

AGENDA
September 21, 2011 at 10:30 AM
(Revised 9/20/11 at 9:00 AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for August 10, 2011 regular meeting, August 24, 2011 special meeting, and September 9, 2011 special meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 - 1. Slip C Bucket Dredge (Angelette-Picciola)
 - 2. Slip B Adam "Ted" Gisclair Roadway, Phase II (Picciola & Associates)
 - 3. Slip B 1871 LF Bulkhead (Picciola & Associates)
 - 4. Slip B 1871 LF Dredge & Slip C (Picciola & Associates)
 - B. Airport Projects**
 - 1. Parallel Taxiway "A" South Paving
 - 2. PAPI System
 - 3. Hangar & Foundation
 - C. FEMA Projects**
 - 1. Flotation Canal Shoreline Protection
 - 2. Bathhouse
 - D. Port Security and Grant Projects**
 - 1. Telecommunication Infrastructure Project (2007)
 - 2. Camera Networking Improvements (2008)
 - 3. Multi-Agency Emergency Response/Operations Building (2009)
 - E. Other Port Projects**
 - 1. Martin Slip #1 Bulkhead Repairs
 - 2. Airport Maintenance Shop
 - 3. Nerby Collins Marina Bulkhead Repair
 - F. LA 1 Highway Improvements Report**
 - G. Gulf of Mexico Oil Spill**
 - H. Tropical Storm Lee Update**
 - I. Coastal Issues/Bayou Lafourche**
- VI. Committee Reports
 - A. Executive Committee
 - 1. Consider Cooperative Endeavor Agreement regarding radio rebanding implementation phase
 - B. Permits & Waterways Committee
 - 1. Review permit applications from Louisiana Transportation Authority; Tana Exploration Company, LLC; Bayou Blues Holdings, LLC; Joey J. Fullilove; Corps of Engineers; and LOOP
 - C. Construction & Development Committee
 - 1. Consider approving the bids for surplus equipment
 - 2. Consider approving the Clear Lien Certificate from Mike Hooks for the Slip B 1100 LF Dredge & Flotation Canal project
 - 3. Consider approving Substantial Completion Certificate from Berry Bros for the Slip C Bucket Dredging project
 - 4. Consider approving Change Order No. 1 from Phylway Construction for the Phase II Asphalt Adam "Ted" Gisclair Roadway project
 - 5. Consider adopting DOTD resolution requesting authority to advertise for the Slip B 1871 LF Dredge & Hydraulic Dredge of Slip C project
 - 6. Consider approving Change Order No. 1 from Great Southern Dredge for the Flotation Canal Shoreline Protection project
 - 7. Consider approving Partial Substantial Completion Certificate from Ernest P. Breaux Electrical for the Telecommunication Infrastructure project
 - 8. Consider approving Change Order No. 1 from Prime Controls for the Camera Networking Improvements project
 - D. Finance Committee
 - 1. Consider payment of August invoices and recognize expenditures over \$10,000
 - 2. Consider approving August 2011 financial statements
 - 3. Consider approving insurance renewal proposal
 - 4. Consider out of state travel request
- VII. Any other business
- VIII. Public Comment
- IX. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

September 21, 2011

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, September 21, 2011 at 10:30 AM.

Vice President Lafont called the meeting to order and Secretary Collins called roll.

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

ABSENT: Larry Griffin

Upon motion by Perry Gisclair and second by John Melancon, the board unanimously approved the minutes for August 10, 2011 regular meeting, August 24, 2011 special meeting, and September 9, 2011 special meeting.

Vice President stated that President Larry Griffin had surgery and is in the hospital and wants everyone to keep him in their prayers for a healthy recovery.

Executive Director's Report

Northern Expansion – Engineer Larry Picciola reported that the Slip C Bucket Dredge project is complete with the substantial completion certificate on the agenda for approval today. He is currently working on finalizing a deduct change order for approximately \$90,000 and working on as-built drawings. Ben Hodson with Picciola & Associates reported that the contractor completed the excavation of embankment and sloping of ditches for the Slip B Adam “Ted” Gisclair Roadway, Phase II project. The majority of the borrow material was placed on the shoulders. The Contractor is installing limestone today and paving is set to begin October 10th. Director Chett Chiasson questioned how long paving will take, which Hodson replied 4 days.

Hodson then reported on Slip B 1871 LF Bulkhead project. The contractor is currently installing pipe feeders, some aggregate, rip rap and limestone. The contractor plans to finish by the end of the month which may be aggressive and actually be the second week in October. They are ahead of schedule. Hodson then stated that the plans and specs for Slip B 1871 LF Dredge & Slip C Dredge are 80% complete. A meeting is scheduled tomorrow with Port Directors to discuss final details. The plans should be finished by the end of this week and ready to submit to DOTD for approval. Chiasson stated that later on the agenda is to consider adopting the DOTD resolution requesting approval to advertise.

Airport Projects – Chiasson stated that he is happy to report that we did receive a \$4.3 million Grant Award from FAA for the Parallel Taxiway “A” South Paving project. This project was previously bid out and now that the funding is secure we will be executing the contracts to move forward with the project. He stated that the \$4.3 million received by FAA is the highest amount awarded to a General Aviation Airport for one project. The Port can be proud of getting these funds to complete this project. The project will be approximately 4,000 LF of taxiway and connectors which will lead into some funding from DOTD for the instrument landing system. Lafont commended the staff for getting these funds. Chaisson thanked him for the staff and stated that this says a lot about the commission and how aggressive we are in doing projects at the Airport and Seaport. Mr. Davie Breaux reported that the lights have been ordered for the PAPI-4 System project which is funded by DOTD for up to \$30,000 which will upgrade and improve the lighting system along the runway. Breaux stated that the Hangar & Foundation project at the Airport is currently being advertised. This is for one building that will include 2 separate hangars. We are looking at the potential of building a second hangar since there are interested parties in housing planes.

FEMA Projects – Engineer Larry Picciola reported that the Flotation Canal Shoreline Protection project is complete. The substantial completion certificate was approved at the last meeting. Today on the agenda is a deduct change order for \$254,610.00. He explained that the contractor did request additional compensation of \$177,000 due to delays of the high river flooding but the request was not justified in the contract. By the contractor signing this change order, it is agreed that they cannot come back for additional pay later. Melancon questioned if the contract was under-budget, which Picciola replied yes the change order is a deduct of \$254,610. He further explained that it is part of a FEMA funded project which they will be happy with the deduct as well. Ben Hodson stated that the plans and specs for the Bathhouse will be ready by the end of this week to submit to the fire marshal for approval.

Port Security and Grant Projects – Engineer Shawn Keller reported that on Monday an inspection of the electrical portion of the Telecommunication Infrastructure project was completed. The only items remaining on the punch list is to modify the ice bridge once done the project will be completed. Mrs. April Danos reported that the contractor Prime Controls is doing a good job for the Camera Networking Improvements project. There is a change order for a 60 day extension due to the delays of the shelters and tower construction. We are continuing to work out the Memorandums of Understandings (MOU) with tenants which are expected to be complete by November 10th. The Video Management Solution installation as been postponed until the beginning of October due to some networking issues that need to be completed. The Multi-Agency Emergency Response/Operations Building conceptual design was presented to the board on Monday night. A meeting is set up with Fire Central and the Lafourche Ambulance District this week to present the design and consider comments. Once all comments are received, we will move forward with issuing a Notice to Proceed on the design.

Other Port Projects – Engineer Larry Picciola reported that all sheet piles are in place for the Martin Slip #1 Bulkhead Repairs. There are 4 to 5 A-frame steel deadman remaining to be placed along Bayou Lafourche. The major problems that came up were in front of the building along the corner of Bayou Lafourche which is being resolved. They are back on schedule and should be complete in 4 months. Breaux reported that the fill material has been placed for the footprint of the Airport Maintenance Shop. From comments from the Parish Permitting Office, the building plans were revised and we will re-submit to the fire marshal for approval this week. We expect approval within the next two weeks then it will be ready to advertise for bid. Engineer John Plaisance reported that the Nerby Collins Marina Bulkhead Repair is still on hold waiting the date for the appeals court. The contractor Kostmayer has been working with us and has extended their bid thru the month of September.

LA 1 Highway Improvements Report – Henri Boulet Director of the LA 1 Coalition reported that Phase 1A (Port Fourchon to Leeville) was 97.75% complete as of August 31st, with 93% of the contract time elapsed. DOTD recently announced that the contractor is slightly ahead of schedule and estimates a completion date of late November or early December depending on weather. The contractor's own estimate of a completion date is November 13th. Moving on to a Phase II update, all geotechnical field data is completed. A rough draft of the boring logs is being reviewed by DOTD's Pavement and Geotechnical Section. The consultant is currently processing the cone penetrometer data (CPT). The revised Right of Way (ROW) maps are being re-evaluated by the Location and Survey Section. Revised ROW maps are anticipated to be finalized in early October. When revised maps are completed, ROW acquisition on the remaining 3 parcels will begin. Various DOTD design sections are developing a scope and fee package for the advertisement for engineering services for Segments 2A, 2B, and 2C. DOTD's LA 1 Project Manager anticipates submitting the package to their Contracts Section for review by the end of this month. Concerning funding for construction of the Phase II, Segment A, a state commitment of \$20 million has been secured, contingent on the federal government providing \$15 million from the TIGER III Grant Program. Boulet is working on securing private industry commitments of \$10 million. With a successful TIGER application, and the state and industry commitments, we could amass funding to construct the \$45 million Phase II Segment A. Next Monday, the U.S.D.H.S. will host a briefing in Washington DC on the release of the study they did on existing Louisiana Highway 1 in the Leeville to Golden Meadow region. The study is titled: *Assessment of the National Consequences of Disruptions to*

LA-1. The study estimates billions of dollars of lost of gross domestic product should the nation suffer a loss of LA 1 in the Phase II Area. This is a significant statement by United States Homeland Security officials, coming from their Risk Development & Modeling Branch, which should bolster a federal investment in an improved highway system in the Phase II segment of the project. On other highway projects in the area as of September 14th, the new Bayou Lafourche Lift-Span Bridge at Larose is 58% complete with 77% of the contract time elapsed, the Caminada Bay Bridge is now 77% complete with 56% of time elapsed, and the Prospect Street Bridge is now 50% complete with 60% of time elapsed.

Chiasson stated that he has for approval today an out of state travel request to go to DC next Monday for the Homeland Security roll out of the study. He stated that Senator Mary Landrieu helped assist getting the funding for this study. Cheramie questioned if this is just for LA 1, which Chiasson replied yes but it is clear that the Port is represented in this study. Vizier questioned the \$10 million commitment from private industry, which Boulet stated that they are approaching larger operators in the Gulf and service companies for funds to present the most unique application we can to the federal government. He stated that in the past, the successful applications were funded because they also put up a private industry match; therefore we are trying to include an industry match. We have some private companies that are receptive to participating because they know that Fourchon means a lot to them and a secured highway to get to Fourchon is important.

Vizier stated that he is aware of the removal of the old Grand Isle Bridge and that the contractor doesn't have the funds to dispose of the rip rap in a way that Grand Isle may want. He questioned what do they plan to do with the rip rap and if the state has any plans for disposal. Boulet replied that he assumes it would be in the contract for removal and disposal. He has not heard of any plans from the Mayor to relocate it but it would seem like it would be good to use on the island and be less transportation cost of disposal. Boulet will follow-up with the Mayor on this matter.

Gulf of Mexico Oil Spill – Chiasson stated that there is clean up on the beach now. There have been some articles regarding the oil that showed up from Tropical Storm Lee. It is not new oil but oil uncovered on the beach due to wave action. There are approximately 100 to 200 people working on beach. They also brought in a lot of equipment for the cleanup. Collins questioned if they are just cleaning up Fourchon Beach, which Chiasson replied that he just knows about Fourchon. Collins said that he did see on the news a lot of oil on the beach but wasn't sure of the location. Cheramie questioned if they ever hired boats and trawl boats to clean up Timbalier Bay, which Chiasson replied that he hasn't heard anything about that. Cheramie wanted them to give a shot to our local people if so.

Chiasson reported that last week the Gulf Economic Survival Team (GEST) went to Washington, DC to meet with Congress and the President's super committee on the economic disaster that we have now in this country. They presented the IHS study that was done on the gap between industry's ability to invest in the Gulf and the permits being issued for oil and gas projects in the Gulf. With that gap, there is a lot of revenue we are losing and many jobs that can be created in 2012. This industry is not the end all be all but it can play a key role in generating more jobs and revenue and allow more production which would lessen the amount of foreign oil being purchased. They also discussed the news of the BOEMRE splitting up into two parts; one being the BOEM and the other part will be the regulation and environmental side. It will be interesting to see what will happen with that change and how it will affect the permits being issued in a timely manner. Chiasson stated that he has been invited by the BOEMRE to participate in a conference call next week to discuss the transition. Regarding the permits, he stated that the last report was 29 permits for unique new wells since February. There is no new update on new permits. He reported on the new find by Chevron in deepwater which will be serviced out of Fourchon. The two major finds by Exxon and Chevron are being serviced out of Fourchon which will help us have longevity as we continue to have more work in the Gulf. Chiasson announced that recently the Houma-Thibodaux MSA is still one of the leading areas regarding unemployment. We are 18th in the nation at 5.7% which is well below the national average of a little over 9%. This is a testament to businesses we have in this region and the people running those businesses. It is expected for this area to have a major loss in jobs when the moratorium hit fortunately we didn't see major job loss. It is not because the

businesses were doing excellent it is because they have trained employees and need to keep those employees and families involved in making money to invest in our area.

Tropical Storm Lee Update – Chiasson stated that there was some damage to the beach and we did see some erosion. The project engineer did do a survey of the beach area and it looks like 15,000 cubic yards of material was lost in that area. The Governor's Office of Emergency Preparedness did visit the area this week to calculate cost of damages. If there is \$5.5 million of damages in the State of Louisiana they could petition FEMA to assist public entities to repair projects. We will work with the state and parish to access damages to get FEMA assistance for this area. Gisclair stated that by talking to some of the trawlers they have noticed that the water bottom is very irregular. It shows on depth finders and scouring that occurred in the Gulf up to 20 ft. of water. Chiasson stated that is something we could mention to the Corps. He stated that the Corps did do a survey of Belle Pass to see if there has been any shoaling in the area. Chiasson will review the drawings from the Corps and if there has been some shoaling in the area we will work with the Corps to dredge. Cheramie commended the Port employees that worked for the storm. He stated that we paid for the cleaning of the road it is our employees that did the work and not the Parish or the State that took the credit. He commended Mr. Breaux and the maintenance crew and the Harbor Police who actually did the work. Guidry questioned if there was any damage to the jetties, which Chiasson stated no, the large boulders stayed in place.

Coastal Issues/Bayou Lafourche – Chiasson reported on the buoys that mark the channel going to Grand Isle. There are buoys marking the channel that was done by Grand Isle to the parish line. They purchased the buoys then had to find the money to put them in place. On the Lafourche side, the Port marks the channel with PVC pipe. Vizier questioned if in the future we would mark the channel with buoys, which Chiasson replied that we will work on finding funding to possibly get navigational aids or the board can discuss budgeting for new buoys so many a year similar to the ones on the Grand Isle side. Gisclair stated that at one time the USCG couldn't mark the channel with buoys because they didn't have a vessel with the draft but at the same time we can inquire if they have buoys available and we could have some sort of cost share agreement for installation to get this done. It is very important that this channel is marked in the same place. If we can do it with the USCG or seek funding somewhere else, it is definitely a project that needs to get done.

Mr. Stevie Smith with All South Consulting Engineers addressed the board. He is representing the Bayou Lafourche Freshwater District. The district has been known for getting water in the bayou for public use to drink, bring offshore, run sugar mills etc. They have been operating the pump in Donaldsonville and also cleaning out the bayou for many years. In the last few years, the district has seen a lot more interest in the bayou particularly in the upper region for recreation and tourism. Also in the last few years, interest in coastal restoration. There was a \$20 million dredging project which dredged the first 6 miles of the bayou to increase the water flow. With the many points of interest that the district is dealing with from public use, recreation, tourism, coastal restoration, the district has decided to come up with a long range plan. The board decided to pursue the Bayou Lafourche Summit where industry and the public are invited to discuss long term needs, management and improvements to the bayou. The Summit is scheduled for October 10th to October 17th at Nicholls State University. October 10th will be the kick off meeting then the 11th to 14th will be individual meetings on various issues such as water needs, coastal restoration, drainage, economic development, tourism and recreation. This summit will encompass the whole bayou from Belle Pass north to Donaldsonville. He stated that everyone is invited.

Collins questioned what is causing the water lilies in the bayou, which Smith replied he wasn't sure of the cause but there was a ton of lilies in the northern part of the bayou during the summer. He stated that it is not bad now the district has a tug that passes and chops them up which is just another issue the district deals with every day. He stated that in Donaldsonville it is one issue and in Fourchon it is another issue. He stated that where the dredging was done in Donaldsonville the change is night and day. The state recently said they would put another \$30 million in the bayou which is another reason for the summit to decide what will be done with the funding; more dredging, newer pumps, or a little of both.

Mr. Rickey Cheramie with the South Lafourche Beachfront Development District (SLBDD) addressed the board. Mr. Cheramie thanked the board for the support of the SLBDD efforts to bring public access back to Fourchon Beach. The SLBDD is awaiting the appraisals of the Caillouet property which the numbers should be in by Sept. 30th with the full report by their October meeting. He stated that recently the Lafourche Parish Council and the Town of Golden Meadow passed a resolution asking the State and the Corps to consider public access for the Caminada Headland project and Corps' BBBS project. He then asked the board to consider adopting a similar resolution to show the State and the Corps that everyone is behind this project. He feels that it is very important that the Port do the beach repair project/geo-tube project to protect the area. He then stressed the importance for us having public access to the beach which will bring more tourists, more people crossing bridge which will in turn take the burden off of locals paying the toll. He then asked Mr. Boulet to have the LA 1 Coalition also pass a similar resolution supporting public access to the beach. The SLBDD might be facing hard decisions in the future however they are ready to make those decisions.

Committee Reports

Executive Committee - The committee met on August 24, 2011 at the Operations Building in Fourchon. Present was Chairman Larry Griffin, Jimmy Lafont, Wilbert Collins, and Perry Gisclair. The committee also met on September 19, 2011 at the Administration Building in Galliano. Griffin was absent.

Upon motion by Perry Gisclair and second by John Melancon, the board unanimously approved the Cooperative Endeavor Agreement regarding radio rebanding implementation phase. Chaisson stated that this agreement is between the Port and the Sheriff of Jefferson Parish who acts as the hub of the region for emergency communications. The region is moving to a MHZ system with Nextel doing the rebanding.

Permits & Waterways Committee - The committee met on August 24, 2011 at the Operations Building in Fourchon. Present was Jimmy Lafont, Larry Griffin, and Perry Gisclair. Chairman Cheramie was absent. The committee also met on September 19, 2011 at the Administration Building in Galliano with Griffin absent.

Chairman Cheramie presented for the board's review the permit applications from Louisiana Transportation Authority; Tana Exploration Company, LLC; Bayou Blues Holdings, LLC; Joey J. Fullilove; Corps of Engineers; and LOOP. Chiasson commented that the LA Transportation permit is an amendment to the original permit to remove the old Leeville Bridge and cut the piles down to a -16 ft. He stated that the amended permit is to cut the piles down to a -22 ft. for better clearance for vessels.

Construction & Development Committee - The committee met on August 24, 2011 at the Operations Building in Fourchon. Present was Chairman Ervin Bruce, Donald Vizier, John Melancon, Jr. and Larry Griffin. The committee also met on September 19, 2011 at the Administration Building in Galliano with Griffin absent.

Upon motion by Perry Gisclair and second by Chuckie Cheramie, the board unanimously approved the high bids of the surplus equipment. Chiasson stated that there were only 5 out of the 23 items not bid on. The total amounts of the bids received are \$11,677.88.

Upon motion by John Melancon and second by Chuckie Cheramie, the board unanimously approved the Clear Lien Certificate from Mike Hooks for the Slip B 1100 LF Dredge & Flotation Canal project.

Upon motion by Jimmy Guidry and second by John Melancon, the board unanimously approved the Substantial Completion Certificate dated September 7, 2011 from Berry Bros for the Slip C Bucket Dredging project.

Upon motion by Perry Gisclair and second by Chuckie Cheramie, the board unanimously approved Change Order No. 1 from Phylway Construction an increase of \$58,255.00 and 5 additional contract days for the Phase II Asphalt Adam "Ted" Gisclair Roadway project.

Upon motion by Chuckie Cheramie and second by Wilbert Collins, the board unanimously adopted the DOTD resolution requesting authority to advertise for Slip B 1871 LF Dredge & Slip C Dredge project.

Upon motion by Perry Gisclair and second by Wilbert Collins, the board unanimously approved Change Order No. 1 a decrease of \$254,610.00 and 15 additional contract days from Great Southern Dredge for the Flotation Canal Shoreline Protection project.

Upon motion by John Melancon and second by Jimmy Guidry, the board unanimously approved the Partial Substantial Completion Certificate dated September 1, 2011 from Ernest P. Breaux Electrical for the Telecommunication Infrastructure project.

Upon motion by Perry Gisclair and second by John Melancon, the board unanimously approved Change Order No. 1 for 60 additional days from Prime Controls for the Camera Networking Improvements project.

Finance Committee - The committee met on August 24, 2011 at the Operation Building in Fourchon. Present was Chairman Jimmy Guidry, Wilbert Collins, John Melancon Jr., and Larry Griffin. The committee met on September 19, 2011 at the Administration Building in Galliano with Griffin absent.

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

Upon motion by Jimmy Guidry and second by John Melancon, the board unanimously approved the August 2011 financial statements.

Chairman Guidry presented for the board's consideration approving the insurance renewal proposal. Mr. James Rome presented the September 25, 2011 renewal figures on property and casualty insurance. He stated that we negotiated and agreed to general liability policy earlier and paying the premium to AON Risk Services today. The list in the folders is the remaining items of coverage that were renewed at a decrease, no change, with 3 policies renewed at an increase. Mr. Jim Lawler with AON Risk Services addressed the board to explain the automobile renewal situation. Mr. Lawler stated that the automobile insurance this year was more difficult to obtain, less to do with Fourchon and more to do with market conditions of emergency vehicles in a fleet. Many markets are re-underwriting their book of business that includes emergency vehicles. Consequently, the existing underwriter withdrew so AON did an extensive search to find a palatable renewal through QBE Insurance which is a company of the existing insurer but now dealing directly with them. The good news is that with the negotiated reduction in general liability and marine liability offsets the increase of automobile insurance. The other area that has an increase in premium is the workers compensation area. The Port has an experience modification that is unique to your own business. Last year the modification rate was a .85 and this year it is still a credit of .95. This accounts for some of the increase with the other item being more payroll that is involved in workers compensation. This is simply a mathematical function of the Port's risk and experience modifications. AON will continue to monitor the risk, mitigate/prevent losses, and the experience modification can go down in future years. The Maritime Employers Liability was increased slightly simply because of exposure. The payroll for that exposure is higher than past years. The public officials, police professional, and excess liability insurance all stayed the same.

Lafont questioned when the renewal date is, which Lawler replied September 25th. Lafont stated the trouble in shopping around to get the best bang for the buck if he thinks it is the time to come bring us some news like this right before the renewal date. Lawler stated that the Port was made aware early on that the insurer was not going to renew the automobile liability. He stated that he was in the market place at least 60 days ago to get quotations. The quotation that was secured was made firm yesterday. Lafont stated that with the substantial savings on general liability and hull P&I how many claims did the Port have in the last few years, which Lawler stated not many if any. Lafont replied zero so you just about spent the break we had, which Lawler replied that he pushed for a break. Lafont stated so 60 days ago he knew we had trouble, which Lawler replied that 60 days ago we knew that the underwriter was not going to renew the policy. Lafont stated that his whole point is not to come two weeks before the renewal with bad news and no time to make a move or decision. The board should have been notified 60 days ago,

which Lawler replied that the Port was notified. Lafont stated that blaming the automobile market and being proud about the decrease in general liability and hull we have no claims and should be rewarded. He disagrees with the two week notice.

Chiasson reported that we knew about the automobile insurance carrier about 3 to 4 weeks ago and on Monday we received the numbers. Melancon questioned if it is the entire pool of emergency fleet vehicles that is a difficult market to insure, which Lawler replied that when he was notified that they withdrew their position we went to different carriers which all came back with two reasons: either the risk was too small or others had great difficulty in writing fleets with emergency vehicles on them. Risk with emergency vehicles can be very good but risk with sirens and flashing lights go fast and the accidents are not small in general. The market did change which they do from time to time. Gisclair questioned if the Sheriff's Office, Fire Dept., and Ambulance Districts will see an increase as well, which Lawler stated that some are in a pool arrangement whereas the Port only has about 12 Harbor Police vehicles. He would expect that they would see an increase. He stated that a lot has to do with size as the larger fleets with more risks are treated differently than smaller sized fleets. On smaller fleets, the underwriter can't charge enough if you have one bad accident but they are in the risk taking business so they have to figure out where they can underwrite that properly for them. It is a nature of their business and we are paying for them to take that risk.

Chiasson stated that he did question the cost but then reviewed the next quote we received which was double this price. Lafont stated that he attended the Ambulance District meeting and the automobile liability actually went down and they have more exposure than us. He finds we are cutting this too close and would like to see safety incentives in the policy be rewarded for being safe and having a good record.

Cheremie would like to see this whole insurance deal overhauled. He doesn't like to see the broker going out. He would like to see us giving out a few different bids. We have to approve this before the 25th. We should have gotten this a few weeks ago he has email, text, and phone. This is ridiculous how this comes to us. He should have seen the quote for automobiles and all the other quotes received. He would like to change the way we renew insurance because it is not the right way. He fought against having the TTClub in the past and now they stuck it to us this year. Chiasson stated that the TTClub portion was a decrease of \$30,000. Cheremie stated that the whole package is an increase. 2% is still an increase. We should have received this 30 days ago. There is not much time to review this especially dealing with \$374,000. We need to look into this process and overhaul this insurance program.

Upon motion by John Melancon to approve the insurance renewal proposal from AON with the increase of 2% which was second by Donald Vizier, the floor was open for discussion. Lafont stated that he will vote no against this. He wanted on record that he did ask for some type of safety incentive which is a natural process we didn't have 35% loss at the end of the year and we should have some money back to restore the taxpayer's dollars. The increase is not a lot but it is an increase and our job is to try to save money if we can and there are a few places that money could have been saved. Guidry questioned if the 2% increase is in line with what other agencies incurred, which Lawler stated that by looking at the various quotes some came down substantially only the automobile liability created a problem other than that you would have seen an overall decrease. Lafont stated that over the years, automobile has always been the problem we don't have a backup plan even if we have good officers and drivers. Maybe we need to shop around where Ambulance District shops or the Sheriff's office. Vizier questioned what is most expensive automobile to insure is it the police, ambulance, or fire or all of the above, which Lawler replied that any emergency vehicle is a risk but believes that police departments and long haul truckers are the difficult risk to cover. Underwriters would write anything but our goal is to get a manageable brief. Cheremie stated that all we received is this sheet, where is our policy book we should have one for each commissioner not just one summary sheet. He would prefer seeing the book than getting something like this. Chiasson stated that the policy book is here in the office for your viewing is it really necessary for each member to have it, which Cheremie replied yes. Cheremie stated for his company he receives several policy books, Chiasson replied but that is for your personal business, Cheremie replied this is my business. Chiasson stated that we will supply you and any other commissioner with a policy book that

wants one. Cheramie stated we should all have a policy book to review. The board then voted which resulted in 6 yeas by Gisclair, Vizier, Collins, Melancon, Guidry, Bruce, 2 nays by Lafont and Cheramie; and 1 absent by Larry. Motioned passed.

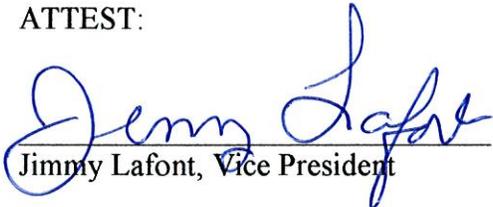
Upon motion by Jimmy Guidry and second by John Melancon, the board unanimously approved the out of state travel requests from Joe Wheeler to attend the FAA Conference in Texas on November 17th and Chett Chiasson to attend meetings in Washington, DC on September 26th.

Vice President Lafont opened the floor for any other business. Vizier requested that we discuss with the Port Attorney to possible put together a resolution as per Mr. Rickey Cheramie request for our next meeting.

Vice President Lafont opened the floor for public comment. Mr. William Lasseigne addressed the board and announced his candidacy for Lafourche Parish Council District 9 seat.

Upon motion by Chuckie Cheramie and second by John Melancon, the board unanimously adjourned the regular meeting.

ATTEST:


Jimmy Lafont, Vice President


Wilbert Collins, Secretary