

AGENDA
December 8, 2010 at 10:30 AM
(Revised 12/3/10 at 9:30 AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for November 10, 2010 regular meeting and November 23, 2010 special meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 - 1) Slip B East 1100 LF Bulkhead, Phase 4 (Angelette-Picciola)
 - 2) Slip B 1100 LF Dredging & Flotation Canal (Angelette-Picciola)
 - 3) Slip B Adam "Ted" Gisclair Roadway (Picciola & Associates)
 - 4) Slip B 1871 LF Bulkhead (Picciola & Associates)
 - B. Airport Projects**
 - 1) Perimeter Fencing
 - 2) Taxilane Connector
 - C. FEMA Projects – Beach Stabilization**
 - D. Port Security and Grant Projects**
 - 1) 400' Communications Tower and Foundation
 - 2) Telecommunication Infrastructure Project
 - 3) Multi-Agency Security Response Center
 - 4) Phase II MDA – Camera networking improvements
 - E. Other Port Projects**
 - 1) Martin Terminal Slip #1 Repairs
 - 2) N.J. Theriot Road Culvert Replacement
 - 3) Boat lift Extensions
 - F. LA 1 Highway Improvements**
 - G. Gulf of Mexico Oil Spill**
- VI. Committee Reports
 - A. Executive Committee**
 - 1) Consider approving the request Francis Drilling Fluids for a landlord agreement
 - 2) Consider approving the request from Swire Oilfield Services for property along LA 3090
 - 3) Consider approving the Martin Slip# 1 lease amendment revising the language regarding the bulkhead
 - 4) Consider approving the surplus equipment bids
 - B. Permits & Waterways Committee**
 - 1) Review and consider action on the sunken vessel located in Galliano
 - 2) Review permit applications from Petrogulf Corporation; Allied Shipyard, Inc.; and Apache Corporation (3)
 - C. Construction & Development Committee**
 - 1) Consider awarding the lowest responsive bidder the Slip B 1871 LF Bulkhead project
 - 2) Consider approving the Clear Lien Certificate from RMD Holdings for the Approach Lighting project
 - 3) Consider adopting the resolution in Compliance with Public Bid Laws for the Telecommunications Infrastructure project
 - 4) Consider awarding the lowest responsive bidder the Boat Lift Extension project
 - D. Finance Committee**
 - 1) Consider payment of November invoices and recognize expenditures over \$10,000
 - 2) Consider approving November Financial Statement
 - 3) Consider approving the 2011 Budget
 - 4) Consider approving out of state travel request
- VII. Any other business
- VIII. Public Comment
- IX. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
December 8, 2010

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, December 8, 2010 at 10:30AM.

President Griffin called the meeting to order and Secretary Collins called roll.

ATTENDED: Chuckie Cheramie, Perry Gisclair, Jimmy Lafont, Donald Vizier, Wilbert Collins, Larry Griffin, John Melancon Jr., Jimmy Guidry, and Ervin Bruce

ABSENT: None

Upon motion by Perry Gisclair and second by Ervin Bruce, the board unanimously approved the minutes for November 10, 2010 regular meeting and November 23, 2010 special meeting.

Executive Director's Report

Northern Expansion – Engineer Larry Picciola reported that the Slip B East 1100 LF Bulkhead project is complete and in the lien period. He stated that the contractor for Slip B 1100 LF Dredging & Flotation Canal project has completed the area in front of the bulkhead and is now working in the Flotation Canal area pumping dredge material into Mitigation C area. There is approximately 500,000 cubic yards left then the remaining dredge material will be pumped into the lease development area of Site 1. The preliminary cross section of the bulkhead section was estimated at 104,000 cubic yards which came out to be 95,000 cubic yards in turn it is a savings. Gisclair questioned if elevations were taken prior to this project; which Engineer Picciola replied yes. The proposed elevation is within 1.5 ft. to 2.5 ft. to allow marsh grass to grow.

Mr. Ben Hodson with Picciola & Associates reported that the preconstruction meeting for Slip B Adam "Ted" Gisclair Roadway is scheduled for tomorrow with Sealevel Construction. The notice to proceed is planned to begin on Monday, December 13th and complete by January 26th. Director Chiasson stated that once this project is complete, we will start collecting rental from the two new leases.

Mr. Hodson reported that bids were opened on December 2nd for the Slip B 1871 LF Bulkhead project. The lowest responsive bidder was American Bridge Company in the amount of \$10,166,124.00. They recommend awarding the project pending approval from DOTD. Collins questioned how much was the bid, which Chiasson replied \$10 million which is a good bid and \$2 million below the estimate.

Airport Projects – Airport Manager, Joe Wheeler reported that the Perimeter Fence project is ongoing with the west side complete other than the installation of the gates. The LPA Group will be on site tomorrow to inspect the project. We are still waiting certification from the Corps to complete the other side. The preconstruction meeting for the Taxilane Connector project was on November 23rd. The contractor plans to begin work on Monday, December 13th. The lien period has ended for the Approach Lighting project with the clear lien certificate on the agenda for approval.

FEMA Projects – Chiasson reported that he met with Mr. Alan Saucier, BP Representative, yesterday regarding the Beach Stabilization project. We talked about scheduling a meeting with higher officials at BP before Christmas to discuss cleanup efforts on the beach so we can plan our project to repair the beach structure.

Port Security and Grant Projects – Ms. Shawn Keller, the engineer for the 400' Communications Tower and Foundation reported that the replacement crane is on its way to the site. She is going to the site today to verify its arrival and if so the contractor will begin stacking the tower again. It should be complete by next Friday. Mrs. April Danos reported that the award and contracts for the Telecommunication Infrastructure Project has been sent to Ernest P. Breaux Electrical for execution. The kick off meeting is scheduled on Monday, December 13th. Yesterday we received the final contracts from the Architect for the Multi-Agency Security Response Center which will be reviewed and should

be ready for execution. We also did meet with the Lafourche Parish Ambulance District and Fire Central to discuss the future plans for this building. She reported that the bid opening for the Installation of Video Surveillance System is scheduled for December 17th at 2PM and the bid opening for the Equipment for the Video System is scheduled for December 13th at 1PM.

Other Port Projects - Engineer Larry Picciola reported that the Martin Terminal Slip #1 Repairs project bid opening is scheduled for December 15th at 2PM. There were 2 scheduled pre-bid meetings with the second one being yesterday. There were a total of 10 out of 17 contractors that have plans that inspected the site. Picciola recommends canceling the scheduled bid opening and immediately re-advertising to open bids before the January meeting. He recommends that all contractors inspect the site before bidding and a mandatory pre-bid meeting is required to be in the original advertisement which was not done. Cheramie questioned why the contractors didn't show up, which Picciola replied that it wasn't mandatory. Picciola stated that we don't want a contractor that did not see the site bid on the project. The contractor may under bid and we want to pay for what we get and get what we pay for. Lafont stated that if it is mandatory by the State why it wasn't done at the beginning; which Chiasson replied that a mandatory pre-bid meeting is not required by the state but if you hold a mandatory pre-bid meeting it needs to be stated in the original advertisement of the project. Mr. Davie Breaux reported that the patch work on N.J. Theriot Road Culvert Replacement was complete however after inspection we would like to improve the patchwork. We requested that the contractor return and mill on each side and do a mill patch instead to complete the project.

Boat lift Extensions – Engineer John Plaisance reported that this project is to extend one lift at the Front Commercial Marina and one at the Nerby Collins Marina. The low bidder was Picciola Construction in the amount of \$102,755.58 and he recommends award.

LA 1 Highway Improvements – Henri Boulet reported that the percentage of completion of Phase 1A of the LA 1 Project as of November 30th was 76%, with 78% time elapsed. Moving on to Phase II, the Right-of-Way acquisition work within Phase II, one more right-of-way has been acquired, one is waiting on a check to be processed, and 3 properties remain on hold pending R/O/W map revisions. Concerning the geotechnical field work occurring in Phase II, the amount of borings and cone penetrometer tests done in November was affected by the reduced work hours due to duck season limitations as well as the Thanksgiving week. During Thanksgiving week, crews did not work because the Consultant was performing maintenance on their boats. That work is scheduled to be complete in June of 2011.

Work on modifying the R/O/W maps at the southern end of Phase II in order to accommodate a relocated Bollinger Canal is progressing. This work should be complete by May of 2011. Items being addressed in that work include: Geometry and Alignment of the connector; Pipeline Identification, Assessment, Relocation Evaluation; Construction Access Canal Plans, Dredge Quantities for Mitigation; and Phase 2 Permitting (now also includes removal of the existing bridge pier left from Phase 1); and Revise Right of Way Maps.

Gulf of Mexico Oil Spill – Chiasson gave an update on the oil spill work going on in the Port. There were drug screens taking place today so the numbers are skewed with the delay of personnel getting to work. He stated that the head count on the beach was only 2 today but on Monday there were 316; 69 water operations today but on Monday there were 56; no hot zone workers but on Monday there were 291; 620 decon workers but on Monday there were 654; with a total of 699 workers today but on Monday there were 1317 workers. Decon work going on throughout the Port and vessels are being deconned at 4 sites however one was shut down on Sunday evening (GIS) and by the end of the week another will be shut down. All decon stations are expected to be shut down by December 23rd. As of yesterday there were 6 vessels being deconned. Waste recovered: 872 bags from the beach and 111 cubic yards from the hot zone area. We continue to submit and receive reimbursements from BP for the increased cost of operations mostly Harbor Police overtime. The request for loss revenues has been submitted and is being reviewed.

Chiasson stated that we are all aware that even though the moratorium has been lifted there is really not a lot of action taking place other than cleanup and decon sites in the port. The drilling activity is not there, which is the majority of the work in Port. The Gulf Economic Survival Team (GEST) which we

are a part of is ramping up to push Washington bringing out information that this industry is not where it needs to be. GEST is also supported by the major oil and gas companies, the Governor, Lt. Governor and area Senators and Representatives.

Gisclair questioned if there is anything that the Parish has not reimbursed us for, which Chiasson replied no. We sent our request directly to BP and nothing went through the Parish. Gisclair stated that the Parish President had \$1 million for the oil spill and they still have \$400,000 left and don't have to give it back.

President Griffin reminded the public that the Blood Mobile is in the parking lot today until 2PM to give blood in memory of Mr. Johnny Melancon.

President Griffin recognized Mr. Al Danos with the South Lafourche Beachfront Development District (SLBDD). Mr. Danos stated that they continue to monitor the beach and have plans in place for the summer if all works out. He has been working with the Parish to set up something along with the Port to get with BP for funds to possibly implement their strategic plan on the beach. He has been trying to meet with Alan Saucier and President Randolph to discuss the plan. The strategic plan was presented to Coastal Zone Management last month and will present it to the Parish Council at their January meeting. He invited the board to the SLBDD meeting tonight.

Committee Reports

Executive Committee – The committee met on November 23, 2010 at the Administration Building in Galliano. Present was Chairman Larry Griffin, Jimmy Lafont, Wilbert Collins, and Perry Gisclair. The committee also met on December 6, 2010 at the Administration Building in Galliano with all members present.

Upon motion by John Melancon, Jr. and second by Wilbert Collins, the board unanimously approved the request Francis Drilling Fluids for a landlord agreement to get funds to operate and allows the bank to take equipment as collateral for the loan.

Upon motion by Jimmy Lafont and second by Wilbert Collins, the board unanimously approved the request from Swire Oilfield Services for 3.949 acres of property along LA 3090.

President Griffin presented for the board's consideration the Martin Slip No. 1 lease amendment revising the language regarding the bulkhead. Chiasson stated that this amendment is based on the repair of the bulkhead that will soon be under construction. The original lease states that the Port will repair and maintain the southern half of the slip and with this amendment it will state that Martin Terminal is responsible for all repairs and maintenance of the bulkhead once repaired. Mr. Autin stated that Martin will release us from any costs previously spent on blasting and painting. Martin agrees with the design and with the interruption of operations will release the Port of any claims. Upon motion by Perry Gisclair and second by Chuckie Cherie, the floor was open for discussion. Lafont questioned if there are any other leases that have this same language, which Autin replied no. The board then voted which resulted in all yeas.

President Griffin presented for the board's consideration approving the surplus equipment bids. Chiasson stated that all items on the list were bid on. He recommended approving items 1-11 in one motion and item 12 in a separate motion. Upon motion by John Melancon, Jr. and second by Wilbert Collins, the board unanimously approved the high bids for items 1-11. Upon motion by John Melancon, Jr. and second by Ervin Bruce, the board approved item 12 which resulted in 8 yeas and 1 abstain by Gisclair.

Permits & Waterways Committee - The committee met on November 23, 2010 at the Administration Building in Galliano. Present was Chairman Chuckie Cherie, Larry Griffin, Jimmy Lafont, and Perry Gisclair. The committee also met on December 6, 2010 at the Administration Building in Galliano with all members present.

Chairman Cherie presented for the board's review the permit applications from Petrogulf Corporation; Allied Shipyard, Inc.; and Apache Corporation.

Construction & Development Committee – The committee met on November 23, 2010 at the Administration Building in Galliano. Present was Chairman Ervin Bruce, Larry Griffin, and John

Melancon Jr. Absent was Donald Vizier. The committee also met on December 6, 2010 at the Administration Building in Galliano with all members present.

Upon motion by Ervin Bruce and second by Wilbert Collins, the board unanimously awarded the lowest responsive bidder for Slip B 1871 LF Bulkhead project to American Bridge Company in the amount of \$10,166,124.00.

Upon motion by Ervin Bruce and second by Wilbert Collins, the board unanimously approved the Clear Lien Certificate from RMD Holdings for the Approach Lighting project.

Upon motion by Ervin Bruce and second by Wilbert Collins, the board unanimously adopted the resolution in Compliance with Public Bid Laws for the Telecommunications Infrastructure project.

Upon motion by Ervin Bruce and second by Perry Gisclair, the board unanimously awarded the lowest responsive bidder for the Boat Lift Extension project to Picciola Construction in the amount of \$102,755.58.

Finance Committee – The committee met on November 23, 2010 at the Administration Building in Galliano. Present was Chairman Jimmy Guidry, Larry Griffin, Wilbert Collins, and John Melancon Jr. The committee also met on December 6, 2010 with all members present.

Upon motion by Jimmy Guidry and second by Wilbert Collins, the board unanimously approved the payment of November invoices and recognized expenditures over \$10,000.

Upon motion by Jimmy Guidry and second by John Melancon, Jr., the board unanimously approved the November Financial Statement.

Chairman Guidry presented for the board's consideration the 2011 Budget. Mr. James Rome presented the highlights of the budget which begins with revenues of \$20,736,268 which represents the full billing of lease rentals. Chiasson stated that in July we reduced rentals by 30% until December 31, 2010 or when the moratorium is lifted and no 5% annual escalations for a year, with the anticipation that in January we would return to normal. We will be sending letters out to the tenants stating that we will return to normal rates beginning in January however we need to hear from them with information on their needs and how we can continue to assist them as best we can into the future. Mr. Rome stated that the revenues also include the 2 new lease sites that are expected to come on line by February 1st.

Continuing on with expenses, direct cost is \$5,603,157 (landowner and depreciation of improvements), and Operating expenses of \$9,645,688 (includes salary and wages). The board has control of 3 figures in that policy, the first is to keep GLPC scales the same or adjust in relation to cost of living which has been increased by 2% each year in the past. Due to the economy, we recommend that the scales stay the same as they are in 2010. The scale does not affect any employee salary because no one is at their maximum. The second component is the port performance adjustment when the Port meets budgetary goals you make available 2% to employees, and the third is the employee evaluation adjustment. Chiasson stated that as we discussed we will re-address this policy in the first quarter of the year to see if any changes need to be made by the board. Mr. Rome stated that with all these factors the net budget operating profit is \$5.5 million.

The non-operating revenue and expenses is \$37.7 million (includes revenues of \$2.7 million of ad valorem; \$38,000 capital grants; \$6.7 million of emergency FEMA funds; \$105,000 anticipated income less expenses of \$6.7 million of emergency repairs and \$3 million of capital disaster contingency). The net income totals \$43.2 million. When you take that anticipated net income of \$43.2 million plus cash of \$41 million and add the depreciation expenses of \$4.6 million less the capital projects of \$53 million less adjusted accrual account, we expect to end next year with \$32.5 million of cash.

The highlights of capital construction cost of the \$53 million are as follows: 1871 LF Bulkhead along with Dredging \$16.7 million; Repairs to Martin Slip Bulkhead \$4.5 million; Bucket Dredging and Hydraulic Dredging of 4,000 LF of Slip C \$7.3 million; Construction of the Adam Ted Gisclair Roadway of \$2.7 million; NJ Theriot Elevation \$3.8 million (pending Capital Outlay funding); Storm Harbor Marina \$1.4 million; Repairs to Nerby Collins Marina Bulkheads \$500,000; Homeland Security Tower/Communications \$2.6 million; Multi Domain Awareness \$3.3 million; Multi Agency Response Building \$4.2 million; Command and Control Systems \$1.4 million; Airport T-Hangars \$272,000; FBO Terminal Building Expansion \$75,000; Airport Taxiway Connector \$523,000; Parallel South Taxiway of \$3 million; Small construction of access roads to FBO tenants \$67,000 and a new maintenance shed of

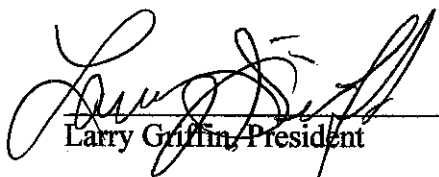
\$200,000. The summary of the 2011 budget made up of operating cost of \$15.2 million; capital of \$53.8 million; non-operating of \$10.2 million totals the 2011 budget of \$79,341,514. Last year's budget was at \$77,494,724. Collins stated the last item mentioned was for the maintenance shed at the Airport was that for the tractors, which Mr. Rome replied yes. The plan is to tear down the alligator pens and existing shed and have a nice maintenance area. Upon motion by Jimmy Guidry and second by Wilbert Collins, the board unanimously approved the 2011 budget in the amount of \$79,341,514.00.

Upon motion by Jimmy Guidry and second by John Melancon, Jr., the board unanimously approved the out of state travel request by Chett Chiasson to attend meetings in Washington, DC on February 9, 2011.

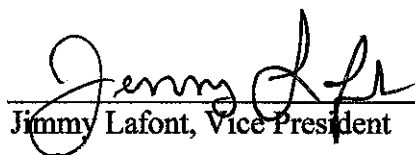
President Griffin opened the floor to any other business. Gisclair stated that this year we were consumed with the oil spill in the Gulf and since the board will not meet again before Christmas he just wanted to let everyone know that this commission has the Christmas spirit and there was a statement from the French Food Festival "Life is still good". Life is still good in this area and he requested that all commissioners show their spirit by putting on a Christmas hat and then he went on to wish everyone a very Merry Christmas and a Happy New Year from this commission and staff.

Upon motion by Jimmy Lafont and second by Jimmy Guidry, the board adjourned the regular meeting.

ATTEST:



Larry Griffin, President



Jimmy Lafont, Vice President