**PROCEEDINGS OF A REGULAR MEETING OF**

**THE BOARD OF COMMISSIONERS OF**

**THE MORGAN CITY HARBOR AND TERMINAL DISTRICT**

**January 9, 2012**

 The Board of Commissioners (“Board”) of the Morgan City Harbor and Terminal District (“District”) met in regular session at the District’s office at 800 Youngs Road, Morgan City, Louisiana on January 9, 2012 at 5:00 p.m. President Jerry Gauthier convened the meeting with Commissioners Gregory Aucoin, Thomas Ackel, Deborah Garber, William Pecoraro and Joseph Foret in attendance. Joe Jones and Duane Lodrigue were absent.

 Also present at the meeting were Jerry Hoffpauir, Executive Director; Cindy Cutrera, Manager of Economic Development; Tori Henry, Administrative Assistant; Gerard Bourgeois, Board Attorney; Captain Jonathan Burton and Chief Mark Emerson, United States Coast Guard (USCG); Clay Braud, GSE Associates, LLC; Michael Knobloch, Knobloch Professional Services; along with members of the media and general public.

 It was moved by Mr. Ackel and seconded by Mr. Pecoraro that the minutes of the Regular Meeting of December 12, 2011 be approved and adopted. Motion carried unanimously.

 It was moved by Mrs. Garber and seconded by Mr. Foret that the report of receipts and disbursements for the month of December, 2011 be received and accepted and that all invoices presented to the Board for the month of December, 2011 be paid, which was seconded by Mr. Foret and carried unanimously.

 Barbara Watts, CPA, of Darnall, Sikes, Gardes & Frederick, presented the Audit Report for the year ending June 30, 2011 to the Board. They issued an unqualified opinion for the District’s finances, which is the highest audit opinion. Their only one finding was regarding segregation of accounting duties, but because of the number of Port employees, segregation is not feasible. Mrs. Watts also reported on the single audit required because more than $500,000 of federal funds was expended. She noted that there were no findings of any sort.

 Cindy Cutrera reported that: (i) she attended the PAL meeting in Natchitoches where they handed out the updated Ports of Louisiana directory, which each commissioner should have in front of them. (ii) Herself, along with Mr. Wade, met with a few facility representatives and are scheduling more meetings to discuss tonnage issues.

 Jerry Hoffpauir reported that: (i) April Dykes received a request from Gray Construction regarding a 30 day extension of the contract period time due to the high water we are experiencing. Mr. Aucoin moved, with Pecoraro seconding, to authorize Mr. Gauthier to execute a 30 day extension of contract period time to Gray Construction. Motion carried unanimously. (ii) One quote to repair the air conditioning ductwork maze was received but he suggested assigning the project to an engineering firm. Mr. Ackel moved to authorize GSE Associates, LLC to prepare a request for quotes on the air conditioning ductwork and present the Board with the findings at the next meeting. Mr. Foret seconded that motion, which carried unanimously.

 Captain Burton reported that: (i) the high water is steadily decreasing so they should be able to resume on the boat ramp soon; (ii) a contract will be signed this week to remove the barge from blocking Bayou Schaffeur.

 Chief Emerson reported that: (i) as of December 20th, all of the larger steel buoys in the Horseshoe were downsized, so that when Crew Boat Cut is opened, they will be able to disestablish that Channel; (ii) a temporary buoy was established due to the shoaling on the north side; (iii) all buoys north of buoy 54 in the Atchafalaya River have been downsized to smaller foam buoys which will facilitate their ability to better align the Channel with Corps of Engineers dredging efforts. Once a new set of soundings are received from the Corps, an effort to move the northern portion of the Atchafalaya Channel to the east will be made. After that’s done, a deeper water transit through that area will be had, and you can then advertise a 22’ depth in that area. Mr. Gauthier thanked Chief Emmerson for working so closely with the Corps of Engineers.

Clay Breaud reported that: (i) a pre-construction meeting on the parking lot improvements was held on December 21st, at which time the notice to proceed was issued to LA Contracting. Coast Guard officials were present at this meeting and the order in which the work was going to be performed was discussed. The contractor has begun mobilizing equipment and construction should begin any day now. (ii) An extension on the turning radius by the Coast Guard boat shed will be needed due to the closeness to the shed. Mr. Ackel noted that he met with Mr. Hoffpauir and gave him the specifics of these changes.

Philip Chauvin reported that: (i) the bulkhead is 100% complete but concrete work for crane pad 3, as well as excavation along the 300’ of bulkhead remains; (ii) Vic Mitchell advised him that they wheel washed along the bulkhead which worked like a charm; (iii) he received a proposal from Dolphin Services to dredge along Bayou Boeuf since changes were being made to the scope of work.

Michael Knobloch reported that: (i) there have been no status change on the 2010 and 2011 Port Security Grants; (ii) there have been cuts made in the funding for 2012 Port Security Grants; (iii) the Secretary herself will now allocate the funds, which will be interesting to see how much funds will actually be allocated to Port Security Grants.

Mr. Bourgeois presented the Board with an amendment to the Cenac Offshore lease providing for removal of the office space from the lease and reduction of its rental in the amount of $750, which was amount allocated to that space. Mr. Ackel moved to authorize Mr. Gauthier to execute the amendment and adopt the following resolution, which was seconded by Mr. Foret and carried unanimously.

**RESOLUTION**

 A resolution providing for the Morgan City Harbor and Terminal District (“District”) to lease a certain portion of its facility at 800 Youngs Road to Cenac Offshore, L.L.C. (“Cenac”).

 WHEREAS, Lessor and Lessee entered into that certain Sublease of Property and Lease of Equipment (“Sublease”), which was executed by Lessor on November 13, 2007 and by Lessee on November 15, 2007. Capitalized words used but not defined in this amendment have the meanings ascribed to them in the Lease;

WHEREAS, the Lessor and Lessee specifically agreed in the Sublease that Lessee premises included office space at Lessor’s facility, comprised of seven rooms, at an agreed upon monthly rental charge or value of $750.00;

WHEREAS, Lessor and Lessee agree to remove from the leased premises the office space and to reduce the monthly rent owed by Lessee by the amount of $750.00 per month;

 NOW THEREFORE, BE IT RESOLVED that the President, Jerry A. Gauthier, be and is hereby authorized to enter into an amendment to the District’s lease agreement with Cenac to remove from the leased premises the office space and to reduce the monthly rent owed by Lessee by the amount of $750.00 per month.

 BE IT FURTHER RESOLVED that Jerry A. Gauthier, as President, be and is hereby 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 lease and the transactions contemplated thereby.

 Mr. Bourgeois presented a draft lease with the St. Mary Levee District. Mr. Pecoraro moved to authorize Mr. Gauthier to enter into a lease with St. Mary Levee District in the amount of $750 for the port’s old office space, as well as $250 for yard space to put two storage containers, and 10% of the utility bill and for the adoption of the following resolution, which was seconded by Mrs. Garber and carried unanimously.

RESOLUTION

BE IT RESOLVED the Board of Commissioners of the Morgan City Harbor and Terminal District, the governing authority of said District, that Jerry A. Gauthier, President, be and is hereby authorized to sign a lease agreement with the St. Mary Levee District for the lease of a portion of the middle section of the building consisting of three (3) business offices and storage space with approximately 1500 square feet, parking space for 3 vehicles and an area of ground measuring twenty (20') feet by forty (40') feet. Jerry A. Gauthier, President, is hereby authorized and empowered to do all things necessary in the premises, pertaining to the lease to the St. Mary Levee District.

Mr. Bourgeois also reported that: (i) he heard from Continental Land and Fur over the holidays and he should receive their agreement any day giving the Corps of Engineers the full right of entry requested except for Disposal Area 1; (ii) an application was received for partial payment #9 for Phase III of the Youngswood Site Development was submitted by Dolphin Services and certified by T. Baker Smith. Mr. Pecoraro moved to authorize payment to Dolphin Services in the amount of $295,659.93, which was seconded by Mrs. Garber and carried unanimously. With there being no further business to come before the Board, the meeting was adjourned.