

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY, JUNE 16, 2011 – 5:30 P.M.

The regular monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday, June 16, 2011 at 5:30 P.M., in the Lake Vista Community Center, 2nd Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Lupo called the meeting to order at 5:33 p.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Robert E. Smith Lupo
Commissioner Romona Theresa Baudy
Commissioner Darrel Saizan
Commissioner Wilma Heaton
Commissioner Stanley Brien
Commissioner William Hoffman
Commissioner Greg Ernst
Commissioner Patrick DeRouen
Commissioner Carlton Dufrechou
Commissioner Joe Hassinger

ABSENT:

Commissioner John B. Trask
Commissioner Michael Bridges
Commissioner Pearl Cantrelle

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood
Vincent Caire, Non-Flood
Dawn Wagener, Non-Flood
Fred Pruitt, Airport Director
Major Donald Booth, Police
Nina Marchand, Non-Flood
Charles Dixon, Marina Manager

ALSO PRESENT:

Tony Collins
Al Pappalardo
Gerard Metzger
Steve Nelson
Hardee Edgecombe
Wesley Mills
Beau Baudier
Walter Baudier
Roy Carubba
Robert Drouant

ADOPT AGENDA

Commissioner Saizan offered a motion to adopt the Agenda as printed, seconded by Commissioner Baudy and unanimously adopted. Chairman Lupo requested a motion to move Item #9, Committee Reports, after New Business. Commissioner Saizan offered a motion to amend the agenda, seconded by Commissioner Baudy and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Brien offered a motion to approve the minutes of the Board meeting held on May 19, 2011, seconded by Commissioner Dufrechou and unanimously adopted.

Mr. Capo informed that the annual audit is starting for last fiscal year. We have been in contact with the firm Silver, Gertner & Abney, who are going to do the audit. They are preparing a list so we can start gathering necessary documents. We have sent some information to them already and this year's audit is starting in earnest.

Commissioner Ernst informed that the By-Laws were discussed at the Legal Committee meeting on June 9, 2011. There were some changes made to the By-Laws and Commissioner Hoffman had some good comments. With the busy Agenda tonight, it is my recommendation we defer discussion of the By-Laws so they can be brought back to the Legal Committee for discussion of Commissioner Hoffman's input and brought before the Board in July.

NEW BUSINESS:

Chairman Lupo addressed the resolution approving the Executive Director to execute a Cooperative Endeavor Agreement between the Flood and Non-Flood sides of Orleans Levee District for the maintenance of Lakeshore Drive. Commissioner Ernst, Chairman of the Legal Committee has comments about language and descriptions that appear in the Cooperative Endeavor Agreement which was approved by the Southeast Louisiana Flood Protection Authority East Board. Commissioner Ernst questioned if SELFPA approved this document before their Board and questioned if there were any amendments or changes to the document. Commissioner Heaton distributed a copy of the resolution that SELFPAA passed stating that they attached the Cooperative Endeavor Agreement. Chairman Lupo explained to the Board that this Authority's resolution does not state that this Authority is agreeing to the Cooperative Endeavor Agreement, it states that we are giving permission to the Chairman and Executive Director to execute it. The Flood Board approved some sort of Agreement and if there is language that we have a problem with by passing our resolution it does not say we are accepting the verbiage. Commissioner Ernst offered a motion to recess to review the resolution passed by SELFPA, seconded by Commissioner Brien and unanimously adopted. At this time a 10 minute recess was taken.

Chairman Lupo called the meeting to order and addressed the motion to approve the Cooperative Endeavor Agreement between Flood and Non-Flood. There are some comments from Commissioners Ernst, Hassinger and DeRouen.

Commissioner Ernst stated a legal objection to the Cooperative Endeavor Agreement as the Agreement is an agreement between Non-Flood Protection and the Orleans Levee District which makes no legal sense because the Orleans Levee District does not have authority to enter into a Cooperative Endeavor Agreement over the management and to do our job. This agreement has to be between Southeast Louisiana Flood Protection Authority-East and this Authority. At some point I would like to offer a substitute amendment to delete the reference to Orleans Levee District and substitute Southeast Louisiana Flood Protection Authority-East.

Secondly, the statutory authority (38:330(A)(2)(a)) gives Southeast Louisiana Flood Protection Authority the responsibility for managing the Flood assets of the Orleans Levee District. Non-Flood Protection's statutory authority is (38:330 12) which gives this Authority the authority to manage the Non-Flood Assets and the substitute amendment should address that.

There are two other provisions in the Cooperative Endeavor Agreement that cannot be accepted as to form: Item #6 which commits this Authority to the transfer the Airport within 23 months. This has never been discussed by this Board nor has it been discussed at a public meeting by the Airport Committee. It is not appropriate for the Flood Authority to interject into a Non-Flood business as the statutory authority stated they cannot do that. Commissioner Ernst objects to #6 being inserted into this agreement which is only about giving this Authority \$700,000 to maintain Lakeshore Drive. The second provision is #7 which requires an expert be appointed to determine the feasibility of making the Non-Flood assets income producing, which I have no problem with. There is a problem with the next clause which states, "or available for sale". Based on conversations with members of the Southeast Louisiana Flood Protection Authority, that is their agenda which is based on conversations we have had with the Office of Coastal Protection Restoration Management Authority and Mr. Garret Graves. Commissioner Ernst does not want to sign off on something which will lead to dismantling of assets that this Board is statutorily entrusted to manage.

Commissioner Hassinger added that some provisions are not what were discussed with the Flood Authority. Paragraph #3 says that upon expiration of the agreement components of Lakeshore Dr. will cease to be a Flood asset. This implies that some components will revert back to Non-Flood and some will not. The discussion was that the Flood Authority will provide funding and this Authority will maintain Lakeshore Drive. The Flood Authority insisted Lakeshore Dr. be declared a Flood asset for them to expend the money. The agreement was that anything declared Flood for purposes of this agreement would become Non-Flood if the money is not paid or at the expiration of 2 years.

Paragraph #4 states that OLD has sole discretion to terminate this agreement which is not fair; it should be either party has the ability to terminate this agreement. Regarding Paragraph # 6, I agree with Commissioner Ernst. The transfer of the Lakefront Airport is far outside the scope of the Flood Authority's statutory charge. The Flood Authority is focused on flood projects exclusively so they have nothing to do with the Airport. This Authority should not allow the Flood Authority to demand that the Airport is going to be sold. This Authority has an Airport Committee that has worked to get the Airport back into shape and the projection is that it will be profitable long-term. This Authority needs a professional study to determine how to best manage the Airport long term which is this Authority's charge not the Flood Authority's.

Commissioner Hassinger then referred to Paragraph #7 and stated that this is far beyond the Flood Authority's scope by statute as they should be exclusively flood focused. This Authority is charged with developing and implementing a long term plan for the management of these assets. By this Authority agreeing to that abdicates our responsibility; that is what we are supposed to be doing. Also, there is the implication that if Non-Flood assets don't produce income they are worthless and should be sold which I disagree with. There are numerous Non-Flood assets that will not produce a profit: green spaces, parks, picnic areas and shelters - things that everyone throughout the metro area enjoys daily. The OLD has an obligation to maintain these properties because they add to property value and quality of life. The fact that it doesn't produce income does not mean it is worthless and should be sold. Sale of the properties is within this Authority's purview, not the Flood Authority's. The role of this Board is to have local people involved in a long term plan for the disposition and management of these assets. I don't think it is within their statutory charge to change the legislative scheme separating Flood and Non-Flood. When this was discussed in Baton Rouge, this Authority had an assurance from Flood members that there would be no efforts to sell assets, alienate assets or otherwise interfere with this Authority's role. There is a

value to the Flood Authority to maintain the property adjacent to the flood structures such as levees and flood walls. It makes sense, particularly in light of the fact that money the Flood Authority has come from taxes which was in part to maintain these assets. This agreement goes far beyond what we discussed with the Flood Authority and it changes their scope and it changes our scope. We need to suggest some changes to the Agreement and present those changes to the Flood Authority for consideration.

Commissioner DeRouen added that despite the meeting with members of the Flood Authority at the legislature, this agreement is inconsistent with what was discussed and what was put on the record at the hearing; that the Flood Authority would pick up a portion of the police dept., retain the Non-Flood Authority to maintain Lakeshore Dr. up to \$700,000 for grass cutting and trash pick-up. Mr. Barry and Mr. Doody agreed that they would openly support an attempt for the Flood and Non-Flood Boards to be funded in the same way. The agreement was that both Boards were going to work together to avoid problems like this in the future. Commissioner DeRouen stated it was his understanding that part of the millage that the Flood Authority is using should go to assist the Non-Flood assets. In an effort to avoid legislation the Flood Authority thought would be adverse to them, we all agreed on a compromise of \$700,000 for maintenance of Lakeshore Drive, the police, working on the millage, working on the legislation and everybody trying to hold hands and work together. This proposal is inconsistent with that compromise. Commissioner DeRouen supports an amendment to this proposal, but disagrees with the proposal.

Mr. Metzger stated a motion was needed on the proposed resolution and pointed out that the resolution is only to authorize the Chairman and the Executive Director to negotiate and sign an agreement, but not the agreement that was approved by the Flood side. Commissioner Heaton moved to discuss Motion 01-061611, seconded by Commissioner Hassinger and unanimously adopted.

Motion No. 01-061611

Mr. Capo read the pertinent provisions of the proposed motion:

Motion 01-061611 is to approve a Cooperative Endeavor Agreement between Flood and Non-Flood divisions of the Orleans Levee District for the maintenance of Lakeshore Drive. The Management Authority authorizes its Chairman to negotiate and enter into an agreement with Southeast Louisiana Flood Protection Authority East to fund the expenses to perform the maintenance of Lakeshore Drive and its adjacent parks and green spaces for a period of 2 years. The Management Authority Chairman is authorized to sign any and all documents necessary to carry out the above.

Commissioner Saizan stated he does not like some aspects of the Agreement and supports the Chairman in trying to work through these issues with the Flood Authority. These assets are not going to be as easy for them to sell as they think. I am going to support this because it is the right thing to do at this time, although I do not like parts of it.

Commissioner Hoffman stated he believes we need to move this forward because in any process there is give and take. The arrogance of the document is clearly written in every aspect of it. Sections #8 is required of us and Section #7 all we are agreeing to is to have a feasibility study done. If a feasibility study was developed and there was a case for selling an asset, this Board would take all of the factors under advisement. There is nothing in here that says we are going to sell. I object to Section #6 but I do not believe that there is another public entity that is going to accept the Airport. I don't believe this could be done within 23 months because of all of the legal requirements and the FAA. I am willing to support this effort as a step forward in the right direction and to work on these other aspects over the next 12-24 months.

Commissioner Heaton represents the Southeast Louisiana Flood Protection Authority East on this Board and stated that it would be prudent to work toward an agreement. There are a lot of issues out there and I would like a message to go back to the legislators that this Board is working toward an agreement. I would certainly support an alternative to send that message back. I don't want to see us leave here with a no vote and not have something to get back to the legislature.

Commissioner Hoffman clarified that the resolution authorizes the Chairman to negotiate and enter into an agreement to fund the maintenance of Lakeshore Dr., it does not say that agreement has to be this draft. I don't believe that it is inconsistent to accept this motion and let our Chairman see what he can do taking everybody's comments into consideration. Chairman Lupo informed that there is a sunset coming up January 1 on who can and can't sell things. Lawyers don't like something in an agreement that can't be done but when you have an adversary relationship with who you are negotiating with and they want something in there that can't be done, sometimes I am comfortable with putting it in there. Instead of the resolution stating that the Chairman has the right to negotiation on the cooperative endeavor agreement, some of the members can assist in this. Commissioner Hoffman stated he would do a substitute motion to say the Chairman and Vice Chairman. Commissioner Hoffman offered a motion to amend the resolution, seconded by Commissioner Hassinger and unanimously adopted.

Commissioner Hassinger added that there is no such thing as a meaningless provision. It may not be able to happen in reality and may be illegal but it means something. If No. 6 is left in, it means that we have some plan to sell the Airport in 23 months. Number 7 means something; it means that the Flood side sees these assets as unimportant and need to be disposed of. When people read this document, the meaning they are going to get from it is that this Authority agreed with the Flood side that these assets need to be sold if they are not income producing. The Authority has talked about the need to deal with these assets collectively because one supports the other. We have to come up with a long term plan to deal with the stuff collectively. The message from No. 7 is that the Flood side is forcing us to do something that we don't want to do. The feasibility of selling or dealing with these assets is what the Board is here for.

Commissioner DeRouen commented that #4 states that if the legislature passes a law that the Flood side does not like, they can vitiate this agreement; they can vitiate this agreement at any time for any reason. This is one sided and has no protection at all for the Non-Flood side. Chairman Lupo stated that this Authority has to understand that we are asking the Flood side to take on responsibilities that are the Non-Flood side's responsibility because of budget concerns to come up with \$700,000 for the maintenance of Lakeshore Dr. and \$1.4 million worth of police that is Non-Flood responsibility. Unfortunately, in negotiations when you are asking someone to take on obligations, they ask you for something in return. The Flood side can change this agreement but all that does is give them a right to back out of an agreement where they are giving things and we are giving nothing.

Mr. Capo clarified that this motion is to add the Vice Chairman to negotiate and enter into the Cooperative Endeavor Agreement with the Flood side without coming back to the Board. Commissioner Hoffman added that each Commissioner represents a faction of the Board's views and together the two Commissioners can listen to what we have put on the table and come to an agreement as opposed to coming back to the Board and losing money that we desperately need. Chairman Lupo stated the only leverage this Board is the legislature being in session. Once the legislature is out of session, this Authority has no leverage. If we have not confected an agreement and the legislature goes out of session, Flood has absolutely no incentive to do anything. The Flood side is doing this only because of the legislation by Rep. LaRusso and Morrell that will affect the Flood's financials.

Vice-Chairman Hassinger stated he would be out of the country on business from June 19 to July 1, 2011. Commissioner Hoffman requested to amend the motion to amend to insert the Chairman of the Legal Committee, seconded by Commissioner Brien and unanimously adopted.

At this time Chairman Lupo turned the meeting over to Vice Chairman Hassinger.

Chairman Hoffman moved in favor of the cooperative endeavor agreement, as amended, seconded by Commissioner Brien and unanimously adopted to wit:

MOTION: 01-016111
RESOLUTION: 01-061611
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIONER BRIEN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (the “Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature, effective August 15, 2010, and is the governing authority of the non-flood assets of the Orleans Levee District (“District”);

WHEREAS, Act 1 of the First Extraordinary Session of 2006 comprehensively revised the Levee Board system in Southeast Louisiana through amendments to the Revised Statutes of 1950 with respect to the Levee Boards, including the former Board of Commissioners of the Orleans Levee District;

WHEREAS, Act 1 abolished the Orleans Levee Board and other levee boards and consolidated their authority under two new Boards, the Southeast Louisiana Flood Protection Authority-East Bank (“SLFPA-East”) and Southeast Louisiana Flood Protection Authority - West Bank;

WHEREAS, the authority and jurisdiction of the SLFPA-East over the Orleans Levee District under Act 1 was limited to the governance of the flood protection assets of the Orleans Levee District;

WHEREAS, Act 1 enacted Section 330.12(A) of Title 38 that provided that the governing authority of the OLD with respect to non-flood protection assets was the Division of Administration of the State of Louisiana (the “DOA”), and provided that the Division of Administration was the successor to the Board of Commissioners of the Orleans Levee District for purposes of management of the non-flood assets;

WHEREAS, on May 17, 2007 the SLFPA-East and West and the DOA entered into a Memorandum of Understanding to implement the provisions of Act 1 of the First Extraordinary Session of 2006 (the “MOU”), and the purpose of the MOU was, in part, to delineate the assets of the OLD that comprise the non-flood assets of the District;

WHEREAS, the MOU created the “Non-Flood Asset Division” consisting of assets facilities not directly related to flood protection, including Lakeshore Drive and its adjacent parks and green spaces, under the management and control of the DOA, which was also responsible for all expenses and liabilities connected with the maintenances of the non-flood assets;

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 effective August 15, 2010, and is the successor of the Division of Administration as the governing authority of the non-flood assets of the Orleans Levee District;

WHEREAS, because of fiscal constraints representatives of the Management Authority entered into discussions with representatives of the SLFPA-East regarding payment by the SLFPA-East of the expenses for the maintenance of Lakeshore Drive and its adjacent parks and green spaces;

WHEREAS, said representatives of the Management Authority have requested that the SLFPA-East fund the expenses for the maintenance of Lakeshore Drive and its adjacent parks and green spaces for a period of two years;

WHEREAS, this matter was brought before the Legal Committee of the Management Authority at its meeting held on June 9, 2011, and the Committee unanimously resolved to recommend to the Management Authority that it authorize the Chairman of the Management Authority to negotiate and enter into an agreement with the SLFPA-East to fund the expenses for the maintenance of Lakeshore Drive and its adjacent parks and green spaces for a period of two years; and,

WHEREAS, after consideration of this matter, the Management Authority considers it to be in the best interest of the Management Authority to authorize the Chairman of the Management Authority and Chairman of the Legal Committee to negotiate and enter into an agreement with the SLFPA-East to fund the expenses for the maintenance of Lakeshore Drive and its adjacent parks and green spaces for a period of two years.

BE IT HEREBY RESOLVED, that the Management Authority hereby authorizes its Chairman and Chairman of the Legal Committee to negotiate and enter into an agreement with the SLFPA-East to fund the expenses for the maintenance of Lakeshore Drive and its adjacent parks and green spaces for a period of two years.

BE IT HEREBY FURTHER RESOLVED, that the Management Authority Chairman be and is hereby authorized to sign the any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 02-061611

Mr. Capo informed this motion was to authorize the procurement of Workers' Compensation Insurance coverage from LWCC through the Morrison Insurance Agency at the apportioned annual estimated premium of \$31,437.50 for the Non-Flood Division for a period of one year commencing on July 1, 2011. The Authority Chairman or Executive Director will be authorized to execute any and all documents necessary to carry out the above.

Commissioner Hoffman informed that this was reviewed at the Finance Committee meeting and the Finance Committee approved adoption of this resolution.

Commissioner Hoffman offered a motion to procure the Workers' Compensation insurance coverage from LWCC, seconded by Commissioner Brien and unanimously adopted to wit:

MOTION: 02-061611
RESOLUTION: 02-061611
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIOENR BRIEN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature, effective August 15, 2010, and is the governing authority of the non-flood assets of the Orleans Levee District ("District), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development (the "Management Authority");

WHEREAS, the current Workers' Compensation Insurance Coverage for the Non-Flood Protection Asset Management Authority is due to expire on July 1, 2011; and

WHEREAS, LWCC, the incumbent provider, has offered a Guaranteed Cost Plan through Morrison Insurance Agency for the period of one year commencing on July 1, 2011 at a proposed total estimated annual premium of \$194,898.00, which shall be apportioned between the Flood Protection Division and Non-Flood Assets Division; and

WHEREAS, the annual estimated premium for the Non-Flood Asset Management Authority is \$31,437.05; and

WHEREAS, the annual estimated premium is subject to policy term payroll audit.

BE IT HEREBY RESOLVED, that the Non-Flood Protection Asset Management Authority authorizes the procurement of Workers' Compensation Insurance coverage from LWCC through the Morrison Insurance Agency at the apportioned annual estimated premium of \$31,437.05 for the Non-Flood Protection Asset Management Authority for a period of one year commencing on July 1, 2011 and ending on July 1, 2012 at 12:01 AM.

BE IT FURTHER RESOLVED, that the Authority hereby authorizes the Authority Chairman or Executive Director to sign any and all other documents to carry out the above.

AYES: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

ABSTAIN:

RESOLUTION ADOPTED: YES

Motion No. 03-061611

This motion is to approve the relocation of the water meter at Orleans Marina through the New Orleans Sewerage and Water Board at a cost of \$9,288.00. The Authority Chairman or Executive Director is authorized to execute any and all documents necessary to carry out the above.

Mr. Capo advised that this meter is currently in the middle of the street on Lake Marina Drive. If there are any leaks the Authority is responsible for those leaks between that meter and the inside of the flood wall. We are asking to move that meter from the middle of the street on Lake Marina Drive and place the meter on Non-Flood Protection Asset Management Authority property inside of the flood wall. We have spoken to the

Sewerage & Water Board and they will relocate the meter for a fee of \$9,288.00. The other option would be to hire a contractor but we would still need to pay the Sewerage & Water Board \$1,500. The best course of action is to go directly with Sewerage & Water Board.

Commissioner Brien offered a motion to relocate the water meter at a cost of \$9,288.00, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 03-061611
RESOLUTION: 03-061611
BY: COMMISSIONER BRIEN
SECONDED BY: COMMISSIONER ERNST

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the OLD, and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the Sewage and Water Board installed the water meter that feeds Orleans Marina on the curb of Lake Marina Avenue when the Avenue was a two-lane street;

WHEREAS, when Lake Marina Avenue was expanded to a four lane road the water meter was not moved, thus the water meter is now in the middle of the road and 4 feet below the surface, and is frequently under water,

WHEREAS, the Sewage and Water Board is allowing the meter to be moved inside Orleans Marina;

WHEREAS, with moving the meter inside the marina, the marina would not be held responsible for any water leaks out side of the marina property, marina personal would also be able to read the meter, to verify the readings;

WHEREAS, the Marina Committee of the Management Authority has reviewed this matter and has recommended approval of this Resolution to the Management Authority; and,

BE IT RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to enter into an agreement with the Sewage & Water Board to perform work as per the Sewage & Water Board specifications for the sum of \$9,288.00.

AYES: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 04-061611

This motion is to approve a contract for the demolition of the passenger walkway at South Shore Harbor Marina with J.P. & Sons in the amount of \$81,931.00. The Authority Chairman or Executive Director is authorized to execute any and all documents necessary to carry out the above.

Mr. Capo informed that the Authority went out for bid and received four bids and the lowest bidder transposed the numbers on the bid tab sheet and withdrew his bid. In addition, they did not have all the documentation needed to award the bid. The second

bidder will keep the steel for scrap and remove the walkway. The walkway is a hazard and extremely unsightly. The sheet metal on the roof flaps and we are going into hurricane season. The steel blue piles are a navigation hazard so our recommendation is to contract with this particular firm and get this project underway. The Authority's attorneys reviewed all the documentation.

Mr. Dixon informed that Jones Act insurance is high and you have Workers' Comp. Insurance which has to be Longshoreman's insurance so that drives the price. J.P. & Sons is a dredging outfit and they do this all of the time. J.P. & Sons will not have to get Jones Act insurance because this will be done off of the pier.

Commissioner Brien offered a motion to remove the passenger walkway at South Shore Harbor Marina at a cost of \$81,931.00, seconded by Commissioner Saizan and unanimously adopted to wit:

MOTION: 04-061611
RESOLUTION: 04-061611
BY: COMMISSIONER BRIEN
SECONDED BY: COMMISSIONER SAIZAN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the OLD, and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the Orleans Levee District ("OLD") has owned and operated South Shore Harbor Marina since 1987, and has continually attempted to enhance the operation of the Marina in terms of profitability, tenant amenities, environmental compliance, capital improvements, and other enhancements;

WHEREAS, Bally's casino built a passenger walkway and dauphin piles to facilitate the boarding of customers and to secure their floating casino;

WHEREAS, Bally's casino abandoned the site as is, after hurricane Katrina;

WHEREAS, the passenger walkway is now a hazard to the boating public and the dauphin piles are a hazard to navigation in the harbor;

WHEREAS, a permanent pump-out facility has been purchased and installed, near the location in question;

WHEREAS, bids were taken for the removal of twenty nine steel dolphin piles at or below the mud-line, removal of underwater debris along the bulkhead and around the removed steel dolphin piles to a depth of ten feet, removal of the entire passenger walkway from the top concrete footing on the northeast side of the Marina Terminal Building extending two hundred seventy five feet then west thirty six feet, place a water valve on exposed fresh water service and a plate on the sanitary sewer service, and enclose the Marina Terminal Building exposed walkway entrance after removal; and J.P. & Sons was the low bid at \$81,931.00;

WHEREAS, the Marina Committee of the Management Authority has reviewed this matter and has recommended approval of this Resolution to the Management Authority; and,

BE IT RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to enter into an agreement with J.P. & Sons to perform work as per the bid specifications for the sum of \$81,931.00.

AYES: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 05-061611

Mr. Capo informed the Board that the Authority issued RFQs for engineer's services to seal coat the taxiway and runway, build a new regulator building and a Wildlife Hazard Assessment. We received the RFQ and put together a selection panel which reviewed and scored the proposals and came up with a ranking of the respondents. We will send notice to the highest ranked firm to submit an RFP (cost proposal) to us. As required by the FAA, we need an independent fee analysis which can be done in house, but we don't have the expertise. We propose to use Stuart Consulting as Stuart is familiar with our projects and we have worked closely with Stuart. Stuart's fee is capped at \$15,000.00 and is fully refundable by the FAA. This issue came before the Airport Committee but there was no quorum and was discussed as an informational item because the committee members could not vote. Commissioner Saizan added that this is the prudent way to handle this issue as Stuart is already on board and they are doing an exceptional job trying to obtain every FEMA dollar out of FEMA. Mr. Capo added that there is no requirement from the FAA that we have to go out for another RFQ to select a firm to do the independent fee analysis.

Commissioner Saizan offered a motion to contract with Stuart Consulting for an independent fee analysis, seconded by Commissioner Hoffman and unanimously adopted to wit:

MOTION: 05-061611

RESOLUTION: 05-061611

BY: COMMISSIONER SAIZAN

SECONDED: COMMISSIONER HOFFMAN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the Non-Flood Division of Orleans Levee District ("OLD"), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the New Orleans Lakefront Airport has received a commitment of discretionary funds from the FAA for AIP Project No. 3-22-0038-021-2011 to perform Runway/Taxiway Resurfacing/Sealcoat and Painting, Construction of new Airfield Lighting Regulator Building and the Airport Wildlife Hazard Assessment, and

WHEREAS, in accordance with FAA Advisory Circular 150/5070-6B and 150/5100-14D, a RFQ Selection Panel was assembled and reviewed and ranked the respondents, and

WHEREAS, an analysis of the proposed fee for said design and construction management is required by FAA regulations, and

WHEREAS, the Authority does not have the in-house expertise to perform such analysis, and

WHEREAS, the contract for the independent fee estimate is reimbursable through the FAA Grant,

WHEREAS, Stuart Consulting Group, Inc. is a qualified engineering firm capable of providing the requisite review services.

THEREFORE, BE IT RESOLVED, that the Non Flood Protection Asset Management Authority authorizes the Chairman or Executive Director to execute a contract not to exceed \$15,000 with Stuart Consulting Group, Inc. to perform all necessary review and reporting services as required by aforementioned AIP grant; the effort and compensation for said services shall be on an as needed, time and materials basis and shall be based on proposed scope requested and authorized in writing.

BE IT FURTHER RESOLVED, that the Chairman or Executive Director be authorized to sign any and all documents necessary to accomplish the above.

YEAS: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 06-061611

This is a motion to accept Cox Cable's proposal to place overhead cable lines on Lake Marina Drive. Mr. Capo informed that Cox Cable is the only cable provider in that area for internet, phone and DSL services. There are three access points going into the Marina: one going to the Marina, one to the Peninsula Condominiums and the last going to Sailboat Bay. Cox Cable has a temporary AT&T pole there presently. Cox Cable had proposed to have one of the connections come to our building and then go down and underground to the points inside the Marina. It has come to our attention that Cox Cable prefers not to attach to our building but will install a Cox Cable pole somewhere in the vicinity of the current pole. Cox will supply the Marina tenants, the Sailboat Bay tenants and the Peninsula Condominium tenants. The cost is borne by Cox Cable. This is just to allow them access to the Marina.

Commissioner Brien offered a motion to accept Cox Cable's proposal to place overhead cable lines on Lake Marina Drive, seconded by Commissioner Saizan and unanimously adopted to wit:

MOTION: 06-061611

RESOLUTION: 06-061611

BY: COMMISSIONER BRIEN

SECONDED BY: COMMISSIONER SAIZAN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the OLD, and an agency of the State of Louisiana placed within the Louisiana

Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, Cox Cable had three overhead lines that fed their service to Orleans Marina, Pontchartrain Point Condominiums and Sailboat Bay Apartments;

WHEREAS, the Army Corps of Engineers, directed the demolition of the flood wall along Lake Marina Avenue;

WHEREAS, the Army Corps of Engineers and Cox Cable has requested that the overhead lines be permitted to be reinstalled at the locations previously in the 100 block of Lake Marina Ave and the 200 block of Lake Marina Avenue;

WHEREAS, presently Cox Cable is the only utility offering cable television, internet and telephone service to the area;

WHEREAS, it would be a hardship to the tenants of Orleans Marina, Sailboat Bay Apartments and Pontchartrain Point Condominiums, to deny the Army Corps of Engineers and Cox Cable request;

WHEREAS, the Marina and Real Estate Committees of the Management Authority has reviewed this matter and has recommended approval of this Resolution to the Management Authority; and,

BE IT RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to enter into an agreement with Cox Cable to perform work as per their request at no cost to the Authority.

AYES: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 07-061611

This is a motion to authorize Design Engineering, Inc., pursuant to its contract for Lakeshore Drive Hurricane Katrina damage repair, to prepare necessary schematic designs and cost estimates to establish a reimbursement for the USACE to enter into an agreement with the Non-Flood Authority for reconstruction of Shelter #3 and utilities.

Mr. Capo advised that Design Engineering was the design and engineering firm that did the repairs along Lakeshore Drive for Hurricane Katrina for the roadway and the lighting infrastructure. This is an amendment to their supplemental agreement to the Lakeshore Drive contract. DEI is doing the 14 crossovers and is familiar with the utilities on Lakeshore Drive. The Authority has to have a design for Shelter #3 for presentation to the Corps with the cost to begin the process and get reimbursed.

Commissioner Saizan offered a motion to authorize Design Engineering, Inc., pursuant to its contract for Lakeshore Drive Hurricane Katrina damage repair, to prepare necessary schematic designs and cost estimates to establish a reimbursement for the USACE to enter into an agreement with the Non-Flood Authority for reconstruction of Shelter #3 and utilities, seconded by Commissioner Brien and unanimously adopted to wit:

MOTION: 07-061611
RESOLUTION: 07-061611
BY: COMMISSIONER SAIZAN
SECONDED BY: COMMISSIOENR BRIEN

June 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (the “Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature, effective August 15, 2010, and is the governing authority of the non-flood assets of the Orleans Levee District (“District);

WHEREAS, the U.S. Army Corps of Engineers (USACE) has begun the process of reviewing plans for removal and replacement of utilities along Lakeshore Drive as a result of Hurricane Protection work;

WHEREAS, Shelter Number Three was removed along with the utility crossings necessary to design and construct hurricane protection projects by the USACE;

WHEREAS, the USACE requires a scope of work and an estimated replacement cost for the utility crossings and shelter number three to complete its agreement to fund the reconstruction of the utilities crossing the levees and the reconstruction of Shelter Number Three at a location on Lakeshore Drive chosen by the Management Authority;

WHEREAS, Design Engineering, Inc. has a contract with the Management Authority for engineering services for repairs of damage on Lakeshore Drive caused by Hurricane Katrina; and

WHEREAS, the Management Authority has resolved that it is in the best interest of the District to authorize Design Engineering, Inc. to prepare necessary schematic designs and cost estimates to establish as reimbursement budget for USACE to enter into an agreement with the Management Authority for reconstruction of Shelter Number Three and the utilities.

BE IT HEREBY RESOLVED, that the Management Authority does hereby authorize Design Engineering, Inc., pursuant to its contract for Lakeshore Drive Hurricane Katrina Damage repair; to prepare necessary schematic designs and cost estimates to establish a reimbursement budget for USACE to enter into an agreement with the Management Authority for reconstruction of Shelter Number Three and the utilities.

BE IT FURTHER RESOLVED, that the Management Authority hereby authorizes the Authority Chairman or Executive Director to sign any and all other documents necessary to carry out the above.

AYES: ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

ABSTAIN: HASSINGER

RESOLUTION ADOPTED: YES

Motion No. 08-061611

This motion is to select the Times Picayune as the official journal for publications as required under R.S. 43:171 for the Non-Flood Protection Asset Management Authority.

Commissioner Saizan questioned if we could use Gambit. Mr. Capo stated there was a criteria as far as the population. Mr. Metzger informed that he has not

reviewed the statute. Commissioner Saizan requested the statute be reviewed and let this agenda item be brought back in July.

Commissioner Hassinger offered a motion to table and defer the matter until the July 21, 2011 Board meeting to look at other options for publications, seconded by Commissioner Derouen and unanimously adopted.

Motion No. 09-061611

Mr. Capo informed that a motion to amend the Agenda was needed to add two items to the Agenda: Non-Flood Protection Asset Management Authority's general liability coverage and Airport owner's operators' liability coverage. Commissioner Saizan offered a motion to add the two items to the agenda, seconded by Commissioner Hoffman and unanimously adopted.

Mr. Hardee Edgecombe with Arthur Gallagher stated that originally the Authority purchased the general liability with the Orleans Levee District and the carrier was Ace Westchester for approximately \$60,000 last year. This year we received a proposal from Alterra, an A14 company, for a total of \$28,030.80. There is an SAR of \$25,000 and the new deductible will be \$2,500.00. Mr. Capo informed this was in the budget for this year.

Commissioner Saizan offered the motion for the general liability coverage for the Non-Flood Protection Asset Management Authority, seconded by Commissioner Hoffman and unanimously adopted to wit:

MOTION: 09-061611
RESOLUTION: 08-611611
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIONER SAIZAN

JUNE 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the Non-Flood Division of Orleans Levee District ("OLD"), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the General Liability Insurance (GL), excluding the marinas and airport is due to expire July 19th, 2011, and

WHEREAS, Arthur J. Gallagher Risk Management Services Inc., shopped the market for said coverage, and obtained a quote with an annual premium of \$28,030.80 for said coverage, from Alterra Excess & Surplus Insurance, with an A.M. Best's rating of A XIV, and

BE IT RESOLVED; that the Non-Flood Protection Asset Management Authority authorizes the procurement of the General Liability Insurance through Arthur J. Gallagher Risk Management Services Inc, with Alterra Excess & Surplus Insurance at estimated annual premium of \$28,030.80, for the period July 19, 2011 through July 19, 2012

BE IT FURTHER RESOLVED; that the Authority hereby authorizes the Authority Chairman or Executive Director to sign any and all other documents to carry out the above.

AYES: HASSINGER, ERNST, BAUDY, HOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 010-061611

Mr. Capo informed that this item is Airport Owners and Operators Liability Insurance, also with Arthur Gallagher through Ace Property & Casualty Company.

Ms. Kathy Gambino with Arthur Gallagher informed that this proposal is for the Airport Owner and Operator General Liability for the Lakefront Airport with \$100 million limit of liability and no deductible. All of the coverages are the same but the premium is going from \$47,000 to \$39,500 with Ace Property & Casualty Company and who is admitted. Ms. Gambino informed that there is no deductible

Commissioner Hoffman offered a motion to add the Airport Owners and Operators Liability Insurance, seconded by Commissioner Saizan and unanimously adopted to wit:

MOTION: 10-061611

RESOLUTION: 09-061611

BY: COMMISSIONER HOFFMAN

SECONDED BY: COMMISSIONER SAIZAN

JUNE 16, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the Non-Flood Division of Orleans Levee District (“OLD”), and an agency of the State of Louisiana placed within the Louisiana Department of Transportation and Development as provided under Title 36, Section 801.1 (A) of the Louisiana Revised Statutes;

WHEREAS, the New Orleans Lakefront Airport Owners & Operators Liability Insurance is due to expire July 1st, 2011, and

WHEREAS, Arthur J. Gallagher Risk Management Services Inc., shopped the market for said coverage, and obtained a quote with an estimated annual premium of \$39,500 for said coverage, from Ace Property & Casualty, with an A.M. Best’s rating of A+; and

BE IT RESOLVED; that the Non-Flood Protection Asset Management Authority authorizes the procurement of the Airport Owners & Operators Liability Insurance through Arthur J. Gallagher Risk Management Services Inc, with Ace Property & Casualty at estimated annual premium of \$39,500, for the period July 1, 2011 through July 1, 2012.

BE IT FURTHER RESOLVED; that the Authority hereby authorizes the Authority Chairman or Executive Director to sign any and all other documents to carry out the above.

AYES: HASSINGER, ERNST, BAUDY, HIOFFMAN, HEATON, BRIEN, DUFRECHOU, SAIZAN, DEROUEN

NAYS:

ABSTAIN:

ABSENT: LUPO, BRIDGES, TRASK, CANTRELLE

RESOLUTION ADOPTED: YES

COMMITTEE REPORTS

1) Airport Committee

Mr. Capo informed that Commissioner Saizan exited the meeting after presentation of the resolutions and briefed the Board on the Airport Committee meeting. Mr. Alton Davis gave an update on the interior of the Airport. The bids have gone out and are due back June 16, 2011, however, the bid opening was extended by one week. The bids are now due Thursday, June 23, 2011. There were several open houses for the contractors and sub-contractors to walk through the terminal building and Airport to get a good assessment of what this project entails. In trying to keep the time frame going forward, the next full Board meeting is July 21, 2011. In order to get a contract with the lowest bidder and get them under contract and move forward to meet the deadline of next year, we may have to have a special Board meeting to approve that contract for the Airport.

2. Marina Committee

Commissioner Brien informed that the Counselors of Real Estate toured South Shore Harbor and looked at the whole local marina community to get a feel for the position that South Shore Harbor is in. They gave an informative presentation at the end of the visit and their formal report will be out in the beginning of July.

3. Police Committee

Commissioner Dufrechou informed that the Police Committee did not meet in June and noted that he is very concerned about the transition of the Levee Board Police.

4. Commercial Real Estate Committee

Mr. Capo informed that the Commercial Real Estate Committee met and the Committee was introduced to the developers along the New Basin Canal for Lakeview Landings. They are looking to put a fuel dock for the water and land side and a day store & café. There are problems with FEMA and the City regarding permits to move forward. FEMA wants the day store 17 feet in the air. That is a problem. That was the first introduction to the Real Estate Committee from the developers. They are still moving forward and trying to work through this issue between the City and FEMA.

5. Recreation & Subdivision Committee

Commissioner Hassinger had no report for the Recreation and Subdivision Obligation Committee.

6. Legal Committee

Commissioner Ernst stated that the comments were made in the presentation regarding the By-Laws which will be taken up in the Legal Committee meeting on July 14, 2011

7. Finance Committee

Commissioner Hoffman stated that the Finance Committee met and went through the current financials compared to budget. The Authority is still on target to complete through June 30, 2011 as previously reported to the Board.

NEXT BOARD MEETING

Mr. Capo announced the next full Board meeting was scheduled for Thursday, July 21, 2011 at 5:30 p.m.

ADJOURNMENT

Commissioner DeRouen offered a motion to adjourn, seconded by Commissioner Hassinger and unanimously adopted.

The meeting adjourned at 7:18 p.m.