beneficial use assignment, which is written for private industry. The Secretary of DNR is allowed to write an exemption for this and are working through the chain of command.

Cindy Cutrera reported that: (i) while in DC with Inland Rivers Ports and Terminals, they did a legislative briefing and she reminded them that we are still waiting for emergency funding due to Hurricane Harvey; (ii) General Kaiser and staff visited the Port and St. Mary Levee District and Mac pointed out to the Corps that they need to take into consideration the industry and that economic value outweighs tonnage, which was acknowledged by the General. A copy of our presentation was sent out to our stakeholders and commissioners. After his visit, he took a tour of the Bayou Boeuf Locks and Bayou Chene structure.

Gerard Bourgeois reported that: (i) we met with Brice Civil Contractors and they mentioned that the Corps cannot enter into an agreement with them until February or March and asked if we could give them some assurances should the Corps decide not to issue a contract, Brice would order the pump it has specified, which has a six (6) month lead time. Mr. Bourgeois presented a draft cooperative endeavor with Brice and resolution wherein the District and Brice would work cooperatively on dredging of the Bar Channel and in the event the Corps did not award the contract, the District would compensate Brice $550,000 and Brice would transfer the pump it ordered, subject to Bond Commission approval. Mr. Dragna moved to authorize Mr. Lodrigue to enter into a cooperative endeavor agreement with Brice Civil Contractors, with provision that it include model and serial numbers at a price of up to $550,000. Said motion was seconded by Mr. Mayon and carried unanimously.

# RESOLUTION

Whereas, the Atchafalaya River and Bayous Chene, Boeuf, and Black Project (“ARC Project”) is not and has not been funded adequately;

Whereas, between 2004 and 2012 Operations & Maintenance funding for the ARC Project annually averaged approximately $18,000,000;

Whereas, in the 2012 Atchafalaya River and Bayous Chene, Boeuf, and Black Dredged Material Management Plan: Preliminary Assessment (“Assessment”), the United States Army Corps of Engineers (“Corps”) estimated an average annual cost of $39 million to maintain the Congressional Authorized 20’ deep by 400’ wide Atchafalaya River and Bayous Chene, Boeuf and Black Channel (“Channel”), which was economically justifiable at a benefit-to-cost ratio of 1.7;

Whereas, said Assessment provides that not maintaining authorized ARC Project dimensions would cause McDermott International and other ARC Project users to relocate, which has happened, including McDermott’s move to Altamira, Mexico;

Whereas, the previous dredging of the Channel did not, even at its highest funding, provide the authorized 20’ by 400’ wide authorized Channel for more than 100 days per dredging cycle;

 Whereas, the Federal Government appropriations for the ARC Project dropped to $7.7 million in 2013 and to $6.2 million by 2017;

Whereas, not keeping the Channel to its authorized width and depth has resulted in the loss of nascent import/export business for the Morgan City Harbor and Terminal District (“District”), loss to shipbuilding, fabrication and other industry in the form of additional costs and loss of profits, as well as the inability for industry to bid on any projects that draft more than 15’ of water;

Whereas, it is obvious to the District’s Board of Directors (“District Board”) and the public that the unpredictability of the depth of the ARC Project Channel and the concern about its long-term suitability are factors that provide a reason for companies to look for alternative business sites outside of the Port of Morgan City;

Whereas, through a Value Engineering Study (“Study”) started by the Corps and the District in 2002, the Corps and the District have systematically evaluated each possible strategy recommended by said Study for reducing the annual maintenance cost of the ARC Project;

Whereas, said Study indicated that agitation dredging on a continuing basis offered the best chance of maintaining the Atchafalaya Bar Channel (“Bar Channel”) at the lowest cost;

Whereas, the Corps provided for agitation dredging in the Bar Channel in 2002 and 2016, with strong evidence that this dredging method would maintain the Bar Channel;

Whereas, the Morgan City Harbor and Terminal District (“District”) has determined that the most viable way to reduce the cost of maintenance of the Bar Channel and thus the overall cost of maintaining the entire Channel is to make sure that a special purpose dredge (“Dredge”) capable of moving 11,000+ cubic yards of material in the Bar Channel per hour, is based in the Morgan City area for continuous work in the Bar Channel;

Whereas, the District would prefer that a private entity builds and operates the Dredge, but has agreed to build such a Dredge, at an estimated cost in excess of $6,000,000, in the event that no private entity agrees to provide the Dredge;

Whereas, Brice Civil Constructors, Inc., a certified U.S. Small Business Administration (“SBA”) 8(a) Business Development entity for Federal contracting programs, has presented a proposed plan and pump for dredging (“Brice Dredge”) that appears to be superior to the District’s planned Dredge and to meet the cost saving requirements;

 WHEREAS, the District believes that the Brice Dredge is more than capable of moving the 11,000+ cubic yards of material per hour, and, in fact, in certain conditions the Brice Dredge may be able to move 19,000 cubic yards per hour.

 WHEREAS, the District has been informed that the Corps process to review and evaluate the Brice Dredge will take an estimated four to five months and Brice is not able to order the Brice Dredge until the award for the ARC Project is made to it and a contract for services with mutually agreeable terms and conditions is executed;

 WHEREAS, the District believes that in order to be successful in opening the Bar Channel, the Corps (a) needs to let certain dredge work in the Atchafalaya Bay Channel and (b) work needs to immediately begin on designing, developing and constructing the Brice Dredge;

WHEREAS, the District has determined and finds that it is in the public’s best interest and economically justified to agree to pay the sum of $550,000.00 to Brice in the event that the Corps does not award it an Atchafalaya Bar Channel dredging contract and Brice would then release to the District the Hagler systems dredge pump used on the hopper dredge “*Ellis Island*” (hereinafter “pump”).

 WHEREAS, Article VII, Section 14(C) of the Louisiana Constitution of 1974 provides that, “For a public purpose, the State and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States, or its agencies, or with any public or private association, corporation, or individual”; and,

 WHEREAS, the District desires to cooperate with BRICE in the implementation of its dredging plan (“Project”) as hereinafter provided;

 WHEREAS, pursuant to LSA R.S. 34:321 et. seq., the said District has authority to enter into cooperative agreements in order to accomplish its statutory duties and functions; and,

 WHEREAS, the District is a political subdivision of the State of Louisiana with the constitutional and statutory authority to contract, including entering into cooperative endeavor agreements; and

 WHEREAS, Brice is a corporation created under the laws of the State of Alaska, and in good standing with the State of Louisiana, with the full legal authority to contract, including entering into cooperative endeavor agreement with the District; and

WHEREAS, the District has the authority to enter into this Agreement as evidenced by its governmental purpose of: dredging the ARC.

WHEREAS, the public purpose of the Project is described as: opening and maintaining the Atchafalaya River Bar Channel at 20 feet at 1200kg/cubic meter nautical depth line is consistently at or below -20’ MLG.

WHEREAS, the District has a reasonable expectation of receiving a benefit or value described in detail that is at least equivalent to or greater than the consideration described in this Agreement;

WHEREAS, the transfer or expenditure of public funds or property is not a gratuitous donation;

 NOW, THEREFORE, BE IT RESOLVED by the Morgan City Harbor & Terminal District (herein sometimes “District”), that it does find it necessary and proper to approve execution of the Cooperative Endeavor Agreement with Brice Civil Constructors, Inc. for the contribution of funds to Brice in the event the Corps does not award Brice an Atchafalaya Bar Channel dredging contract and Brice would then release to the District the Hagler systems dredge pump used on the hopper dredge *“Ellis Island”*, substantially in accord with the agreement presented in consideration of the cost savings to the District, value being provided by Brice, and the recommendation of its Executive Director.

 BE IT FURTHER RESOLVED, Duane E. Lodrigue, President, and Raymond M. Wade, Executive Director, individually, be authorized and directed to do any and all acts and things on behalf and in the name of the District that he deems necessary, proper, or that may be required to carry out and accomplish the intent and terms of the purchase and the transactions contemplated thereby, including but not limited to contributing all sums necessary to acquire said pump.

Mr. Dragna also moved to authorize Mr. Wade to cancel the December 15th pump bid opening, which was seconded by Mr. Mayon and carried unanimously. (ii) Mr. Bourgeois stated he had received Right of Entry from Continental Land & Fur; and (iii) it was necessary to elect officers for the upcoming term, Mr. Cain nominated the current officers of the Board of Commissioners, namely, Duane Lodrigue, President; Gary Duhon, Vice-President; Deborah Garber, Treasurer; and Thomas Ackel, Secretary, for re-election to their posts for an additional year term. Mr. Adams nominated Mr. Dragna for President and roll was called, with Mr. Lodrigue being elected President. Mr. Duhon was elected Vice-President by acclimation. Mr. Dragna nominated Mr. Adams for Treasurer and roll was called, with Mrs. Garber being elected Treasurer. Mr. Ackel was elected Secretary by acclimation.

Mr. Duhon presented a Memorial Resolution in honor of Mr. Albert Foulcard for his many years of dedication to the St. Mary Parish Council and our entire community. Mr. Duhon noted that a few words that came to mind when thinking of Mr. Foulcard were follow, compromise and lead as well as he always left a smile on your face. Mr. Duhon moved said motion, which was seconded by Mr. Cain and carried unanimously.

MEMORIAL RESOLUTION

WHEREAS, Almighty GOD, in HIS infinite wisdom, bestowed seventy-eight years of earthly life upon ALBERT JOSEPH FOULCARD, who departed this earth on October 15, 2017.

 WHEREAS, ALBERT JOSEPH FOULCARD is survived by his wife of eighteen years, Earlean Dotson-Foulcard; one son, Troy (Ifey) Pillette; two step-children, Jarrett Dotson and Nichole Dotson-Olajuwon; four brothers, Don Foulcard, Sr., Ted (Bettye) Foulcard, Sr., Joseph Foulcard, Jr., and Charles R. Foulcard, Sr,; one sister, Aline Foulcard Lageman; two sisters-in-law, Elouise Johnson-Foulcard and Lydia Delasbour Foulcard; three God Children, Carl “Bum-Dee” Foulcard Jr., Schuyler Williams, and Shawn Thierry and a host of nieces, nephews, relatives and friends.

 WHEREAS, ALBERT JOSEPH FOULCARD was a member of St. Jules Catholic Church, served in the United States Army and made many civic and community contributions to our area.

 WHEREAS, ALBERT JOSEPH FOULCARD served on the St. Mary Parish Council for many years including holding various positions with the Council during his service.

 WHEREAS, ALBERT JOSEPH FOULCARD served as an educator and principal in the St. Mary Parish School System, retiring in 1996 after 35 years of service.

 THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Morgan City Harbor and Terminal District and its entire staff, regret and lament that ALBERT JOSEPH FOULCARD, has been taken from our midst.

 BE IT FURTHER RESOLVED that the Commissioners and staff of the Port Commission extend their heartfelt sympathy to ALBERT JOSEPH FOULCARD’s family; and

 BE IT FURTHER RESOLVED that a copy of this Resolution, adopted in regular session by the Board of Commissioners of the Port Commission on the 11th day of December 2017, be presented to ALBERT JOSEPH FOULCARD’s family.

With no further business to come before the Board, the meeting was adjourned.

 Attest:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Thomas Ackel, Secretary