

Special Meeting Agenda
AGENDA
May 24, 2006 @ 11:00 AM

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider executing Brammer Engineering road maintenance agreement
- V. Consider executing Brammer Engineering Landlord Statement
- VI. Consider request by Centaur, LLC regarding the Fourchon Bridge Repair
- VII. Consider approving Caillouet Land Corporation right of way swap agreement
- VIII. Consider request by Stranco, Inc. regarding the beach restoration project
- IX. Consider funding commitment for the overlay and strengthening of the runway
- X. Discussion of Rowan Litigation (possible executive session)
- XI. Any Other Business
- XII. Public Comment
- XIII. 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
May 24, 2006

The Board of Commissioners of the Greater Lafourche Port Commission met in special session on Wednesday, May 24, 2006 at 11:00 AM.

President Vizier called the meeting to order, and Vice President Lafont called the roll.

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

ABSENT: None

President Vizier presented for the board's consideration to execute the Brammer Engineering Road Maintenance Agreement. Director Falgout stated that this will hold Brammer Engineering responsible for any impacts to Airport roads during accessing their drill site location. Upon motion by Jimmy Lafont and second by Wilbert Collins, the board unanimously approved that President Vizier execute the Brammer Engineering Road Maintenance agreement.

President Vizier presented for the board's consideration to execute the Brammer Engineering Landlord Statement. Director Falgout stated the Mr. Autin has prepared this landlord agreement on behalf of the Port Commission. This is a requirement by the Corps of Engineers for their permitting process because the Corps feels this area is considered wetlands. It requires a statement by the Port stating that it does not object to Brammer accessing site after they drill to restore the property to its original condition. We are contesting the Corps opinion of the Airport property being considered as wetlands. We do not believe that by executing this agreement it would reduce our options of challenging the Corps opinion if the area is wetlands or not. Upon motion by Ervin Bruce and second by John Melancon, the board unanimously approved that President Vizier execute the Brammer Engineering landlord agreement. Mr. Mark Barton with Brammer Engineering Inc. stated that he agrees with the language in the statement and appreciates the Port working with them on establishing their drill site location.

President Vizier presented for the board's consideration the request by Centaur, LLC regarding the Fourchon Bridge Repair. Director Falgout stated that contractors have been having some problems acquiring builders risk insurance for projects. Mr. Autin reported that Centaur is in the same situation for 2 projects which are the Fourchon Bridge Repair and the HOS Bulkhead Repair. Letters were received after the bid was awarded stating that they were having problems obtaining the builders risk insurance for the project. The second low bidder was Boh Bros. and they could not get builder's risk insurance either. Mr. Rome has talked with Theriot Duet and Theriot and they are not aware of anyone that would write such an insurance policy for these projects. Centaur stated that they could get builders risk insurance but it would not cover hurricane damages such as wind, hail, or flood. Centaur has requested that we remove this insurance requirement because of the probable impossibility of getting this type of insurance. Mr. Autin explained the options are to accept the limited builder's risk coverage or the more conservative option of re-bidding the projects, but the Port will have the same insurance issues. Director Falgout recommended that we award the limited builders risk provision and in the future get more information of what is available for larger projects. We need to get the bridge moving and if we don't take the risk and re-bid we will have the same problem and will be losing 60 days on the project. He recommends removing the hurricane components out of their builders risk responsibility for these projects to move forward. Mr. Autin stated that this insurance is a safety net for them and they are still primarily responsible for the project until it is accepted by the Port. FEMA has no specific insurance requirements for these projects. President Vizier questioned if by removing this requirement if it would have affected other contractors before the bid, which Director Falgout stated

that a percentage is usually placed in the bid for this insurance. It is legal to negotiate with the low bidder and remove items by change order after it is awarded. Commissioner Martin requested that we also go to the 3rd bidder as well and check if they are able to supply this insurance. Director Falgout stated that the only company we can negotiate with and execute a change order is the low bidder. We can not negotiate with the others. Commissioner Griffin question why this insurance is hard to get, which Director Falgout stated that since the hurricanes insurance companies are not willing to issue this type of insurance because we are building projects on the Gulf of Mexico during hurricane season with the threat of hurricane impacts. Mr. Autin stated that the certificates of insurance were not required to be submitted along with the bid packet. Commissioner Martin stated that he would feel a lot better to go forward with this if all 3 bidders are questioned. Mr. Autin responded that if we were to pursue contractor's bid bond and award the project to the third lowest bidder, Centaur would have the argument that the Port should have also pursued the second low bidder's bid bond. The 2 options are to change the requirement or re-bid the whole project. President Vizier questioned the project time, which Mr. Badeaux stated that it is a 90 day project. If the insurance is removed, the contractor is still responsible for the project until completion. Commissioner Martin questioned the background on Centaur, which Mr. Al Badeaux stated that they began in 2004 but the employees have 20-30 years experience. Commissioner Melancon questioned the process of calculating an amount for this insurance, which Mr. Badeaux stated that the contractor usually puts in a percentage for this insurance into their bid and once the bid is awarded they actually go forward with obtaining this insurance. Upon motion by John Melancon and second by Larry Griffin, the floor was open for discussion. Commissioner Martin stated that he was not comfortable of the builders risk insurance requirement from the Fourchon bridge contract with Centaur, LLC which resulted in 8 years and 1 nay by Beau Martin.

Director Falgout recommended adding to the agenda to consider the request by Centaur, LLC for the HOS Bulkhead Repair project. A two-thirds vote was taken which resulted in 9 yeas by Vizier, C. Cheramie, Lafont, H. Cheramie, Melancon, Griffin, Collins, Martin and Bruce. Director Falgout stated that this is also regarding removing the hurricane components of builders risk insurance from the contract. He stated that this is a smaller project and has limited exposure to hurricane damages. Upon motion by Harry Cheramie and second by Wilbert Collins, the board voted which resulted in 8 yeas and 1 nay by Bea Martin.

President Vizier presented for the board's consideration the Caillouet Land Corporation right of way swap agreement. Director Falgout stated that this has been continuous negotiations with the Caillouets over the last few years regarding the land swap agreements with the Caillouets and the Parish for access to the beach. The agreements involve the Port encouraging the Parish to swap their existing right of way for the access road to the front of the bags, the right of way to construct repairs to the bags on the beach, and a document dealing with re-aligning the existing road. Mr. Autin has been discussing these issues with their attorney and they have sent us their proposed agreement which would require the Port to do a number of things that he doesn't feel that the board could accept. Director Falgout explained a few of their requirements that the Port would have through the Parish are: 1) Police patrol of servitude lands, 2) Patrol prohibited public access to other Caillouet property, 3) Notice requirements for documents on projects, permits, activities on servitude land, 4) Notify the Caillouets of anything new about the land, 5) Monitor and maintain the sand dunes, 6) Maintain all servitude lands at +5 elevation, 7) Monitor trash and clean behind the bags after storms, 8) Obligated to construct the fishing pier.

Director Falgout explained that one of the reasons of doing this is to construct a fishing pier on land. All the notice requirements are not necessary and if the Port would forget to send an update the agreement may be challenged and considered null and void. Director Falgout does not recommend the Commission taking on all these responsibilities for the benefit of the land swap and beach restoration project which is protecting Caillouet land. He would feel more comfortable pursuing the existing right

of way that the Parish has for the access road which turns and goes to the western most extent of the Caillouet land. With the current right of way, the Port can proceed to reconstruct the road which has no restrictions on it as far as access. The Port would still be able to put cement bags which are on the northern edge of the existing road right of way from the south where the old Chevron Road used to be. President Vizier questioned if any of these requirements were brought up in discussion with them and Bryce said that they were except for the clean up of storm debris. The Port has requested for these items to be changed but the Caillouets have not removed these items. Commissioner Melancon stated that at the last meeting with the Caillouets it was understood that these requests were under control. Director Falgout stated that in the general agreement to swap land it was understood that the initial requirements were in order. The Port would have access to the beach project with no restrictions except if we would run utilities to Fourchon Island and the Port conceded to that but they came back with all these other requirements.

The Commissioners agreed that the Port can not agree to all these requirements. Director Falgout stated that we have to make a decision to move forward because we have a hurricane repair project since Lili and Isidore and this decision leads us to other project concerns that are on hold. If we tell the Caillouets that the Port objects to this proposal because the Caillouets wanted all these items in one document, they may not give the Port a right of way to do the repairs on the beach. The Port's position is that it is state land and they don't own the land for the beach restoration project. The Port would repair the beach project on the beach side but the Caillouets may challenge this. We can work with FEMA of awarding the contract repair bags on the beach side or cancel the project all together. Director Falgout recommends that we proceed to negotiate with the Parish to rebuild the access road along the beach to the property line and if successful in getting this permit the Port could build a Galveston type fishing pier also along the beach. Commissioner Melancon stated that our priority to stop erosion on beach. Director Falgout stated that if the Port goes with the right of way of the Parish road ends up protecting the beach. We are now reduced to protection of smaller amount and question the significance of protecting this. Mr. Autin wanted some direction from the board to what we want to pursue with the Caillouets. President Vizier recommended postponing this decision until we receive more information. Commissioner Martin questioned the cost of building a boardwalk along the beach that would sustain the weather conditions, which Director Falgout stated that if the Port would haul fill to rebuild and elevate the road from the existing bags toward the Gulf the additional cost to construct a boardwalk type seawall would approximately be \$1 million. Commissioner Martin requested that the Port schedule another meeting with the Caillouets and have a face to face meeting and not correspond by email and phone calls. No action was taken.

President Vizier presented for the board's consideration the request by Stranco, Inc. regarding the Beach Restoration project. Director Falgout stated that this is the existing beach project that the contractor submitted a Change Order proposal of increased cost for storage of materials. The Port will be charged \$4,000 a month for the storage of mats that have been ordered. The Commissioners recommended that the concrete mats be moved along Flotation Canal road to avoid the extra storage fee.

President Vizier presented for the board's consideration the funding commitment for advanced funding to overlay and strengthen the runway. Director Falgout reported that if the Port funds \$2.27 million, FAA will fund \$14 million to advance construction at the Airport. This will include a full 6,500' runway, parallel taxiway, 75,000 lbs. capacity runway, FAA participating 90% of construction for the 5,000'-6,500' runway extension, and FAA commitment of \$3 million for the next 3 years. These are all requirements in American Air Services' lease to start operating out of the Airport and paying rental. Upon motion by Jimmy Lafont and second by Wilbert Collins, the floor was open for discussion. Mr. Hunter included that it would also include the lighting system, safety components, and the justification for future capacity up to 138,500 lbs. in 2010. President Vizier questioned the type of

aircrafts that this would accommodate, which Mr. Hunter stated that this includes all corporate jets, Gulf Stream aircrafts, and C130 planes.

Commissioner Martin stated that if we do not approve funding the \$2.2 million now in F/Y 2009 we would still have the runway at 75,000 lbs. and 6,500 ft. Mr. Hunter said that this is only assuming that FAA would participate \$1 million a year. Commissioner Martin stated that in 2010 – 2012, the Port will be working on taxiway and lighting and questioned if this is part of American Air Services' lease requirement. Mr. Hunter stated that it is not but the parallel taxiway is a safety issue with FAA once the runway is at 6,500' and 75,000 lbs. Commissioner Martin stated that he doesn't see the taxiway as a critical part unless the Airport is busy. He stated that the difference of the Port contributing \$525,000 in 2009 or contributing the \$2.2 million now, the Port will get to the same point at the end of 2007 or 2009. Mr. Hunter further explained the significance of the parallel taxiway that is required by FAA due to runway encroachments. The board then voted to approve the additional funding of \$2.27 million for advanced construction of the Airport which resulted in 8 years and 1 day by Beau Martin.

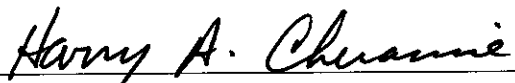
Director Falgout recommended going into executive session to discuss the Rowan Litigation. Upon motion by Chuckie Cheramie and second by Wilbert Collins, a roll call vote was taken which resulted in 9 yeas by C. Cheramie, H. Cheramie, Lafont, Vizier, Collins, Melancon, Griffin, Martin, and Bruce. The board invited Port Attorney, Mr. Autin to attend the session. The board returned to meeting with no action taken.

Upon motion by Larry Griffin and second by Beau Martin, the board unanimously adjourned the special meeting.

ATTEST:



Jimmy Lafont, Vice President



Harry Cheramie, Secretary