

**PORT OF IBERIA DISTRICT BOARD OF COMMISSIONERS  
SPECIAL BOARD MEETING  
FRIDAY, JULY 9, 2021  
PORT ADMINISTRATIVE OFFICE – 1:00 P.M.  
MINUTES**

The Special Meeting of the Port of Iberia District Board of Commissioners was called to order by Commissioner Danny J. David, Sr., President, at the Port of Iberia Administrative Office, on Friday, July 9, 2021 at 1:00 P.M.

In attendance were Commissioners, Danny J. David, Sr., President, Roy A. Pontiff, Vice-President, Shane Walet, Secretary-Treasurer, Simieon d. Theodile, Elbridge “Smitty” Smith, III, Patrick Broussard, and Mark Dore’.

There were no Commissioners absent.

Also, present were Craig Romero, Executive Director, Joanna D. Durke, Chief Administrative Officer, Tracy Boudreaux, Administrative Assistant, and Shari Landry, Receptionist-Secretary.

Thus, with a quorum being acknowledged, Commissioner Roy A. Pontiff recited the opening prayer and the Pledge of Allegiance.

The purpose of the Special Meeting was to Discuss/Consider an Amendment to the Reimbursement Agreement by and between Texas Gas Transmission (Boardwalk) and the POI District Regarding Texas Gas’s Requested Upward Change; Discuss/Consider Approving the Negotiated Lease Agreement Between Aquadrill Offshore, LLC and the POI District Regarding 10.30 Acres, Building “C” (Fabrication Shop) and Building “D” (Metal Building); and Discuss/Consider Engaging an Attorney to Serve as the POI District Board of Commissioners Legal Counsel. It is noted that Commissioner Danny J. David, Sr., Board President, objects to Special Meeting Agenda Item Number Five (5) (Engaging Legal Counsel to serve as Port Attorney) until it can be discussed at a Regular Monthly Board Meeting.

**I. Discuss/Consider an Amendment to the Reimbursement Agreement by and between Texas Gas Transmission (Boardwalk) and the POI District Regarding Texas Gas’s Requested Upward Change:**

- Letter dated June 14, 2021 from Texas Gas Transmission, LLC Regarding Texas Gas Reimbursement Agreement dated July 6, 2020, to Accommodate the POI’s Dredging Activities to Deepen the Commercial Canal Associated with the Phase I of the POI’s AGMAC Project.

The letter from Mr. Myron J. Hoskins, Manager Field Engineering, Texas Gas Transmission, LLC notified the POI of an upward change in the Estimated Cost of \$4,987,265.00, per the Reimbursement Agreement dated July 6, 2021. The new Estimated Cost to complete the Project is \$5,797,758.00 (increase of \$810,493.00).

Texas Gas was unsuccessful with its attempts to remove the abandoned pipeline and exhausted all options for the pipe removal under approved permitting from the U.S. Army Corps of Engineers (USACE) and the Office of Coastal Management (OCM).

Texas Gas demobilized from the Project and submitted permit modification applications to the USACE and the OCM. Texas Gas plans to mobilize back to the Project and complete the pipe removal work after receiving the approved permit modifications.

- Letter dated June 21, 2021 from the Port of Iberia District to Texas Gas Regarding Reimbursement Agreement Upward Change.

The POI's Letter of Objection to Texas Gas sites that through the course of discussions with the POI and other parties, TGT cited three (3) options to remove the pipe beneath the Commercial Canal: (1) Cut and Pull; (2) Marine Excavate; and (3) Diver. TGT submitted plans to, and acquired permits from, the U.S. Army Corps of Engineers and the Louisiana Office of Coastal Management without direction or oversight from the POI. TGT elected to use Cut and Pull, an unproven removal plan, and one that is entirely different from the means and methods used by other contractors to remove their pipes below the Commercial Canal. The POI should not be penalized for TGT decision to use unproven means and methods to remove its pipe.

- Letter dated June 29, 2021 from Young, Richaud & Myers, LLC to POI, regarding a Response to the POI's letter dated June 21, 2021.

The letter signed by Mr. Robert J. Young, III, Young, Richaud & Myers, LLC reflects that the Cut and Pull method is recognized in the industry as an acceptable method for removing abandoned pipelines. Also, the Cut and Pull method is the most economical method of the Three (3) which the POI lists in its June 21, 2021 correspondence, and the POI routinely emphasized to TGT that it was to use the most economical processes whenever.

Secondly, TGT's use of the Cut and Pull method was dictated in part by environmental guidelines and the U.S. Army Corps of Engineers' permitting process. POI made it clear that speedy completion of the project was its paramount concern. As seen, TGT used the programmatic general permit process, including the Cut and Pull method. Submitting a different removal method with the original permit could have required TGT to seek an individual permit could have required TGT to seek an individual permit, which can take 10-12 months for the Corps approval.

- Email dated July 7, 2021 from Robert J. Young, III, Young, Richaud & Myers, LLC Regarding Texas Gas' Requested Upward Change – Port of Iberia AGMAC Project.

Recent discussions between the POI and TGT requested an upward change in the

amount of \$810,493, primarily associated with the removal of the abandoned pipeline.

POI asked TGT to agree to a lesser upward change amount.

In an effort to resolve the matter, TGT is willing to accept \$725,000 for the upward change submitted pursuant to Castle Pipeline's estimate and TGT's estimate, which totals \$810,493.

TGT will waive any claim to the remaining \$85,493, which is more than 10% of the requested upward change. The waiver will apply to the Reimbursement Agreement ("RA") signed between the POI District and TGT, dated July 6, 2020. The POI District and TGT will execute an Amendment to the RA, acknowledging TGT's waiver, and the POI District's Agreement to reimburse TGT's upward change of \$725,000, subject to the POI's Verification Rights and other applicable rights under the RA.

POI and TGT shall both reserve all rights in the event the pipeline removal and any other costs of the project exceed the current upward change estimate of \$810,493.

Castle is no longer able to start work on July 12<sup>th</sup>. Their current commencement date is July 19<sup>th</sup>, with an expected timeline of three to four weeks.

- LA Department of Natural Resources Office of Coastal Management Coast Use Permit/Consistency Determination (Amended Permit).
- Department of the Army Corps of Engineers, New Orleans District General Permit.

The Coastal Use Permit C.U.P. No. P20200258(Amended); C.O.E. Permit No. MVN-2020-00326-WPP Permit were presented for review.

- Discuss the Approval and Authorization for the Board President to Execute the "Amendment to the Reimbursement Agreement".

Mr. Oneil Malbrough addressed the Board & explained all of the letters.

- Mr. Oneil Malbrough stated that Boardwalk is going to deduct \$85,493.00 from \$810,493.00 for a total of \$725,000.00 for the removal of the pipe. Mr. Oneil Malbrough stated that Boardwalk is removing 637 feet of pipe. Boardwalk's line is 12-14 ft. deep in the ground. Mr. Oneil Malbrough stated that if the Port wants to move forward, the Board could approve this quickly and Boardwalk can begin on July 19<sup>th</sup> and the pipe would be out within Three (3) or Four (4) weeks.
- Mr. Oneil Malbrough stated that Boardwalk wanted to try and pull the line out originally for the amount of \$80,000.00. Mr. Oneil Malbrough stated that Boardwalk is deducting this amount as a form of saying it was their mistake.
- Commissioner Roy Pontiff questioned the last statement in the first paragraph of the email from Robert Young, "POI and TGT shall both reserve all rights in the event the pipeline removal and any other costs of the project exceed the current upward change estimate of \$810,493.00". Mr. Oneil Malbrough stated that the Contract states the estimated cost cannot be changed unless the Port approves it. If for some

reason the contract amount rises higher than the \$810,493.00, the Port would reimburse TGT for that amount.

- Mr. Craig Romero asked for the Board to approve this so they can begin working on July 19<sup>th</sup> and the Port can stay on schedule.

**A motion was made by Commissioner Roy Pontiff, seconded by Commissioner Shane Walet to approve and authorize an Amendment to the Reimbursement Agreement by & between Texas Gas Transmission (Boardwalk) and the Port of Iberia District regarding Texas Gas's requested upward change of \$725,000.00 to the estimated cost; and, Motion further authorizes the Board President to execute the amendment to the Reimbursement Agreement.**

**This motion having been submitted to a vote; the vote thereon was as follows:**

**Yeas: Danny J. David, Sr., Roy A. Pontiff, Shane Walet, Simieon d. Theodile, Elbridge "Smitty" Smith, III, and Patrick Broussard.**

**Nays: Mark Dore'.**

**Absent at Voting: None.**

**And the motion was therefore passed on this the 9<sup>th</sup> day of July, 2021.**

**II. Discuss/Consider Approving the Negotiated Lease Agreement Between Aquadrill Offshore, LLC and the POI District Regarding 10.30 Acres, Building "C" (Fabrication Shop) and Building "D" (Metal Building), Located at the POI West Yard.**

➤ **Authorization for the Board President to Execute Lease Agreement.**

- Mr. Craig Romero stated that Aquadrill Offshore, LLC's interest in the Port of Iberia came as a result of Seadrill relocating to the Port.
- Aquadrill Offshore, LLC will be operating Three (3) of Seadrill's offshore rigs. Aquadrill Offshore, LLC will use the buildings as mainly storage for equipment from the Seadrill yard.
- Mr. Craig Romero stated that Commissioner Roy Pontiff has reviewed the Lease Agreement as well. Mr. Craig Romero stated that Mrs. Joanna Durke clearly stated in the Lease Agreement that payment is due upfront.
- Mr. Craig Romero stated that Aquadrill Offshore, LLC might want a fence later but he is not worried about that right now.
- Commissioner Mark Dore' expressed concern stating that from what he gathered Aquadrill Offshore, LLC is another company of Seadrill, it is not a different company.
- Mr. Craig Romero stated that Aquadrill Offshore, LLC annual lease payment will be good mailbox money for the Port.
- Commissioner Roy Pontiff stated that he complimented Mrs. Joanna Durke on her installment language in the lease, nobody can argue that it was not made clear to be an annual payment.
- Commissioner Roy Pontiff stated that he suggested to include language that if the Port gets an offer for that piece or the whole site, the Port can get out of the lease if Aquadrill Offshore, LLC does not want to match the Port's offer. This allows the Port to keep their options open.
- Commissioner Roy Pontiff stated that the tenant is accepting the property "as is" "where is". He stated that it is unclear of exactly how much money the Port has left

in Port Priority due to the overspending on Seadrill. He will be meeting with Mr. Oneil Malbrough after the Special meeting to discuss the finances on the West Yard.

- Commissioner Shane Walet questioned if Aquadrill will be using utilities. Mr. Craig Romero stated that they do not need any utilities, they are using the yard for storage.
- Commissioner Roy Pontiff stated that until the Port gets a handle of the finances, he is recommending not to make any improvements to this yard at this time.

**A motion was made by Commissioner Roy Pontiff, seconded by Commissioner Elbridge “Smitty” Smith, III. to approve and authorize the Board President to Execute a Lease Agreement between the POI District and Aquadrill Offshore, LLC Regarding 10.30 Acres, Building “C” and Building “D” located at the POI West Yard.**

**This motion having been submitted to a vote; the vote thereon was as follows:**

**Yeas: Danny J. David, Sr., Roy A. Pontiff, Shane Walet, Simieon d. Theodile, Elbridge “Smitty” Smith, III, Patrick Broussard, and Mark Dore’.**

**Nays: None.**

**Absent at Voting: None.**

**And the motion was therefore passed on this the 9<sup>th</sup> day of July, 2021.**

### **III. Update on the Board’s Review of the Resumes’ Received for Port Attorney.**

- Board President Objects to Special Meeting Agenda Item Number Five (5) Until it can be discussed at a Regular Monthly Board Meeting.
- Discuss/Consider Engaging an Attorney to Serve as the POI District Board of Commissioners Legal Counsel.
- Board President, Danny J. David, Sr. stated that Commissioner Elbridge “Smitty” Smith, III. will be resigning. Commissioner Danny J. David, Sr. questioned why should Commissioner Elbridge “Smitty” Smith, III be allowed to vote today at this Special Meeting.
- Commissioner Elbridge “Smitty” Smith, III, stated that the stipulation he wanted was to have both attorneys, Mr. Craig Romero did not want that. Elbridge “Smitty” Smith, III stated that Mr. Craig Romero runs the day-to-day operations of the Port, so he is voting for what he wants being Mr. Craig Romero has to interact with the attorney.
- Commissioner Mark Dore’ stated that according to Mr. Donelson Caffery’s resume he is a lobbyist in Baton Rouge. He also stated that if it were up to him, Ray Allain would still be the Port Attorney.
- Commissioner Danny J. David, Sr. stated that it is obvious Mr. Donelson Caffery does not know how to do a resume’.
- Commissioner Roy Pontiff expressed his support for Dean Wattigny, being he is a local attorney who has a office on Main Street in New Iberia.
- Commissioner Danny David used an analogy saying “Shop Iberia” to people and going to Lafayette to get your groceries does not make much sense. He stated that is what is happening here.
- Commissioner Shane Walet stated that if the store he wants to go to in New Iberia closes early, he will go to Lafayette to buy his groceries. He also stated that both

attorneys were present at the last meeting and only one of them stayed until the end and expressed interest. He stated that he feels Mr. Dean Wattigny should have stayed until the end to see how the Board meetings are conducted. Commissioner Danny David questioned Commissioner Shane Walet if he was aware that Mr. Dean Wattigny had an obligation that he had to attend. Commissioner Shane Walet stated that he should have communicated that to him.

- Commissioner Mark Dore' suggested that for every meeting all Board members should be present with no absentees.
- Commissioner Shane Walet stated that he questioned both attorneys if they would have room on their plate to be the Port Attorney. Mr. Dean Wattigny had stated that he would have to give up something to do this job.
- Commissioner Roy Pontiff expressed concern stating that accessibility will be the problem for the Port staff.
- Commissioner Patrick Broussard stated that he does agree and he does think the staff needs accessibility, but that is Mr. Craig Romero's job to make sure they get it. He stated that is why he wants to go with Mr. Craig Romero's choice.
- Commissioner Roy Pontiff asked what is the effective date of the contract with Mr. Donelson Caffery. Mr. Craig Romero stated that the Port needs him on staff right away.
- Mrs. Joanna Durke asked who is going to prepare the Port Attorney Contract of Employment Agreement.
- Mr. Craig Romero stated he can ask Mr. Donelson Caffery to prepare the Agreement based on the information the Port has from Mr. Ray Allain's contract.
- The Board discussed having Mr. Ray Allain review the contract once Mr. Donelson Caffery has drafted it.
- Mr. Craig Romero suggested allowing Mrs. Joanna Durke to "draft" the Port Attorney Contract of Employment Agreement for Donelson Caffery using Mr. Ray Allain's and include Mr. Donelson Caffery's rates.
- It was a consensus by the Board for Mrs. Joanna Durke to "draft" Mr. Donelson Caffery's Port Attorney Contract of Employment Agreement based off of the past Port Attorney's contract but including the new rates.

**A motion was made by Commissioner Elbridge "Smitty" Smith, III, seconded by Commissioner Patrick Broussard to Engage Mr. Donelson T. Caffery, III, to Serve as the Port of Iberia District Board of Commissioner Legal Counsel; and Motion further authorizes the Port CAO to draft the contract based off of the previous attorney contract but including Donelson T. Caffery, III's rates; and Motion also authorizes the Board President to sign the Contract Agreement.**

**This motion having been submitted to a vote; the vote thereon was as follows:**

**Yeas: Shane Walet, Simieon d. Theodile, Elbridge "Smitty" Smith, III, and Patrick Broussard.**

**Nays: Danny J. David, Sr., Roy Pontiff, and Mark Dore'.**

**Absent at Voting: None.**

**And the motion was therefore passed on this the 9<sup>th</sup> day of July, 2021.**

**IV. ADJOURNMENT**

**On a motion made by Commissioner Elbridge “Smitty” Smith, III and seconded by Commissioner Patrick Broussard the meeting was adjourned at 1:42 p.m.**

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**SECRETARY-TREASURER**

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**PRESIDENT**