PROCEEDINGS OF A REGULAR MEETING OF

**THE BOARD OF COMMISSIONERS OF**

**THE MORGAN CITY HARBOR AND TERMINAL DISTRICT**

**July 10, 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 June 12, 2017 at 5:00 p.m. Duane Lodrigue, President, convened the meeting with Commissioners, Gary Duhon, Joseph Cain, Thomas Ackel, Deborah Garber, Tim Matthews, Sr., Ben Adams, Adam Mayon and Lee Dragna. Also present at the meeting were Raymond Wade, Executive Director; Tori Henry, Office Manager; Cindy Cutrera, Manager of Economic Development; Gerard Bourgeois, Board Attorney; Michael Knobloch, Knobloch Professional Services; Captain Blake Welborn and Commanding Officer Heather Mattern, United States Coast Guard (“USCG”); Tim Connell, U.S. Army Corps of Engineers; Clayton Breaud, GSE/Providence Engineering; Councilman Tamporella, City of Morgan City; Mike Lowe and Brenton Jenkins, GIS; Dan Duplantis, Greenwood Marine; 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. Duhon and seconded by Mr. Dragna that the minutes of the Regular Meeting of June 12, 2017 and that the minutes of the Special Meeting of June 22, 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 June 2017 be received and accepted and that all invoices presented to the Board for the month of June 2017 be paid. Mr. Ackel seconded that motion, which carried unanimously. Mrs. Garber noted that we are at the end of our fiscal year and our budgeted loss was $200,000 more than the actual loss.

Captain Welborn reported that this would be his last meeting and introduced Commanding Officer Heather Mattern, who will be taking his place. She reported that the Bayou Sorrel locks will be closed on and off throughout August for repairs. Mr. Lodrigue welcomed Commanding Officer Mattern to the District and thanked Captain Welborn for his service to the District.

 Tim Connell reported that: (i) one bid on the Berwick Bay dredging came in 31% higher than the government estimate and out of awardable range so the bid is going to be converted to a RFP for negotiations; (ii) the Dredge California has commenced dredging operations in the Upper Bar and Lower Bay; (iii) Notice of Sources Sought was posted on Friday, with responses due back July 19th and Industry Day set for July 25th.

 Mike Knobloch reported that: (i) FY15 Port Security Grant is almost complete with MET station maintenance to be completed next week; (ii) FY16 Port Security Grant RFP is still being tweaked but expected to be completed soon; (iii) FY17 Port Security Grant application was submitted on time for $932,000, with a local match of $233,000. It consists of four projects, including two years of maintenance for our PMCRCN, cameras, MET stations, Blue Force Tracking; two years of cyber security programs; satellite phones and updates to Blue Force Tracking; fencing at the dock; (iv) Duval Arthur performed our annual audit of our Facility Security Plan last week, which will be submitted to Coast Guard for their review; (v) He thanked Jimmy Broussard of St. Mary Sherriff’s Office and Duval Arthur for their assistance with programming twenty-five radios, which will be used by emergency responders during an emergency.

 Mike Lowe reported that: (i) they met with DNR and reviewed with them the Coastal Use Permit, which resulted in a few comments, primarily administrative. They are also determining if we can use the same justification as the Corps for beneficial use of material, since we are operating the same. (ii) He provided Tori with a copy of the draft Coastal Use permit, along with the comments received from DNR and attachments if anyone would like to review it.

Cindy Cutrera reported that: (i) she and Mac attended Coast Guard Change of Command, along with Messrs. Cain, Bourgeois and Knobloch and also participated in several of the Corps Navigation Restoration Team conference calls due to the tropical storm; (ii) the New Orleans Real Time Crime Center toured our facility, MCPD and Coast Guard held training, and Lauren Casanova of Senator Cassidy’s office held satellite hours to meet with constituents; (iii) we were notified that they have opened the $20 million solicitation for the Restore Act Parish matching portion through August 31st. We have contacted the Parish and will be meeting with them, as well as with Sarah Bradley and Wildlife and Fisheries about Pot 2 of Restore funding; (iv) She has been working for the past two weeks on a spreadsheet for Waterborne Commerce, tracking the vessels going through the authorized project area and researching who the owners are and comparing to their database. She has come across several companies that are either not listed in the database or their vessels are not listed and will be sending that to Waterborne Commerce.

 Mr. Bourgeois reported that: (i) the Board is required to select an official journal annually. Mrs. Garber moved that the following resolution be adopted, designating the Daily Review as its official Journal, which was seconded by Mr. Adams, which carried unanimously.

**RESOLUTION**

 A Resolution designating the Daily Review as the official journal of the Morgan City Harbor and Terminal District

WHEREAS, Louisiana Revised Statute 43:171 requires the Morgan City Harbor and Terminal District to designate an official journal for publications of the proceedings of its board and such financial statements required by and furnished to the legislative auditor.

 WHEREAS, the Board of Commissioners of the Morgan City Harbor and Terminal District (“District”) finds that the Daily Review, a newspaper in Morgan City, meets all the requirements for its designation as the official journal of the District.

Accordingly,

 BE IT RESOLVED, that the Daily Review, a newspaper being published in Morgan City, Louisiana, is designated and selected as the official journal of the District.

(ii) The U. S. Department of Homeland Security (Customs) lease is up for renewal and requested that the Board authorize Mr. Lodrigue to execute the lease renewal and any related documents. A motion was made by Mr. Mayon and seconded by Mr. Dragna that the following resolution be adopted, with motion carrying unanimously.

RESOLUTION

 BE IT RESOLVED by the Morgan City Harbor and Terminal District (“District”), the governing authority of said District, that Raymond M. Wade, Executive Director, be and is hereby authorized to sign a lease agreement in consideration of the benefits to the District’s inhabitants and directly to the District, together with the sum of $1.00 per annum, with the U.S. Government, Department of Homeland Security, for the lease of approximately 1421 square feet of office space located at 800 Youngs Road, Morgan City, Louisiana together with parking access areas for no more than five (5) vehicles.

BE IT FURTHER RESOLVED, that Raymond M. Wade, Executive Director, be authorized and directed to do any and all act and things necessary, proper, or that may be required to carry out and accomplish the transactions contemplated with regards to said lease and/or supplemental agreement with the U. S. Government.

 Mr. Bourgeois also presented a Vessel Charitable Sale Agreement of *John Wayne* barge and economic justification for said purchase. Mr. Dragna noted that the barge is set up exactly as we would need, Mr. Adams noted that between the barge and pumps we would be investing $2.6 million and will allow us to be ready to go should we need. Mr. Duhon noted that funding and timing will both be issues and we will lose it all if we take our time. Mr. Cain noted that we will not need a load line if we do not go beyond the Sea Buoy, which will be a huge savings. Mr. Dragna moved to authorize Mr. Lodrigue and Mr. Wade to procure the barge at a cost of $1.6 million, with Athena receiving a credit for its donation of any amount above purchase price, which was seconded by Mr. Adams and carried unanimously.

# **RESOLUTION**

Whereas, the Atchafalaya River and Bayous Chene, Boeuf, and Black Project is not and has not been funded adequately;

Whereas, between 2004 and 2012 Operations & Maintenance funding averaged approx. $18,000,000 per year;

Whereas, in the 2012 Atchafalaya River and Bayous Chene, Boeuf, and Black Dredged Material Management Plan: Preliminary Assessment, the 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 channel dimensions would cause McDermott and other channel businesses to relocate and McDermott did permanently move its operations to Altamira, Mexico;

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

 Whereas, the Federal appropriations for our Channel dropped to $7.7 million in 2013 and was down to $6.2 million by 2017;

Whereas, through a Value Engineering Study started by the U.S. Army Corps of Engineers and the District in 2002, the Corps and the District have systematically evaluated each proposal for reducing the annual maintenance cost of the Channel;

Whereas, said Study indicated that agitation dredging on a continuing basis offered the best chance of maintaining the Atchafalaya 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, not keeping the Channel to its authorized width and depth has resulted in the loss of any import/export business for the District, loss to industry in additional costs, 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 Board and the public that the unpredictability of the depth of the Channel and the concern about its long-term suitability are factors that provide a reason for companies to look for alternative sites outside of the Port of Morgan City;

Whereas, the District has determined that it should seek four primary items with its Dredging Program: First, secure a Permit for it to execute the work; Secondly, officially publish the elevation of the 1200 gms/litre line in the Channel; Thirdly, proceed under the new language of WRDA/WIIN 2016 authorizing the USACE to transfer funds to the District for dredging and Fourthly, identify the most viable dredge options for the Channel;

Whereas, the 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, capable of moving 11,000 cubic yards of material in the Atchafalaya Bar Channel per hour, is based in the Morgan City area for continuous use in the Bar Channel;

Whereas, the District would prefer that a private entity builds and operates the special purpose dredge, but does hereby agree to build such dredge, in case no private entity agrees to provide the same;

Whereas, after careful review by its staff and consultants, the District has determined that purchasing of the *John Wayne*, a vessel currently owned by Athena Construction, LLC with approximate dimensions of 180 feet by 54 feet by 12 feet, would be in the best interest of District;

 WHEREAS, the District’s executive director has (i) certified to the Board that John Wayne may be obtained, in part, by donation and, in part, by purchase, at a cost to the District of $1,600,000, (ii) provided a maintenance and repair plan for the *John Wayne*, (iii) has estimated the cost savings to the District to be in excess of $800,000 by the purchase of the *John Wayne* over the cost of building a new vessel, (iv) that the cost of renting a similar vessel has been quoted at $398,215 per year, which based upon a ten percent return reflects a value in excess of $3.9 million, and (iv) determined that following the State procurement procedures could result in the loss of the opportunity to purchase the vessel.

 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 Vessel Charitable Sale Agreement with Athena Construction, LLC for the purchase, in part, and donation, in part, of the *John Wayne*, substantially in accord with the agreement presented in consideration of the cost savings to the District, donation of value being provided by Athena Construction, LLC, and the recommendation of its Executive Director.

BE IT FURTHER RESOLVED by the District, that it does hereby adopt Louisiana R.S. 39:1645 providing for the purchase of used equipment.

 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 paying all sums necessary to acquire the *John Wayne* as well as surveying, insuring, and other closing costs necessary for the acquisition of said property.

Mr. Duhon moved to expand the agenda to include discussion of a Memorial Resolution in honor of Mr. J. Parker Conrad, which was seconded by Mr. Adams and carried unanimously after a roll call vote. Mr. Duhon, Cain, Wade and others attested to Mr. Conrad’s great contributions to this area. The entire Board unanimously adopted a resolution expressing its respect for Mr. J. Parker Conrad.

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

 Attest:

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