

Greater Lafourche Port Commission

AGENDA

May 8, 2013 at 10:30 AM

Administrative Building 16829 East Main, Galliano, LA

(Revised: May 3, 2013 at 3:20 PM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for April 10, 2013 regular meeting and April 18, 2013 special meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 - 1. Guidry Brothers Site Development (Picciola & Associates)
 - B. Airport Projects**
 - 1. Glide Slope (LPA/Baker)
 - 2. ODALS – Omni-Directional Approach Lighting System (LPA/Baker)
 - 3. Airport Master Plan Update (LPA/Baker)
 - C. FEMA Projects**
 - 1. Beach Repair Project (Picciola & Associates)
 - 2. Bathhouse Project (J. Wayne Plaisance)
 - D. Port Security and Grant Projects**
 - 1. Multi-Agency Emergency Response/Operations Building (2009)
 - 2. Waterside Radar Video Surveillance Project (2009)
 - 3. LOOP Command Center Expansion (2009)
 - 4. CCTV GAP Project (2012)
 - 5. TWIC Implementation (2011)
 - E. Other Port Projects**
 - 1. Assumption of Maintenance Study (URS)
 - 2. Storm Harbor Marina (J. Wayne Plaisance)
 - F. Update on LA 1 Projects**
 - G. Update on Legislative Issues**
- VI. Committee Reports
 - A. Executive Committee
 - 1. Consider approving the request from Martin Terminal to amend (307-Main) lease for additional lease options
 - 2. Consider approving the request from M.B. Energy, LLC to assign lease GLF346 to M. B. Environmental Services, LLC
 - 3. Consider approving the request from M.B. Environmental Services to sublease to Trussco
 - 4. Consider approving the request from Hoover Container Solutions to lease 1.93 acres along LA 3090 with a Right of First Refusal for .744 acres
 - 5. Consider deeming the request from Schlumberger to lease 1400' along Slip C as a bona fide written offer
 - 6. Consider approving the summer employee applicants
 - 7. Consider approving the Port Security Grant Policy and Procedures Manual
 - 8. Consider approving the Cooperative Agreement with Lafourche Parish Government for the Leeville Boat Launch
 - B. Permits & Waterways Committee
 - 1. Review permit applications by Apache Corporation, Corps of Engineers – Jetties, Chevron USA, Shell Pipeline Company, David Hawkins, GLPC, TANA Exploration Company
 - C. Construction & Development Committee
 - 1. Consider approving the proposal for Pre-Disaster Debris Removal
 - 2. Consider approving the proposal for Pre-Disaster Debris Monitoring
 - 3. Consider accepting the Clear Lien Certificate from Byron E. Talbot Contractors for the Guidry Bros Site Development project
 - 4. Consider accepting the Clear Lien Certificate from Pavement Maintenance Unlimited for the Sealcoat & Remarketing project
 - 5. Consider approving the Change Order No. 1 from Picciola Construction for the Bathhouse project
 - 6. Consider accepting the Clear Lien Certificate from Picciola Construction for the Bathhouse project
 - 7. Consider approving the LOOP Command Center Expansion flow through contract
 - D. Finance Committee
 - 1. Consider approving payment of April invoices and recognize expenditures over \$10,000
 - 2. Consider approving 2012 Financial Audit
- VII. Any other business
- VIII. Public Comment
- IX. Possible Executive Session to discuss personnel matters
- X. Public Comment
- XI. Adjournment

Serena L. Bruce, Legal/Projects Assistant
Greater Lafourche Port Commission
P.O. Box 490 Galliano, LA 70354
(985)632-6701

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
May 8, 2013

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, May 8, 2013 at 10:30 AM at the Administration Building 16829 East Main Street, Galliano, LA.

President Gisclair called the meeting to order and Secretary Cheramie called roll.

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

ABSENT: None

Upon motion by Larry Griffin and second by John Melancon, the board unanimously approved the minutes for April 10, 2013 regular meeting and April 18, 2013 special meeting.

Executive Director's Report

Northern Expansion - Engineer Joe Picciola reported that the Guidry Bros Site Development project is complete and the clear lien and final payment is later on the agenda for approval. Picciola stated that Guidry Bros is moving forward with constructing their improvements on the site.

Airport Projects - Executive Director Chett Chiasson reported that Joe Wheeler is at the LA Airport Management Association (LAMA) today and being nominated for Vice President of that board. Davie Breaux reported that the Glide Slope installation and the ODALS – Omni Directional Approach Lighting System are being advertised with pre-bid meeting on May 13th and bid opening on May 29th. Breaux reported that we are still waiting on the FAA's review of the Airport Master Plan Update. Breaux reported that the Airport operations for April were 1704.

FEMA Projects – Engineer Joe Picciola reported that he has been in discussion with Hamp's Construction regarding the Beach Repair project. Hamp's did change the supplier for the geotubes. They did submit the work plan last night which he is currently reviewing. They do plan on moving on site May 20th. Picciola and Breaux will meet with the project manager and superintendant next week to discuss the logistics and how they plan to operate. Engineer John Plaisance reported that the Bathhouse project is complete. The clear lien and change order for 86 additional days due to permitting delays and weather are later on the agenda for approval.

Port Security and Grant Projects – Chiasson congratulated April Danos for being named Lafourche Parish Chamber of Commerce Employee of the Year. Breaux reported that Lincoln Builders is constructing the exterior walls with cement blocks filled with cement. They plan to complete the walls in 3 weeks. The trusses are scheduled to be on site May 10th. Danos reported that the contractor is on site for the Waterside Radar Video Surveillance project. The final components are being installed this week. As of yesterday, the radar integration to the C-4 system is 90% complete. Testing is scheduled for Friday and the project should be complete by May 31st.

The LOOP Command Center Expansion is a flow through Port Security Grant project between the Port and LOOP which is later on the agenda for approval. The CCTV GAP project will add 8 cameras to our existing system to fill gaps of strategic locations in the Port. In regards to the TWIC Implementation, within the last few weeks we met with tenants gathering documentation to submit to FEMA for the environmental review once that is approved we will be able to move forward.

Other Port Projects – William Evans with URS reported on the Assumption of Maintenance Study. He stated that Chiasson submitted the draft report to the Corps Headquarters in DC last month. Since then there have been some minor comments that will be added to the report. URS plans to have a presentation ready for the board at the Fourchon committee meeting. Chiasson stated that the biggest

detail that comes out of this is the economic benefits are 23 to 1 return of investment which is very strong and we should see positive feedback on this.

Engineer John Plaisance reported on the Storm Harbor Marina project. The Corps requested more information regarding the mooring loads which was provided by Picciola & Associates. Once reviewed, we will meet with the staff next week to see how to proceed.

Update on LA 1 Projects – In the absence of Henri Boulet, Director Chiasson read his report. The Governor's office has designated \$40 million for Phase II, Segment C of the LA 1 Project near Golden Meadow in Priority 5 of the Capital Outlay Bill. The bill passed the House Ways and Means Committee on Monday with no amendments that affected LA 1's funds. Boulet will continue to monitor the bill as it passes through the full legislative process. Boulet anticipates meeting with the Governor again in late 2013 to request that a portion of the \$40 million be re-designated to Priority 1 in next year's Capital Outlay Bill. With this segment of the project currently in design, the earliest construction schedule indicates these construction funds would be paid-out over the state fiscal years of 2014, 2015, and 2016. Boulet feels the \$6 million of corporate match helped significantly to get this \$40 million commitment from the Governor's office. LA DOTD issued a Notice to Proceed to HNTB Corporation to complete the Preliminary Design for all three segments of Phase 2 on April 22, 2013. That design work is scheduled to be complete in June of 2014. The final parcel of acquired right-of-way for Phase II has now been recorded in the courthouse. The Coalition has several new members: Halliburton, Castex Energy, Harvey Gulf International Marine, and Exxon Mobil. Cheramie requested an update on the road repairs from Fourchon to Grand Isle, which Chiasson replied that has been bid out and he will find out when they will start. Griffin stated that they did start widening the roads in Leeville on both sides. Chiasson stated that will allow the extension of the cash lane. Breaux stated that the contractor is Barriere and they will be there 5 more days to complete milling, paving, shoulders, and striping.

Update on Legislative Issues – Chiasson reported on some bills in Legislature that could impact the Port. House Bill 193 by Representative Gisclair makes minor changes to the current law for the Port Infrastructure tax credit that now adds shipyards, ship building, and ship repair to eligible projects. This bill has passed the House and now in the Senate. There is a Senate Bill 122 from Senator Chabert that does the same thing but adds more to it. Some changes are being made to satisfy some concerns but this will be a good bill if passed. The other bill we are following is Senate Bill 223 by Senator Mills to create LA Coastal Port Advisory Authority under DOTD that would deal with the issues the coastal ports are having with dredging and shallow channels, and also bring to light that the oil and gas ports are important to the state and have to be looked after and our navigational needs need to be met. On the federal side we are following the Water Resources Development Act (WRDA) Bill (the last one past was in 2007) since there are no more earmarks coming out of Congress this bill really doesn't have any new major projects but does look at the regulations. One highlight of the bill is that it would accelerate the NEPA process for environmental review which typically stalls projects. Senator Landrieu is trying to get an amendment passed onto the WRDA Bill that would stall the increases in flood insurance rates until further study is done on the impacts on citizens of coastal communities that involves the FEMA flood maps and National Insurance Program.

Chiasson stated that he was appointed to the LA Board of International Commerce representing the Port and South LA Economic Council. This board will work on a master plan for the state on international trade. Gisclair stated that when Senator Landrieu's bill went thru there were 15 Parish Presidents from all the coastal parishes in Washington that day. They were all making their arguments to Congress on the affects of this bill. It plays a real big part in our area and we can't afford that increase in flood insurance. He stated that when this happens it also affects the industry and people coming in our area. Hopefully her amendment does pass. He thanked all the parish presidents that went to Washington to represent us. Chiasson stated that President Randolph and Parish Administrator Archie Chiasson did go to DC to represent our area.

Committee Reports

Executive Committee - The Committee met on April 24, 2013 at the Operation Center in Fourchon. Present was Chairman Gisclair, Griffin, Cheramie, and Melancon. The committee also met on May 6, 2013 at the Administrative Building in Galliano with all members present.

Upon motion by Collins and second by Bruce, with no public comment, the board approved the request from Martin Terminal to amend (307-Main) lease for five additional 5-year lease options to do bulkhead improvements and repair work. The vote resulted in 8 yeas and 1 abstain by Gisclair.

Upon motion by Cheramie and second by Gaudet, with no public comment, the board unanimously approved the request from M.B. Energy, LLC to assign lease GLF346 to M. B. Environmental Services, LLC.

Upon motion by Cheramie and second by Guidry, with no public comment, the board unanimously approved the request from M.B. Environmental Services to sublease to Trussco on site GLF346.

Upon motion by Griffin and second by Melancon, with no public comment, the board unanimously approved the request Hoover Container Solutions to lease 1.93 acres along LA 3090 with a Right of First Refusal for .744 acres of non-waterfront property.

Upon motion by Cheramie and second by Gaudet, with no public comment, the board unanimously deemed the request from Schlumberger Technology Corp to lease 1400' along Slip C as a bona fide written offer. Chiasson stated that currently DANOS has a right of first refusal on this site therefore we will submit this offer to lease and DANOS will have 30 days to respond to either exercise its right into a formal lease or allow Schlumberger to lease.

President Griffin presented for the board's approval the summer employee applicants. Chiasson stated that this is open to any college student either attending college or enrolled in college. He stated that we received 4 applications for maintenance roustabouts however we usually hire 5. We also received 4 clerical applications which 1 did apply for both positions. The administration recommends hiring all 4 roustabouts and pulling names for the clerical alternates and hiring Erica Baehr who worked here in the past. We typically give that option to the staff to hire a previous year student. Upon motion by Gaudet and second by Cheramie, with no public comment, the board unanimously approved hiring the 4 maintenance roustabouts as follows: Russ Cheramie, Jacob Guidry, Renzi Terrebonne, and Vincent Doucet. Gisclair questioned if someone else comes in later if we can hire that 5th person, which Chiasson replied yes and it does not need board approval.

President Gisclair then pulled the clerical names as follows 1st Kelly Aucion and 2nd Ashley Faulk. Upon motion by Collins to hire Erica Baehr and approve the two alternates was second by Cheramie, the floor was open for discussion. Vizier questioned if Erica is a junior in college, which Chiasson replied yes. Vizier stated so she was appointed as a freshman and was hired again as a sophomore. She worked here for 2 years and this will be her 3rd year here. Vizier has a problem with this policy. This policy was made to give a chance to all kids for a summer job and have that opportunity to work in an organization. So now we are bypassing the real thought behind the policy to give someone the experience. He stated that next year you won't have anyone apply and if she comes back next year you will give her a job as a senior. He is against this policy of choosing a clerical worker and wants to pull out a hat like we did before to give all the opportunity to work here. He does agree with the roustabout policy that if we hire 5, you select a leader from the previous year. The problem he has is with the clerical position since there is only 1 being hired and you pick the one hired the year before. He will vote no on this recommendation from the staff and would like to go back to pulling to give everyone a chance. With no further discussion and no public comment, the board then voted which resulted in 8 yeas and 1 nay by Vizier.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously accepted the Port Security Grant Policy and Procedures Manual.

Upon motion by Cheramie and second by Bruce, with no public comment, the board unanimously approved the Cooperative Agreement with Lafourche Parish Government for the Leeville Boat

Launch contribution of \$200,000. Chiasson stated with this agreement we can actually transfer the funds once the project is in place. Vizier questioned the total cost of the launch and where the funds are coming from, which Cheramie replied that the Port is putting up \$200,000, the Parish has approximately \$200,000, a Wallop-Breaux grant was received for approximately \$480,000, and Senator Chabert has also created a bill for an additional \$200,000. Vizier stated that this will be a million dollar boat launch.

Griffin reverted back to the summer employee policy and requested that we create a new policy to lessen the confusion for summer jobs and make it one way or the other. Either we allow the administration staff recommendations to hire or everyone is pulled from the hat so that everyone knows where we stand. Gaudet agreed that going forward all rules be outlined on how we stand. Vizier questioned if we have a policy already, which Chiasson stated that we have been following the policy and what took place today was not different than what was done in the past. Chiasson stated that we have had a clerical worker for a few years now. April Danos stated that the recommendation for Erica was for the last two years which we followed the same process as the maintenance reviewing the applications and picking the top 2 from previous years to be hired as leaders. So when we did the clerical, Erica was a very good worker and set the bar and having her come back again when she already understands the process that helps out the staff. Danos understands the opposition of giving others a chance but the reason behind the recommendation is that she knows our system, already trained, knows how we operate, and she gets things done that are needed. Vizier stated he understands that Erica may be good but she is there to help you do a job but that is not what the policy was made for it was made to allow college students make money and get some experience. This clerical recommendation has only been done the last 2 years and with this year it will be 3. There are a lot of people missing out on this opportunity to make money for the summer and get the experience of working with a corporation. Danos replied that she is not helping me personally out she is under my direction but ultimately helping with things that need to be done for the port. Vizier understands that she helps out but that is not what the job was created for. Gisclair stated that the recommendation is for Chiasson to come up with a policy to present to the board and have further discussion then.

Permits & Waterways Committee - The committee met on April 24, 2013 at the Operations Center in Fourchon. Present was Chairman Cheramie, Collins, Griffin, and Gisclair. The committee also met on May 6, 2013 at the Administrative Building in Galliano with Collin absent.

Chairman Cheramie presented for the board's review the permit applications from Apache Corporation, Corps of Engineers for Jetties, Chevron USA, Shell Pipeline Company, David Hawkins, GLPC, and TANA Exploration Company.

Construction & Development Committee - The committee met on April 24, 2013 at the Operations Center in Fourchon. Present was Chairman Bruce, Griffin, Gisclair, and Vizier. The committee also met on May 6, 2013 at the Administrative Building in Galliano with all members present.

Upon motion by Cheramie and second by Melancon, with no public comment, the board unanimously awarded the proposal for Pre-Disaster Debris Removal to Omni Pinnacle, LLC.

Upon motion by Bruce and second by Griffin, with no public comment, the board unanimously awarded the proposal for Pre-Disaster Debris Monitoring to Providence Technical Services, LLC.

Upon motion by Griffin and second by Melancon, with no public comment, the board unanimously accepted the Clear Lien Certificate from Byron E. Talbot Contractors for the Guidry Bros Site Development project.

Upon motion by Collins and second by Cheramie, with no public comment, the board unanimously accepted the Clear Lien Certificate from Pavement Maintenance Unlimited for the Sealcoat & Remarketing project.

Upon motion by Guidry and second by Collins, with no public comment, the board unanimously approved Change Order No. 1 for 86 additional calendar days from Picciola Construction for the Bathroom project due to delays in permits, hurricane, weather days, and rodeos.

Upon motion by Collins and second by Melancon, with no public comment, the board unanimously accepted the Clear Lien Certificate from Picciola Construction for the Bathhouse project.

Upon motion by Collins and second by Cheramie, with no public comment, the board unanimously approved the Subgrant Agreement with LOOP for the Security Command Center Expansion project budgeted at \$328,793.00.

Finance Committee - The committee met on April 24, 2013 at the Operations Center in Fourchon. Present was Chairman Melancon, Guidry, Gaudet, and Gisclair. The committee also met on May 6, 2013 at the Administrative Building in Galliano with all members present.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved payment of April invoices and recognized expenditures over \$10,000.

Chairman Melancon presented for the board's approval the 2012 Financial Audit. Mr. Mark Felger, CPA with Lanaux & Felger presented to the board the highlights of the financial statements. He stated that there are 3 reports that are involved in the audit. The first report is the Independent Auditor's Report which resulted in an unmodified opinion which is the best one could get. This opinion states that the financial statements referred to above present fairly, in all material respects, the respective financial position of the GLPC as of December 31, 2012 and 2011, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the USA. The second report is the Yellow Book Report also known as the governmental auditing standards which resulted in no compliance findings and no deficiencies in internal controls. The third report is the Single Audit Report resulted in an unmodified opinion on compliance with federal program requirements and found no deficiencies in internal controls. Some financial highlights are: net assets of \$204.1 million (11% increase from 2011), annual operating revenues of \$23.3 million (26.2% increase), cash and cash equivalents of \$49.8 million (13.2% increase), operating profits of \$6.6 million (102% increase), net income before capital grants of \$10.9 million (80% increase), capital grants of \$10 million and expense grants of \$1.8 million.

The total revenue and capital additions by source are identified on a graph as 60.6% of self-generated fees, 26% of state and federal capital construction grants, 8.3% of ad valorem taxes, 4.7% of state and federal operating & disaster grants, and .4% of other. The total expenses and other uses of funds are identified on a graph as 54% of capital construction and purchase equipment, 14% of depreciation and disposal of assets, 11% salaries and benefits, 10% lease expense, 7% maintenance supplies and operating facilities, 2% other operating expenses, and 2% hurricane damage repairs. He then presented a bar graph that shows the difference from capital construction grants versus expenditures and in 2012 it shows that approximately \$10 million of construction was self funded.

Mr. Felger then presented a comparison chart to other ports of similar size to Fourchon such as Iberia, Lake Charles, St. Bernard, and Baton Rouge. This resulted in total assets ranking Fourchon with approximately \$200 million of assets second to the Port of Lake Charles at approximately \$300 million of assets. The comparison of net operating revenue generated by investments and fixed assets which looks at the total amount invested versus generated revenue. The Port invested over \$210 million in assets which resulted in an annual return of 12% on investments which is a very good return. He then extended his thanks to the directors and staff for cooperation during the audit process. Upon motion by Melancon and second by Griffin, with no public comment, the board unanimously approved the 2012 financial audit.

President Gisclair opened the floor for any other business. Chiasson stated that we plan to change the June meeting dates since he will be in Houston for the LNG Marine Use Conference. He recommended changing the committee meeting to Monday, June 17th at 6:00 PM and the board meeting to Thursday, June 20th at 10:30 AM, and there will be no Fourchon committee meeting for June.

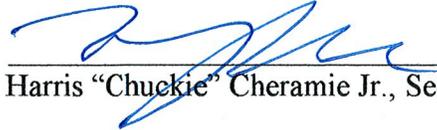
Upon motion by Gaudet and second by Cherie, with no public comment the board agreed to enter into executive session to discuss personnel matters. The roll call vote resulted in all 9 yeas. The board returned to the meeting with one item to take action on. Chiasson recommended that the board approve creating an Airport maintenance position. Upon motion by Griffin and second by Melancon, with no public comment, the board unanimously approved creating an Airport maintenance position.

Upon motion by Cherie and second by Vizier, the board unanimously adjourned the board meeting.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cherie Jr., Secretary