

**THE BOARD OF DIRECTORS OF
THE NEW ORLEANS PUBLIC BELT RAILROAD CORPORATION
MINUTES OF THE DIRECTORS' BOARD MEETING
THURSDAY, MAY 21, 2020**

**A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE NEW ORLEANS
PUBLIC BELT RAILROAD CORPORATION, PROPERLY NOTICED AND
AUTHORIZED IN ACCORDANCE WITH SECTION 2(C) OF THE GOVERNOR'S MAY
14, 2020 PROCLAMATION 59 JBE 2020, CONVENED REMOTELY VIA ZOOM
VIDEOCONFERENCE AT 2:09 P.M. ON THURSDAY, MAY 21, 2020.**

DIRECTORS

PRESENT:

Tara C. Hernandez, Chair
Darryl D. Berger, Vice-Chairman
William H. Langenstein, III, Secretary-Treasurer
Arnold B. Baker, Member
Charles H. Ponstein, Member

DIRECTORS

ABSENT:

Joseph F. Toomy, Member

STAFF:

B. Christian, Chief Executive Officer
M. Stolzman, General Manager
T. Haver, Vice President, Industrial Development
C. Kocur, Vice President, Engineering
J. Oldham, Vice President, Transportation
J. Escudier, Executive Counsel
M. Scelson, General Counsel
G. Rose, Network Planning and Support

GUESTS:

M. Ganon, Port of New Orleans
A. Fant, Port of New Orleans
B. Landry, Port of New Orleans
R. Wendel, Port of New Orleans
A. Evett, Port of New Orleans
C. Coats, Port of New Orleans
R. Aragon Dolese, Port of New Orleans
J. Guidry, Port of New Orleans
J. Ragusa, Port of New Orleans
G. Palermo, Port of New Orleans
M. Verderame, Port of New Orleans
E. Pansano, Port of New Orleans
T. Carter, Port of New Orleans
J. Crist, Port of New Orleans
R. Bylsma, Port of New Orleans
J. Woodward, Port of New Orleans
M. Sulser, Port of New Orleans
A. Madere, Port of New Orleans
L. Traweek, *New Orleans City Business*

K. Calkins
K. Price
B. Adams
J. Ming
T. Mcauley

I. Determination of Quorum and Call to Order

Following a roll call of Board members, Chair Hernandez confirmed a quorum and called the meeting to order at 2:09 p.m.

II. Action Items:

A. Consider Approval of a Resolution Awarding a Contract to Retif Oil & Fuel, L.L.C., for the As-Needed Purchase and Delivery of Dyed Ultra-Low Sulfur Diesel for a Period of One Year with Two One-Year Renewal Options, in an Amount Not to Exceed \$2,850,000 for the Contract Term.

Mr. Stolzman presented and recommended approval of the resolution. Mr. Stolzman stated that this contract includes the as-needed purchase and delivery of dyed ultra-low sulfur diesel fuel for NOPB's locomotives and off-road maintenance equipment. Historic consumption has been as high as 425,000 gallons annually, and the anticipated cost for one year of as-needed fuel, based on the vendor's markup, is estimated not to exceed \$950,000. NOPB received two responsive bids, and Retif Oil & Fuel, L.L.C. was the lowest responsible and responsible bidder, with a markup of \$0.0579/gallon. The contract is for a period of one year, with two one-year renewal options. Funds for this contract are allocated in the NOPB's Expense Budget.

Chair Hernandez asked how many locomotives currently are in service that use this type of fuel. Mr. Stolzman stated that 11 of the 15 locomotives are currently in service and use this fuel.

Director Ponstein asked if the newly-leased locomotives will use the same fuel as NOPB's current fleet. Mr. Stolzman confirmed the same fuel will be used, but that a corn-based biodiesel additive will be used with the new locomotives.

Director Ponstein moved to approve the resolution and Director Baker seconded.
MOTION CARRIED UNANIMOUSLY.

B. Consider Approval of a Resolution Authorizing the Chief Executive Officer to Enter into a Cooperative Endeavor Agreement with Jefferson Parish in Connection with the Manson Ditch Project.

Ms. Haver presented and recommended approval of the resolution. She stated that the proposed Cooperative Endeavor Agreement (the "CEA") between NOPB and Jefferson Parish (the "Parish") addresses land use and access rights for NOPB property in connection with the Parish's Manson Ditch Project (the "Project"). Ms. Haver provided an overview

of the Project and its impact on NOPB property, which includes: (1) installation of two (2) 42" and one (1) 18" discharge pipes under NOPB's double mainline; (2) building a permanent pump station that would occupy 3,500 square feet of NOPB property; (3) filling, with flowable fill, an asbestos-lined sewer line that is currently on NOPB property and installing a replacement sewer line parallel to it; and (4) replacing some open drainage ditches with reinforced concrete pipeline. According to the proposed CEA terms, in exchange for use of NOPB property, the Parish would commit to relocate three (3) drainage crossings, and execute other modifications to the Parish's drainage infrastructure to accommodate the expansion of West Siding from 4,600 to approximately 8,600 track feet. The Parish anticipates commencing the Project by December 2020.

Director Ponstein asked what type of engineering oversight NOPB will have relative to this Project. Ms. Haver confirmed the NOPB's Engineering Department will participate in the planning and oversight process.

Director Langenstein asked for a timeline regarding the Parish relocating the drainage crossings to enable rail expansion. Ms. Haver stated that once the resolution is approved, negotiations will commence to solidify the terms of the CEA with the Parish and establish a timeline for that portion of work.

Chair Hernandez asked for confirmation that NOPB's engineering team will be able to participate in the oversight process, specifically regarding their ability to approve changes or enforce railroad-specific engineering requirements. Mr. Stolzman confirmed that NOPB staff will ensure the enforcement of American Railway Engineering and Maintenance-of-Way Association (AREMA) Standards through the planning and inspections process.

Director Baker moved to approve the resolution and Director Ponstein seconded.
MOTION CARRIED UNANIMOUSLY.

III. Report by the General Manager

Mr. Stolzman provided a summary of transportation operations, car shop operations, and storage and switching volumes. He noted a significant decrease in both local and Class I switching revenues, but he anticipates volumes to increase by June. For April, storage volumes increased and he noted continued growth through the end of April and beginning of May, with an average of 800 railcars per day. For intermodal, Mr. Stolzman noted an increase in export container volumes for April. Dwell time for April averaged 10.2 hours, and dwell time has continued to decrease into the month of May.

Mr. Stolzman gave an overview of engineering and maintenance productivity. Bridge timber replacements averaged 40 timbers per week, while track surfacing and mill tie productions were also up for the month of April. Car shop repairs remained steady, while repair truck crews continued to increase the volume of repairs addressed in the field. Locomotive fleet availability averaged 70% on the existing locomotive fleet for the month of April.

Director Langenstein asked Mr. Stolzman how he anticipates storage volumes to fluctuate in upcoming months. Mr. Stolzman stated he is confident that the need for storage will continue to grow past the current fluctuations, which he attributes to the unique, geographic location.

Director Langenstein asked how COVID-19 impacts were affecting NOPB staff productivity, and what protective measures were in place. Mr. Stolzman confirmed that NOPB never lost more than 5% of their workforce, and have subsequently been able to maintain productivity rates. He also noted NOPB was observing Centers for Disease Control and Prevention protocols by allowing for telecommuting for administrative office staff and increased sanitation efforts for offices, community spaces, and locomotives.

IV. Adjournment

There being no further business to come before the Board, Chair Hernandez called for a motion to adjourn. Director Berger moved, and Director Baker seconded. **MOTION CARRIED UNANIMOUSLY** and Chair Hernandez adjourned the meeting at 2:26 p.m.