

AGENDA
January 11, 2006

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider December 12, 2005 Special Meeting Minutes for approval
- V. Consider December 14, 2005 Regular Meeting Minutes for approval
- VI. Executive Director's Report
 - A. **Northern Expansion Update**
 - a. **Construction status:**
 - i. Slip B, West Bulkhead, Project #1 – Joe Picciola
 - ii. Slip B, West Bulkhead, Project #2 – Larry Picciola
 - iii. Mooring Dolphins – Larry Picciola
 - iv. Leeville Mitigation Bucket Dredge – Larry Picciola
 - v. Slip A, Rowan Bulkhead Repairs – John Plaisance
 - B. **Airport Update**
 - a. Project status
 - C. **FEMA Updates**
 - a. Wave Protection
 - b. Debris Fence along LA 3090
 - c. Katrina and Rita FEMA Claims
 - D. **Highway Improvements Update**
 - E. **ROR Update**
- VII. Committee Reports
 - A. **Executive Committee**
 - a. Consider approving Cooperative Endeavor Agreement with SLEC
 - b. Consider approving landowner rights of way for LA 1 Mitigation
 - c. Consider approving John W. Stone Distributors' request to combine leases into one lease document
 - d. Consider approving Corp of Engineers request for right of way
 - e. Consider proposal from VIH to lease 5 acres on SL Industrial Park
 - B. **Permits & Waterways Committee**
 - a. Permits:
 1. Enterprise Products Operating, LP
 2. Hilcorp Energy Company
 3. Manti Operating Company
 4. James A. Whitson, Jr.
 - C. **Construction and Development Committee**
 1. Consider approving the low bidder for construction materials
 2. Consider approving the low bidder for the year fuel purchase
 3. Consider approving the bid for the sale of the F/V Capt. Jimmy and F/V Iron Man
 4. Consider approving the low bidder for the Bucket Dredging in Leeville for the LA 1 project
 5. Consider approving the bid for the Airport Camera System
 6. Consider approving the supplemental agreement for the Port Security Camera System
 7. Consider approving Change Order No. 1 from James Construction for Bulkhead Project #1
 8. Consider approving Change Order No. 2 from Circle, Inc. for Rowan Southwest Bulkhead Repairs
 - D. **Finance Committee**
 - a. Consider payment of invoices and recognize Expenditures over \$10,000
 - b. Consider approving the December 2005 financial report
- VIII. **Any other business**
- IX. **Public Comment**
- X. **Possible Executive Session**

Discuss pending litigation defined as "Rowan Companies, Inc. et al v. The Greater Lafourche Port Commission, et al, Civil Action No. 05-0030 – Sec. K – Magistrate 2"
- XI. Public Comment
- XII. Adjournment

Attachment

The following items may be discussed in an executive session:

- The pending litigation more specifically defined as "Rowan Companies, Inc. and Rowan Marine Services, Inc. v. The Greater Lafourche Port Commission; J. Wayne Plaisance, Inc.; Continental Construction Company, Inc.; Eustis Engineering Co., Inc.; Vulcan Construction Materials, LP; Vulcan Materials Company; and Core Industries, Inc., Civil Action No. 05-0030 – Sec. K – Magistrate 2".

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
JANUARY 11, 2006

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, January 11, 2006 at 10:30 AM.

President Vizier called the meeting to order, and Secretary Cheramie called the roll.

PRESENT: Donald Vizier, Jimmy Lafont, John Melancon, Harry Cheramie, Ervin Bruce, Larry Griffin, Beau Martin, Chuckie Cheramie, and Wilbert Collins

ABSENT: None

Upon motion by Ervin Bruce and second by Larry Griffin, the board unanimously approved the December 12, 2005 Special Meeting Minutes.

Upon motion by Ervin Bruce and second by John Melancon, the board unanimously approved the December 14, 2005 Regular Meeting Minutes.

Executive Director's Report

Northern Expansion Update - Engineer Joe Picciola reported that James Construction is on site driving timber piles for the deadman and installing the steel I-beams for Slip B, West Bulkhead, Project #1. He stated that there is a change order later in the agenda for 36 extra days due to the hurricanes and extra cost for moving debris from the site. Commissioner C. Cheramie requested an update on the Golden Meadow Lock project, which Mr. Picciola responded that emails were sent to all mariners and several of them have responded. The plan is to meet with the South Lafourche Levee District this week to get the US Coast Guard involved and have another public meeting sometime in February. Mr. Wilbert Collins entered the meeting.

Engineer Larry Picciola reported that Shavers-Whittle has driven piles for 39 deadman and has poured concrete for 7 of them for Slip B, West Bulkhead, Project #2. He stated that the sheet piles will soon be arriving on site, which will be installed once they have completed installing the timber piles.

Engineer Larry Picciola reported that the mooring dolphins are complete and final inspection will be done this week. He stated that the project is ready for substantial completion, which will include a punch list of the minor details remaining. He recommends that the board approve substantial completion later in the agenda. Further discussion followed regarding the design of the dolphins.

Engineer Larry Picciola reported that bids were received yesterday for the Leeville Mitigation Bucket Dredge Project #2. He recommends awarding the low bid from United Dredging Service Corp. for \$140,665.50. Executive Director reported that this project will dredge a canal along the footprint of the bridge from the north connector to the south connector except for the 300' area in Bayou Lafourche. The 300' area will be dredged with a hydraulic dredge which bids will be opened February 7th at 2:30 pm.

Engineer John Plaisance reported that the repairs to the Rowan Bulkhead along Slip A are substantially complete. He stated that there is also a change order for approval, which includes the additional work due to some of the piles being driven at a weaker strength. He reported that they are receiving quotes to replace the cap and bumper for 130 feet where the bulkhead bowed out 9-10 inches. Mr. Plaisance stated that once the bumper and cap are replaced the repairs to the Rowan bulkhead will be complete.

Airport Update - Mr. Hunter reported that the antenna structure is complete on the Non-Directional Beacon located in Golden Meadow which is in line with the runway. The frequency should be established within the next few weeks. He stated that Phylway Construction is on schedule for the

Runway Extension project. He stated that the widening of the runway is 40% complete. They are in the process of digging a -7 ft. trench along the runway, which will be filled with river sand, and within the next few weeks they will place the stone on the widened section and also the extension of the runway. Phylway is expected to begin asphaltting the runway in February. Commissioner Martin questioned the closure of the runway during construction, which Mr. Hunter replied that the runway has been closed for the past 2 months. It is expected to open back up for business within the next few months once the majority of the construction is complete. Helicopters are still operating out of the Airport. Mr. Hunter reported that Rotorcraft is constructing a parking lot on their new site and scheduled to form up their helipads, hangar, and office building next week. Rotorcraft has bought out Industrial Helicopters and is in the process of assuming the temporary lease near the hangar building. Mr. Hunter will be meeting with DOTD and the LPA Group on Friday to discuss Phase 2 of the runway project, which the drawings are 30% complete. Commissioner H. Cheramie questioned if any other helicopter companies have been inquiring about the airport, which Mr. Hunter replied that he met with a major helicopter company before the holidays, and he will follow up soon.

FEMA Updates – Director Falgout stated that the Wave Protection project is still on hold. We are waiting for the land right agreements to clear the debris from the beach and implement the sand dune project. FEMA has indicated their interest in this project and DNR is also committed to this project. He stated that we are in the process of separating the Debris Fence project to repair the damaged portion, which will be funded by FEMA, and the contractor will install the remaining incomplete portion. Director Falgout reported that the Katrina and Rita FEMA claims total \$6.3 million for damages in the port. The larger projects will take longer to get engineers and bids but the smaller projects have been started or they are close to beginning.

Highway Improvements Update – Mr. Boulet with LA 1 Coalition reported that the bid for Phase 1B was opened on Dec. 21st, which resulted in the low bid from Traylor Brothers/Massman at \$141,441,150.98. DOTD expected \$106 million, so the low bid was a 33% overage. The Coalition is actively seeking additional funds for the highway project and will have a better idea of the funds needed once the bid for Phase 1A is opened on Jan. 25th. DOTD is expecting this bid to be within \$75 - \$100 million. Phase 1C, the center span of the bridge, is scheduled to open bids on Feb. 26th and expected to be within \$15 - \$20 million.

Mr. Boulet reported that work should commence in mid-February to repair the section of the shoulder along LA 1 from Leeville to Fourchon, which was damaged from the storm. He stated that the low bid was received from Coastal Bridge from Baton Rouge and is set to be signed this month. He encouraged the board to attend the Lafourche Parish town hall meeting on January 18th at 5:30 pm to discuss a long-term plan for disaster recovery. LA 1 Coalition is applying for FEMA help to construct the LA 1 project and having people come to this meeting will support the project. He stated that traffic counts per day for Dec. 2005 are higher than Dec. 2004 from 5,589 to 6,335.

Further discussion followed regarding the bids that were received for Phase 1B. Commissioner Martin questioned why the State has not awarded the low bid to Traylor Brothers for Phase 1B. Mr. Boulet replied that the State has up to 45 days to award the bid and their intent to plan for funding is to see what Phase 1A bids come in at. Director Falgout stated that their strategy is to know what the cost is from the 2nd bid and if that comes in over budget they may not afford to build the project. You cannot use all the bond money just for the bridge so we need to make sure we have enough money to build the whole project. If the bids come in over budget, we will need to go find additional money. Commissioner Martin questioned what happens with the State bonds that were sold if the project is cancelled, which Director Falgout stated that these are State guaranteed bonds and the money could be put back with some lost. Director Falgout stated that there is also \$6.2 billion from CDBG monies at the Governor's discretion which may be used to meet the bond requirements. He stated that we cannot bond any more money with the toll revenue projections. He stated that if the State chose to sell bonds they could do that. We do have other avenues for funding coming in from hurricane impacts, capital outlay, and CDBG money. Commissioner Martin stated that with all the

options we have, that we should move forward and award this project. Mr. Boulet stated that DOTD is committed to this project and securing additional funding. LA 1 is on the top of their priority list and DOTD will support us in getting other avenues of funding. Commissioner Griffin agreed with the State's position to get all the funds before the project begins because of the problems that happened with the Lafitte-Larose highway that was never completed. Commissioner Melancon also agreed that the State is approaching this project in the proper manner of not awarding until they know what the whole project will cost.

ROR Update – Director Simone Theriot with Restore or Retreat updated the board on the current efforts. She reported that in March ROR went to Washington DC for the LCA plan to be passed and even after 2 hurricanes they are still waiting on authorization and appropriations on this. In May, there was a Third Delta workshop at Nicholls to study alternatives to the long term 3rd Delta Channel diversion project. Some alternatives are not of the same size and scale of the project but they feel that they can put short-term projects together to achieve the same results. The project has remained on schedule. She stated that next Thursday they will preview the plans for Phase 2 of this project. DNR Secretary Angelle is committed to this project and will be partner with ROR to move to the Federal level to help save our area. She stated that they are also involved in other restoration projects such as Davis Pond to make sure that they are run efficiently and effectively for future restoration projects. ROR is having their annual meeting at the end of this month to update the public.

Commissioner Martin questioned the success of Davis Pond, which Ms. Theriot replied that it depends on who you ask. It is a \$120 million project and it continues to receive hundreds and thousands of dollars yearly. The project currently is not operational due to a design flaw. This project is not a good example of a successful restoration project. They are currently using the salinity levels as the guidelines to operate the structure, which it was recommended that this project be used for restoration purposes such as for the damaged marsh areas and not only go by salinity levels. Commissioner C. Cheramie requested that the board tour the Davis Pond project, which Ms. Theriot said that she would be happy to schedule a tour. Further discussion followed regarding the design flaw of this project and other alternatives of using this project to its proper capacity. ROR will stay on top of the Davis Pond project until it is running properly.

Committee Reports

Executive Committee – Chairman Donald Vizier reported that the committee met on January 9, 2006 at the Administration Building in Galliano. Present were Donald Vizier, John Melancon, Harry Cheramie and Jimmy Lafont. The Commission then discussed items that were discussed at the committee meeting.

Upon motion by John Melancon and second by Wilbert Collins, the board unanimously approved the Cooperative Endeavor Agreement with South Louisiana Economic Council, which totals \$40,000 and includes \$5,000 to SLEC, \$25,000 to LA 1 Coalition and \$10,000 to Restore or Retreat.

Upon motion by Wilbert Collins and second by Chuckie Cheramie, the board unanimously approved the landowner rights of way for the LA 1 Mitigation projects and authorized President Vizier to execute agreements. Director Falgout stated that this will cover the additional dredging areas that are needed for this project.

Upon motion by John Melancon and second Jimmy Lafont, the board unanimously approved to combine all the leases with John W. Stone Distributors including the oilfield service dock into one lease document and authorized President Vizier to execute the new lease.

Upon motion by Harry Cheramie and second Wilbert Collins, the board unanimously approved the Corp of Engineers request for a right of way for the maintenance dredging.

President Vizier presented for the board's consideration the proposal from VIH to lease 5 acres on SL Industrial Park. Director Falgout stated that the board has already granted a right of first refusal for this area to Rotorcraft. He stated that if approved, the Port will approach Rotorcraft with VIH's offer to match and if Rotorcraft declines we will lease the 5 acres to VIH. Rotorcraft may not take

these 5 acres and may consider requesting a right of first refusal on the 5 acres on the south side of their lease. Upon motion by Beau Martin and second by Ervin Bruce, the floor was open for discussion. Commissioner Martin questioned if there is any other property for VIH Helicopters to expand, which Director Falgout replied that there is property south of their lease, FAA taxed property north of their lease, and also property for parking across the road. The board unanimously approved to issue a written Notice of Offer to Rotorcraft, in accordance with Rotorcraft's right of first refusal, outlining the proposal from VIH Helicopters.

Permits & Waterways Committee – Chairman Chuckie Cheramie reported that the committee met on January 9, 2006 at the Administration Building in Galliano. Present were Chuckie Cheramie, Donald Vizier, Beau Martin, and Jimmy Lafont. The Commission then discussed items that were discussed at the committee meeting.

Chairman C. Cheramie presented to the board the permits by Enterprise Products Operating, LP and Hilcorp Energy Company, which there were no objections. He also presented the permits by Manti Operating Company and James A. Whitson, Jr., which he recommended that a letter be sent opposing prop washing.

Director Falgout recommended adding to the agenda an update on the sunken vessels in Bayou Lafourche. Upon motion by Harry Cheramie and second by Larry Griffin, a two-thirds vote was taken to add to the agenda the update on sunken vessels in the bayou, which resulted in all yeas. Director Falgout stated that there has been mixed information of if the US Coast Guard is involved in the removal program. Lt. Arroyo with the USCG addressed the board. She stated that the Coast Guard has always been involved in the debris removal of sunken vessels and FEMA would reimburse the USCG once vessels are removed. She stated that they have received guidance from FEMA and their legal office, which will be provided to the board. She reported that an assessment of all the sunken vessels was done before the holidays with Lt. Terry of the Harbor Police. The USCG is committed to remove 8 of the 19 sunken vessels that are within FEMA requirements. They are waiting for the State to provide a staging area for recovery vessels. The other vessels that cannot be repaired will be considered as debris and a staging area for these vessels will also need to be determined which they are working with the Corps to possibly use their debris staging area. Lt. Arroyo stated that proposals were received to remove these vessels, which are still under review. Director Falgout questioned who is determining the staging areas, which Lt. Arroyo stated that DNR is responsible for identifying the staging areas and the contact information will be forwarded to him. Director Falgout questioned if there is any disagreement on removal of certain vessels if it is negotiable, which Lt. Arroyo replied that it is negotiable. He stated that the Port prohibits derelict or abandoned vessels and most of these vessels were impacted by the storm. Lt. Arroyo stated that she has inspected the vessels and also contacted the owners to determine if the vessels will be removed. If the USCG does not remove the vessel, the only thing that would be allowed is to re-float some of those vessels. Further discussion followed regarding the removal of vessels in other areas within the district.

Construction & Development – Chairman Bruce reported that the committee met on January 9, 2006 at the Administration Building in Galliano. Present were Ervin Bruce, Donald Vizier, Larry Griffin, and Wilbert Collins. The Commission then discussed items that were discussed at the committee meeting.

Upon motion by Beau Martin to award the low bid from Grand Isle Shipyard for construction materials for six months, which was second by Larry Griffin, the floor was open for discussion. Commissioner Martin moved to amend the motion to award the low bid from Grand Isle Shipyard for construction materials excluding the bid for river sand, which was second by Jimmy Lafont and the board unanimously approved the amendment. Upon motion by Donald Vizier to approve the motion as amended was second by Beau Martin and unanimously approved.

Upon motion by John Melancon and second by Chuckie Cheramie, the board unanimously awarded the low bid by Gaubert Oil Company for the yearly fuel purchase.

Upon motion by Donald Vizier and second by Ervin Bruce, the board unanimously approved to reject the bids for the F/V Capt. Jimmy and F/V Iron Man and re-advertise for 15 days and include that the vessels will be sold "as is, where is" and by visual inspection only and no one will be allowed to board the vessels.

Upon motion by Chuckie Cheramie and second by Larry Griffin, the board unanimously awarded the low bid by United Dredging in the amount of \$140,665.50, which includes the alternate for the Leeville Mitigation Bucket Dredge Project #2.

Upon motion by Harry Cheramie and second by Larry Griffin, the board voted to award the low quote for the Airport Camera System from TSG, Inc. in the amount of \$14,818.53 to install wired cameras at the Airport. The vote resulted in 8 yeas and 1 nay by Beau Martin.

Chairman Bruce presented for board's consideration the supplemental agreement with Interstate Electronics for the Port Security Camera System. Director Falgout stated that the permanent camera has been received for the camera in Belle Pass. He stated that Mr. Autin is working with IES to finalize this agreement. Mr. Autin stated that IES requested that if there is a failure of 3 components and the manufacturer is changed that it would be at similar cost and specifications. Commissioner Martin recommended that we include "similar specifications" but not "similar cost". Upon motion by Beau Martin and second by Larry Griffin, the board unanimously approved the supplemental agreement with IES removing the language "of similar cost" and authorized Director Falgout to execute agreement.

Upon motion by Larry Griffin and second by Beau Martin, the board unanimously approved Change Order No. 1 from James Construction in the amount of \$16,687.41 for the Bulkhead Project #1.

Upon motion by Jimmy Lafont and second by John Melancon, the board unanimously approved Change Order No. 2 from Circle, Inc. for the Rowan Southwest Bulkhead Repairs in the amount of \$20,148.10, which brings the new contract price to \$468,026.91.

Finance Committee - Chairman John Melancon reported that the committee met on January 9, 2006 at the Administration Building in Galliano. Present were John Melancon, Donald Vizier, Larry Griffin, and Wilbert Collins. The Commission then discussed items that were discussed at the committee meeting.

Chairman Melancon recognized Mr. Rome who then explained an accounting question that was asked at the committee meeting. Mr. Rome stated that the difference of approximately \$700,000 in the accounts payable total on the financial report and the board's invoice report is that the invoice report does not include landowner payments, utilities, payroll taxes, and construction retainages.

Upon motion by John Melancon and second by Larry Griffin, the board unanimously approved the December 2005 invoices.

Upon motion by John Melancon and second by Harry Cheramie, the board unanimously approved the December 2005 financial report.

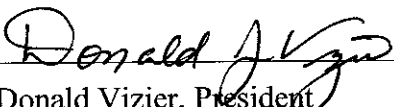
President Vizier opened the floor to any other business. Commissioner Lafont requested that an update to the bridge curfews be added to the next meeting agenda. Commissioner Martin recommended reviewing the 2006 Calendar to include the PAL Conference in March and the AAPA Convention in September, which President Vizier recommended that this be discussed further at the next committee meeting.

Upon motion by Beau Martin and second by Donald Vizier, a two-thirds vote was taken to add the Substantial Completion of the Mooring Dolphins to the agenda, which was unanimously approved. Upon motion by Jimmy Lafont and second by Chuckie Cheramie, the board unanimously approved the Substantial Completion by Low Land Construction Company for the Mooring Dolphins along Flotation Canal. Commissioner Martin also recommended that we advertise to the lessees for usage of these dolphins, which Director Falgout replied that the lessees and the users of the Un-inspected Service dock will be notified that the dolphins are available.


President Vizier opened the floor for public comment. USCG, Lt. Martin addressed the board and explained the reasons that the Port did not receive the Dept. of Homeland Security grant last year. He stated that the Coast Guard assessment goes by Port population and gross tonnage and with these requirements Port Fourchon cannot compete with a cargo port such as Houston. Lt. Martin has been working with Lt. Terry of the Harbor Police on statistics on crews and workers on a daily basis, residents here for jobs, and the number of vessels in the Port, which are items that were not addressed and need to be taken into account. The USCG will be working on getting funds for this area and will keep pushing the issue. Director Falgout stated that he has been working through our network and AAPA and it appears that more ports will be taken into account and the criteria for these grants may be altered. Lt. Martin responded that Port Fourchon didn't get the exposure needed since it was one of the Ports that were back up and running after the hurricanes when others were not.

Upon motion by Larry Griffin and second by Chuckie Cheramie, the meeting was adjourned.

ATTEST:



Donald Vizier, President



Harry Cheramie, Secretary