

Greater Lafourche Port Commission

AGENDA

March 11, 2015 at 10:30 AM

Administration Building · 16829 East Main St · Galliano, LA

(Revised: March 10, 2015 at 9:10 AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for February 11, 2015 regular meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 - 1. Northern Expansion Slip C Bulkhead (J. Wayne Plaisance)
 - 2. Northern Expansion Slip C West Sweep Dredge (J. Wayne Plaisance)
 - 3. Northern Expansion Slip C East Sweep Dredge (J. Wayne Plaisance)
 - B. Airport Projects**
 - 1. Glide Slope (LPA/Baker)
 - 2. Apron Expansion (LPA/Baker)
 - 3. Pump Station – Pipe Replacement (Angelette-Picciola)
 - C. Port Security and Grant Projects**
 - 1. Cybersecurity and Resiliency (2013)
 - 2. Airport Cameras
 - 3. Port Wide Sustain & Maintain (2014)
 - 4. Risk Mitigation Plan (2014)
 - D. Other Port Projects**
 - 1. Assumption of Maintenance Study (URS)
 - 2. Storm Harbor Marina (J. Wayne Plaisance)
 - 3. Nerby Collins Commercial Marina Bulkhead (J. Wayne Plaisance)
 - 4. N. J. Theriot Road Elevation & Improvements (Angelette-Picciola)
 - 5. FEMA: Breakwaters (Picciola & Associates)
 - E. Update from LA 1 Coalition**
 - F. CB&I Presentation on the Seaport Master Plan**
 - G. Fletcher IPT Program and Marine & Safety Center**
- VI. Committee Reports
 - A. Executive Committee**
 - 1. Consider approving the request from Entergy to amend lease at the SL Industrial Park
 - 2. Consider approving the amendment request from NRCS to extend lease at the SL Industrial Park
 - 3. Consider approving the request from Rotorcraft to lease additional property at the SL Industrial Park
 - 4. Consider approving the advertisement for summer employees
 - B. Construction & Development Committee**
 - 1. Consider approving the Partial Substantial Completion certificate for Slip C East Bulkhead project
 - 2. Consider adopting the DOTD Resolution to Advertise the East Side of Slip C Sweep Dredge project
 - 3. Consider approving Change Order No. 2 for the Storm Harbor Marina project
 - 4. Consider approving the lowest responsive bid for the Nerby Collins Marina Wooden Bulkhead project
 - C. Finance Committee**
 - 1. Consider approving payment of February invoices and recognize expenditures over \$10,000
- VII. Any other business - None
- VIII. Public Comment – None
- IX. Adjournment

*Serena L. Bruce, Legal/Projects Assistant
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OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
March 11, 2015

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, March 11, 2015 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., Jimmy Guidry, and Ervin Bruce

ABSENT: None

Upon motion by Gaudet and second by Bruce, with no public comment, the board unanimously approved the minutes for February 11, 2015 regular meeting.

Executive Director's Report

Northern Expansion – Engineer John Plaisance reported on Slip C East Bulkhead of 1600' that the contractor is complete in driving all steel sheets and concrete deadman. They are currently hauling in limestone and finishing up with the last few tie rods. We expect substantial completion within the next 2 to 3 weeks. Plaisance stated on the agenda today is the partial substantial completion certificate for the southernmost 600' which will allow the lessee's contractor to start building their facility. Engineer Plaisance reported on the Sweep Dredging project stating the contractor has completed Slip A alternate and should be complete with Slip C dredge in 2 weeks. Engineer Plaisance reported that the Slip C East Dredge is currently being advertised and scheduled to open bids on April 2nd.

Airport Projects – Airport Manager Joe Wheeler reported that we did receive the FCC license for the Glide Slope project. We have also scheduled the ground inspection on March 17th. The Apron Expansion project continues ahead of schedule. Byron E. Talbot Contractors are currently working on the apron in front of the FBO. The Pump Station Pipe Replacement project is currently in the lien period. Wheeler then reported that the aircraft operations for February was 3,114 with a passenger count of 7,352 which are astonishing figures. He also asked the public pray for the 11 military personnel that were in the crash over the coast of Florida.

Port Security and Grant Projects – Davie Breaux reported that we continue to configure systems for the Cybersecurity and Resiliency project. The Airport Cameras are expected to be complete March 20th weather permitting. We continue to process paperwork for the video management and maintenance of cameras as part of the Port Wide Sustain & Maintain project. Joni Tuck reported the RFP for the Risk Mitigation Plan was opened on Monday. We did receive 6 proposals which we will be processing and should be ready to award in April.

Other Port Projects – Joe Berlin with URS reported that the Assumption of Maintenance Study has been submitted to the Corp of Engineers for final approval. Engineer John Plaisance reported that the Storm Harbor Marina project is currently in the lien period. The contractor has completed all punch list items beside some minor drainage work. There is a change order on the agenda to adjust final quantities an increase of \$669.00 and 17 calendar days. The contractor did finish 21 days behind schedule which is being considered for liquidated damages. Engineer Plaisance reported that bids were received last month for the Nerby Collins Commercial Marina Bulkhead which is ready for award today. Engineer Larry Picciola reported that the N. J. Theriot Road Improvements project is ongoing with Barriere currently doing the drainage work. There were a few issues of elevating a culvert and working with Vision Communications for phone lines which have been resolved. They currently have some delays due to the weather. Engineer Joe Picciola reported that Bertucci was issued a notice to proceed on March 2nd for the FEMA Breakwaters project. They do plan to be on site in April and be complete before hurricane season.

Update from LA 1 Coalition – Henri Boulet reported DOTD continues to progress with the final design of Segment C of the LA 1 Project. A revised letting date has been set for October 14th. The state is preferring to take bids after the bond commission meeting in September which approves the state's portion of financing for the project. There are some significant new challenges facing the Capital Outlay Program which could impact the \$40 million of funds we have been working to secure for this fall. Most recently, \$272 million in funding for current projects is now being delayed. I will be meeting with the Secretary of Transportation tomorrow to gain a better understanding of how this might affect the LA 1 Project's Segment C bid date scheduled in October. As well, the U.S. Corps of Engineers should receive the state's permit for the levee crossing later this week. I have already reached out to both Congressman Scalise and Congressman Graves offices to update them on this permit in case their help is needed. The Coalition is submitting public comments on several federal issues facing our community which could impact the project. Also, in recognizing the industry's current fiscal environment, I continue to work on membership retention and growth daily.

CB&I Presentation on the Seaport Master Plan – Dustin Malbrough presented a brief overview of the contents that are in the master plan. We looked at the Port as it exists today and then prioritized projects into the future forecasting the next 5, 10, and 20 years out. This will be a dual presentation with Dr. Loren Scott emphasizing the economic portion of the plan. First how does this master plan benefit the Port, which he replied that the plan provides a framework for the Port Commission for development and expansion through the next decade and beyond. It builds upon previous planning documents that established the foundation for Port Fourchon and the South Lafourche Leonard Miller Jr. Airport and identifies the needs and potential opportunities to expand operations and generate regional economic benefits. The economics identifies and projects the changing business trends and adjustments of the maritime port industry over the next 5, 10 and 20 year periods. The mission statement: *"The Greater Lafourche Port Commission, a political subdivision of the state of Louisiana, facilitates regional economic growth by maximizing the flow of trade and commerce and fosters the local economy while preserving our community's environment and heritage."*

Malbrough then presented the overview of each chapter. Chapter 1 is the geographic location of the Port, the history of the Port, and the significance of the Port to the local community, the Houma-Thibodaux MSA, the State of Louisiana, and the United States. We also highlight important characteristics of the Port we have today the exclusive land base for LOOP - the nation's only offshore Deepwater import facility, the ongoing northern expansion project that will double the Port in size, the strong tenant base and high demand for additional leasable lands, and the economic engine for Southeast Louisiana. He then showed satellite views of the Port from 1978 compared to today.

Chapter 2 of the plan covers the vision statement. *"Port Fourchon in 2035 will be the premier portal to the commercial maritime and environmental/fisheries industries in the GOM. With its world-class seaport facilities, including the Greater Lafourche Port Commission owned South Lafourche Airport, Port Fourchon will offer a secure and seamless transportation system that effectively connects company goods and services with customers throughout the region and nation. Port Fourchon will continue to drive economic growth and embrace its role as an integral environmental steward to achieve sustainable and long-lasting prosperity. Commerce related to shallow-water exploration is a mainstay at Port Fourchon and will remain so in the future. However, the Port will also expand its cargo diversity through an expansion of deep water exploration services. Deep water drilling production and commodity services and deep water rig repair will be emphasized. Building on its foundation as the peak deep water services port, Port Fourchon is the leading oil and gas port in the nation through innovation, efficiency, and resiliency - including diversification of its business model to enhance the Port's resilience to economic shifts."* The planning goals are as follows: Goal 1: increase terminal access and capacity; Goal 2: optimize land use in a manner that acknowledges the limited availability of land and the need to protect environmentally sensitive resources; Goal 3: accommodate diverse cargoes and diversification through an expansion of deep water exploration services; Goal 4: develop a policy for Port leasing that aligns with the 20-Year vision for the Port and supports growth that is orderly; Goal 5: maintain a safe and secure operating environment for employees and visiting operators; Goal 6: protect natural and cultural

resources; Goal 7: facilitate recreational opportunities for the public while retaining the integrity of Port security and safety; Goal 8: maintain and expand airport services that complement Port activities related to shallow and deep water exploration.

Chapter 3 covers the existing conditions of transportation, infrastructure, facilities, and resources the Port utilizes for its daily operation. Transportation Networks reviews navigation, airport, highway system, and rail system. Infrastructure details the local roads, utilities, and Fourchon Bridge. Facilities review the Ops Center, EOC, Support Tower, and Communications Center. Resources detail the in-house Harbor Police, Lafourche Parish Fire Department, and Our Lady of the Sea Medical personnel, and a series of Federal Agencies. This chapter also provides context on the environment, parish demographics, existing tenants, and historic cargo movements at the Port. The top 3 constraints to Port growth are limited access to land based transportation beyond that provided by LA1, limited available lands ready for development today, and limited water depths to accommodate greater deep water activities.

Dr. Loren Scott will skip Chapter 4 since it covers the economic impacts that was just presented to the board. Dr. Scott discussed Chapter 5 the economic analysis and forecasts of what will happen in the future which is tough to determine with the oil and gas industry. In general, the forecast is optimistic and encouraged by the fact of the number Deep water wells that have come back since the oil spill. In the Gulf of Mexico, taxes and regulations are more stable and lower than other countries. In the report there is a discussion of what is going on in Mexico due to a decision at the end of 2013 to allow private oil companies to drill in the Gulf of Mexico (GOM) and in Mexico itself. These are areas of the gulf that were not open before which will be good for the Port. We have an enormous pipeline infrastructure in place whereas West Africa, Brazil, and others do not. We have a lot of advantages that drive these forecasts. Deep water exploration and development wells will nearly double in the next 20 years in the GOM. Production (barrels of oil) will increase over the next 20 years as well. Basically what the forecasts predicts is that you have a very good future ahead in the GOM which will be significant growth for Port Fourchon. Gisclair stated that he hopes this forecast proves to be true for the Port and industry.

Malbrough presented Chapter 6 which details the historic growth as well as the projected growth in oil & gas and its related subsectors. Markets we explored include the following: oil and gas leasing in the GOM, deep water drilling, production, & commodity services, deep water rig fabrication, boat and ship fabrication & maintenance, production platform decommissioning, LNG import, export, storage & fueling facilities, transshipment of deep draft cargo, and commercial and recreational boating.

In Chapter 7, we list details on the Port objectives and action items necessary to fulfill the vision statement & planning goals of the Port such as the deepening of Belle Pass. This would allow the Port to support much larger & deeper drafting vessels and drilling rigs that are integral to the deep water oil & gas industry. These vessels are not currently accommodated by Port facilities due to the channel depth restrictions.

Chapter 8 list the proposed projects that are reflective of the objectives of the Port and are aligned with the economic analysis and forecasts.

Chapter 9 details a series of steps by which the proposed projects could be undertaken. This plan is a living document, meaning that, short-term objectives and goals may need adjustment due to some industry change or trend, therefore, we define a process by which the Port's Master Plan should be updated to ensure the Port's actions continue to align with the plan through the 2035 planning horizon and beyond.

The final Chapter 10 lists references utilized for the development of this 2035 Master Plan. Also, included are useful links to websites for relevant information related to our seaports operations, cargo movement, and energy sector.

Fletcher IPT Program and Marine & Safety Center – Earl Meador Chancellor of Fletcher Technical Community College and Director of SCL Technical College addressed the board. There are 8 different sites we serve a 5 parish region. These are 2 separate colleges but since he is in charge of both it allows for them to share resources. One local site is the SCL Technical College located in Galliano that has had major renovations recently. For several years students from South Lafourche have been attending for welding, nursing, and the GED program. Fletcher now has the Integrated Production Technology

program based in Schriever to train deep water offshore production workers. The IPT program provides specialized academic & technical skills training to prepare students for careers as technicians (production operators) in the oil & gas production industry. This program started from a large donation from BP actually before the oil spill. The BP IPT Building was funded through a \$4 million generous donation from BP America & matched with another \$4 million from the State of Louisiana. Inside there is a massive training facility lab and we are just finishing up a production training skid for students to use. In the next year, students will work off a salvaged platform put in the air 20-30 ft. We are constantly changing our programs as the communities we are involved in change. We promote our program as \$60K is 2 years away by getting this degree from the IPT program. Fletcher was recently designated as the Deepwater Center for Workforce Excellence by the State Board of Regions that recognizes the IPT program as the top program training production workers. The biggest challenge is hiring instructors. We hire out of the industry and business people that have had real life experience.

The Marine and Petroleum Safety Training Center is another partnership between the 2 colleges. There is a new building in Houma recently opened which is a Fletcher building run by SCL staff. Fletcher runs about 1,000 students a year whereas the SCL in Morgan City has approximate 6,000 students a year. At the new location in Houma, they will also have a HUET instructor for water survival course. SCL is also constructing a new building in Morgan City sponsored by Hugh & Byrnes Young for marine and petroleum safety courses. As we go forth, the training we do is about your community and making our courses fit what is going on in the workforce. Taking care of our community to make sure that the investment stays here.

Melancon questioned getting information to sign up and attend these programs, which Meador replied through job fairs and working with high schools. Crystal Chiasson stated that there is a job fair on March 25th at their Schriever campus and on March 26th at the Houma campus for businesses to come in and hire students. There are other outreach programs that we go to all the high schools giving out information. We are also working with businesses to develop an internship program for students to gain experience. Chiasson stated that you can apply online at fletcher.edu. Meador stated that we continue to recruit students and actually do summer camps to inform students as young as 6th graders so they know what is out there. Gisclair questioned after recruit and train do you take part in placing students with jobs, which Meador replied that is where the job fairs come in and continue to deal with local businesses to know what openings are out there. As a college, we have looked at the placement issue and developed a workforce team to promote and better the efforts of placing students in the community. Gaudet stated impressed with the programs offered. Meador stated that we are part of the community and we change and adapt as the community changes by continuously updating our programs we offer. If anyone has recommendations for new courses, we want to hear from you.

Committee Reports

Executive Committee - The committee met on February 25th in Port Fourchon. Present was Gisclair, Cheramie, and Melancon, with Griffin absent. They also met on March 9th in Galliano with all present.

Upon motion by Collins and second by Melancon, with no public comment, the board unanimously approved the request from Entergy Louisiana to amend their lease at the South Lafourche Industrial Park with respect to a portion of the lease premises being extended for 3 months.

Upon motion by Gaudet and second by Griffin, with no public comment, the board unanimously approved the request from NRCS to extend their lease for 25 additional years at the South Lafourche Industrial Park.

Upon motion by Bruce and second by Guidry, with no public comment, the board unanimously approved the request from Rotorcraft to lease 11.62 acres of property adjacent to their existing site at the South Lafourche Industrial Park.

Upon motion by Griffin and second by Bruce, with no public comment, the board unanimously approved advertising for summer employees to hire 5 roustabouts and 1 clerical.

Construction & Development Committee - The committee met on February 25th in Port Fourchon. Present was Gisclair, Vizier, with Bruce and Griffin absent. They also met on March 9th in Galliano with all present.

Upon motion by Collins and second by Cheramie, with no public comment, the board unanimously approved the Partial Substantial Completion Certificate dated March 3, 2015 by Johnson Bros. Corporation for the southernmost 600' on the east side of Slip C Bulkhead project.

Upon motion by Bruce and second by Guidry, with no public comment, the board unanimously adopted the DOTD Resolution to advertise the east side of Slip C Sweep Dredge project.

Upon motion by Vizier and second by Collins, with no public comment, the board unanimously approved Change Order No. 2 an increase of \$669.18 and 17 contract days for the Storm Harbor Marina project.

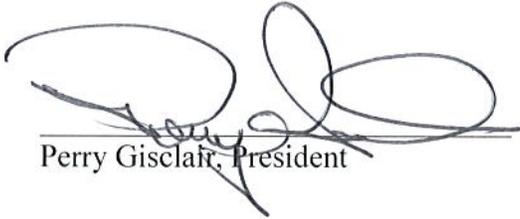
Upon motion by Vizier and second by Gaudet, with no public comment, the board unanimously approved the lowest responsive bid of \$371,745.00 from Dolphin Services, LLC for the Nerby Collins Commercial Marina Bulkhead project.

Finance Committee - The committee met on February 25th in Port Fourchon. Present was Chairman Melancon, Gisclair, Gaudet, and Guidry. They also met on March 9th in Galliano with all present.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved the payment of February invoices and recognized expenditures over \$10,000 totaling \$3,233,461.46.

Upon motion by Cheramie and second by Collins, the board adjourned the meeting at 11:24 AM.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cheramie, Jr., Secretary