

AGENDA
September 6, 2006

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider August 9, 2006 Regular Meeting Minutes for approval
- V. Consider August 11, 2006 Special Meeting Minutes for approval
- VI. Executive Director's Report
 - A. **Northern Expansion Update**
 - 1) Construction Status:
 - a. Slip B, West Bulkhead, Project #1 – Joe Picciola
 - b. Slip B, West Bulkhead, Project #2 – Larry Picciola
 - c. Leeville Mitigation Dredging Projects – Larry Picciola
 - B. **Airport Update**
 - 1) Project Status
 - C. **FEMA Update**
 - 1) Wave Protection
 - 2) Katrina FEMA Claims
 - D. **Highway Improvements Update**
- VII. Committee Reports
 - A. Executive Committee
 - 1) Consider the request from Terrebonne Concrete regarding Fremin Products Site 110
 - 2) Consider the donation of Apache Road by LOOP
 - 3) Consider changing the November meeting dates
 - 4) Consider the request from HOS Port, LLC for RFR for mooring dolphins
 - 5) Consider the request from CCS Energy Services for RFR for site GLF604
 - 6) Consider the request from Gulf Fleet Management for property along LA3090
 - 7) Consider the request from Express Weld, LLC for property along Slip B
 - B. Permits & Waterways Committee
 - 1) Consider clarification on Ordinance No. 68
 - 2) Permits:
 - a. Browning Oil Company, Inc.
 - b. Discovery Gas Transmission LLC
 - c. Chouest Support Services, LLC
 - C. Construction & Development Committee
 - 1) Consider approving the bids for Surplus Equipment
 - 2) Consider approving the Substantial Completion Certificate from Weeks Marine for the Leeville Mitigation Hydraulic Dredge project.
 - 3) Consider approving the DOTD Sponsorship Agreement for the Localizer project at the Airport
 - D. Finance Committee
 - 1) Consider payment of invoices and recognize expenditures over \$10,000
- VIII. Any other business
- IX. Public Comment
- X. Adjournment

Attachment

May be discussed in an executive session:

- The pending litigation more specifically defined as "David Dardar, et al vs. Greater Lafourche Port Commission, Suit No. 102,795-7th JDC-Parish of Lafourche"

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
September 6, 2006

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, September 6, 2006 at 10:30 AM.

President Vizier called the meeting to order, and Secretary Cheramie called the roll.

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

ABSENT: None

Upon motion by Wilbert Collins and second by Ervin Bruce, the board unanimously approved the August 9, 2006 Regular Meeting Minutes.

Upon motion by Wilbert Collins and second by Harry Cheramie, the board unanimously approved the August 11, 2006 Special Meeting Minutes.

Executive Director's Report

Northern Expansion Update – Engineer Joe Picciola reported that Slip B, West Bulkhead, Project #1 is substantially complete and has been filed with the clerk's office. He stated that the lien period of 45 days has begun. He reported that Ronald Adams is finish putting in rock and stone for the Delmar Improvement Site project. They are waiting for the electrical work to be complete which should be complete one week after the concrete is poured. He estimates that the electrical contractor will be complete in a week to 10 days. Mr. Picciola reported that Mike Hooks Inc. should be finished dredging in the front of Delmar's bulkhead this week.

Engineer Larry Picciola reported that the whaler beams and bumper pipes are in place for Slip B, West Bulkhead, Project #2. The contractor will begin painting the bulkhead this week. He stated that the project area should be ready to be dredged in late October.

Mr. Picciola reported that both bucket dredge projects are in the lien period for the Leeville Mitigation Dredging. He stated that the Hydraulic dredge is substantially complete which is on the agenda for approval today.

Engineer John Plaisance reported that he is doing geotechnical soil borings for the third phase of construction on Slip B.

Airport Update – Airport Manager, Jeff Hunter reported that there are two weeks left of construction for Phase II Runway Extension to 6,500'. He stated that they will start to pave the runway next week. He reported that the contractor for Phase III – Electrical and Lighting project moved in last week and should begin work sometime this week. He reported that Phase IV - Runway Overlay Strengthening will begin advertising in two weeks with construction beginning in December. He stated that a portion of the runway has been closed during construction but there is still minimal traffic at the Airport. Commissioner C. Cheramie questioned if the Port requested that the Parish overlay the Airport Road, which Director Falgout stated that we have not talked with them but we can make that request. Mr. Joe Picciola reported that there is a project in the fall for resurfacing of existing roads in the parish. Upon motion by Chuckie Cheramie and second by Beau Martin, a two-thirds vote was taken to add the overlay of the Airport Road to the agenda. Commissioner C. Cheramie made a motion to request that the Parish overlay the Airport Road in their next project, which was second by Bea Martin, the floor was then opened for discussion. Commissioner Lafont remarked that in the beginning the damage on the road was blamed by LOOP and questioned if we are going to LOOP for any help with the overlay. Director Falgout stated that this is still a parish road and LOOP will be constructing 6 additional tanks and will have more heavy loads passing.

This can be the justification to the Parish for the overlay and strengthening due to this additional investment and sales tax that will be going into these tanks being constructed. Commissioner Martin reported that yesterday Anglo Swift landed at the Airport for a meeting in Larose and they also toured Fourchon. He stated that this is a great example of the need and growth of the airport and how it plays in with the Port and the community. This is one more reason to have good roads and shows how the airport benefits the community. Mr. Hunter also reported that Traylor Massman has also been using the Airport which is the contractors for the construction of the Leeville Bridge project. The board then voted to request the Parish overlay the Airport Road, which resulted in all yeas.

Director Falgout questioned the status of the appraisals for the airport connector between LA 1 and LA 3235. Mr. Rome stated that it has been acknowledged by the landowner and they will recommend 3 appraisers to us and hopefully by the end of year we will go into the appraisal process. President Vizier requested that Director Falgout further explain this appraisal. Director Falgout stated that the Port budgeted for this appraisal to identify a tract of land from the Airport Road along Highway 308 to LA 3235.

Mr. Breaux reported that SBL Construction has been clearing trees for our future industrial living quarter site.

FEMA Update – Mr. Chiasson reported that the mats and equipment for the Wave Protection project are being stored in Fourchon until the bridge is repaired. He will be applying for an extension for this project. He reported that FEMA obligated 90% of the cost of the dredging project which Mike Hooks is on site dredging in Slip B. The estimated time for completion of the full FEMA job is 60 days. He reported that Lebros is waiting on materials to complete the Wharf Repair project. He stated that 5 wharfs have been repaired in the Front Marina and once these are complete they will move to the Nerby Collins Marina. Commissioner Melancon questioned if the material is hard to get which Commissioner C. Cheramie stated that it is because it is treated material. Mr. Chiasson stated that the steel pipe piles have been driven and the caps are in place for the Fourchon Bridge Repairs. All the beams on the west side are in place and there are cross beams set to support the bridge. President Vizier questioned if the beams will be welded to the bridge, which Mr. Breaux reported that they will be attached to the existing beams.

Mr. Chiasson reported that Centaur is waiting the delivery of steel sheet piles to repair the HOS Bulkhead corner. This should be complete within the next few weeks. He reported that the Bertucci has surveyed the breakwaters and they should be on site within the next few weeks. Mr. Chiasson reported that Stranco is having trouble acquiring creosote pilings for the repairs to the Front Marina bulkhead. They will present their findings to the board for approval of an equal type of material. He stated that the Beach Debris project has been extended to December 31st. Commissioner Melancon questioned if all the FEMA projects total \$8.3 million, which Mr. Chiasson stated that is correct. Commissioner Melancon questioned the status of the settlement with FEMA for the debris fence, which Mr. Chiasson stated that he has been keeping contact with FEMA weekly but it will take awhile for the appeal. Commissioner Martin suggested that the Port fix the debris fence because it is the first impression by people driving on LA 3090. Commissioner Melancon agreed. Director Falgout stated that if the settlement has not been received by next meeting we will add it to the agenda for the board to make a decision to move forward with it.

Highway Improvements Update – Director Falgout reported that DNR has not yet allocated the coastal impact assistance funds that we are expecting to get for the highway project. It has been delayed till Aug. 28th and now it's delayed till after Labor Day. The reason for the delay is that they are waiting on a couple of parishes to submit their plans because they missed the deadline. The Coalition will be meeting with the Governor to determine what the allocations will be. He stated that Mr. Boulet is attending the LRA committee meeting today in Baton Rouge. We are going to be soliciting the remainder amount of the shortfall that we get out of the CIAP funding from the CBDG monies. One of the uses of the CBDG monies is to bail the state out of bond commitments that it has incurred prior to the hurricanes. We will be asking for \$50-\$60 million of CBDG monies for this project. Director Falgout and Mr. Boulet have had conversations with the Governor explaining that the State is committed to build the elevated

highway from Leeville to Fourchon and if it is not constructed they would have defaulted on the bond documents and will have financial issues with the bond holders. He stated that within the next 30 days hopefully we will move on that project. DOTD wants to bid the remainder of the project before the end of the year. Commissioner Martin stated that this was something that he brought up right when they cancelled the bids and he was concerned because of the bond allocations. He stated that we need to push the State to move forward on that. Yesterday the significance of the road jumped dramatically due to both the House Bill and Senate Bill talked of royalty sharing from future oil and gas revenues. He stated that yesterday Chevron announced the largest find in the Gulf of Mexico ever, the Jack 2 discovery which was drilled out of Fourchon. The support base is Fourchon. It shows that the port and this road connect the nation to the largest energy source in the US. We have discussed having a press release to let the rest of the nation know of our significance of providing energy to the nation and showing the significance of our highway.

Director Falgout stated that unfortunately royalties of that project under the Senate version would not go to the State receiving the 37.5% but under the House version it would and LA would receive some of those revenues. It appears that if any version comes out of Congress it would be more like the Senate version rather than the House version. Commissioner Collins stated that Channel 6 reported that it was 277 miles off of the Texas coast and it did not mention Louisiana. Commissioner Martin stated that is why we need to get a press release out and state that it was out of Fourchon which will be the support base for this discovery. Commissioner Griffin stated that this find is so big that it could furnish 50% of our nation's energy, which Director Falgout stated that it is 50% for a short period of time. It is very significant but compared to the Middle East 75-135 billion barrels this is from 3-15 billion barrels. It is bigger than the Alaskan find but will not bring this nation into energy independence from foreign sources. We are importing approximately 60% of our oil now and this may reduce it to 50%. Commissioner Martin stated that we consume approximately 5.7 billion barrels a year and this find is approximately 15 billion barrels. This will increase the reserves in the Gulf of Mexico by 50% right now. Mr. Autin suggested adding to the agenda the Chevron discovery, discussion of abandoned vessels, out of state travel request, and Total Waste Management's Notice of Default. Upon motion by Beau Martin and second by Wilbert Collins, a two-thirds vote was taken to add these items to the agenda.

Committee Reports

Executive Committee - Chairman Donald Vizier reported that the committee met on September 5, 2006 at the Administration Building in Galliano. Present were Donald Vizier, Jimmy Lafont, John Melancon, and Harry Cheramie. The Commission then discussed items that were discussed at the committee meeting.

Chairman Vizier presented for the board's consideration the request from Terrebonne Concrete regarding Fremin Products Site 110. Mr. Autin reported that Terrebonne Concrete has purchased all of the assets of Fremin Products and they are asking for an assignment to Terrebonne Concrete, LLC. Upon motion by Jimmy Lafont and second by Chuckie Cheramie, the floor was open for discussion. Commissioner Martin made a motion to amend to include the 49% subleasing provision which was second by Chuckie Cheramie, the board unanimously approved the amendment. The board then voted on the original motion as amended to approve the assignment and include the 49% subleasing provision which was unanimously approved by the board.

Chairman Vizier presented for the board's consideration the donation of Apache Road by LOOP. Director Falgout reported that the Port has approached LOOP for this road to be donated to the Port due to the funding by EDA grant to overlay and place waterlines. The requirements of the EDA grant are that the Port own or have a permanent servitude agreement for the road. LOOP has agreed to donate the road which will become a main access for industrial development. Upon motion by Wilbert Collins and second by Chuckie Cheramie, the board unanimously approved the donation agreement.

Upon motion by Larry Griffin and second by John Melancon, the board tabled changing the November meeting dates.

Chairman Vizier presented for the board's consideration the request from HOS Port, LLC for a right of first refusal for four mooring dolphins. Director Falgout reported that Hornbeck would pay the Commission one month's rent of \$9,000 and these dolphins will be held for them for a period of six months. The dolphins will continue to be used by other companies until Hornbeck is ready to occupy them. Upon motion by Larry Griffin and second by Wilbert Collins, the floor was open for discussion. Commissioner Martin questioned if the agreement should be for 1 year, which Director Falgout stated that his understanding with Hornbeck is that they will know if the need these dolphins within the next 6 months. Commissioner H. Cheramie added that we will be permitting to build more dolphins in the Flotation Canal. The board then voted on the agreement which was unanimously approved.

Chairman Vizier presented for the board's consideration the request from CCS Energy Services for right of first refusal for Site GLF604. Director Falgout stated that CCS is interested in leasing the site adjacent to their property which is the Un-Inspected Service dock as soon as the Port decides to move the dock. They are willing to put up money now to guarantee that we would offer that site to them. We will issue the right of first refusal for 1 year. Upon motion by Harry Cheramie and second by Ervin Bruce, the board unanimously approved the right of first refusal.

Commissioner Chuckie Cheramie made a motion to approve the request by Gulf Fleet Management for property along LA 3090. The motion was seconded by Wilbert Collins; the floor was open for discussion. Director Falgout reported that Gulf Fleet Management was formed in January 2002 and is a spin off from Gulf Fleet Offshore formed in 1999 which is owned by Mike Hillman. The board voted which resulted in 8 yeas and 1 nay by John Melancon.

Commissioner Jimmy Lafont made a motion to approve the request by Express Weld, LLC for property along Slip B which was seconded by Chuckie Cheramie, the floor was then open for discussion. Commissioner Martin wanted to discuss the option of moving the Oilfield Service dock down Slip B to give possible areas for growth. Commissioner Lafont stated that Mr. Pitre was not interested in more than 400' of waterfront property. Commissioner Martin stated that we could look at moving these sites around to allow for future growth and expansion for these companies. Commissioner Melancon stated that the lot that he wants and requested is 400' and not 600' which is more costly and we should keep the site he requested. Commissioner Lafont stated that Mr. Pitre left the meeting believing he has the property and we should not change the site. We should however discuss this with the planning department and incorporate this in future property for lease along Slip B. The board then voted and unanimously approved the lease to Express Weld, LLC.

Permits & Waterways Committee - Chairman Chuckie Cheramie reported that the committee met on September 5, 2006 at the Administration Building in Galliano. Present were Chuckie Cheramie, Jimmy Lafont, Donald Vizier, and Beau Martin. The Commission then discussed items that were discussed at the committee meeting.

Upon motion by Chuckie Cheramie and second by Jimmy Lafont, the board unanimously tabled discussing Ordinance No. 68.

Chairman C. Cheramie presented to the board the permits by Browning Oil Company, Inc., Discovery Gas Transmission LLC, and Chouest Support Services, LLC. There was no action taken on these permits.

Mr. Autin reported that the Port has not been able to contact the current owner of the abandoned vessel which was advertised in June. He recommend that we approve a resolution indicating that it is negligently abandoned and in violation of Ordinance No. 25. Upon motion by Chuckie Cheramie and second by Jimmy Lafont, the board unanimously approved the vessel in violation of the ordinance.

Commissioner Lafont requested to have a two-thirds vote to add to the agenda the houseboat that broke away from the pilings. Upon motion by Jimmy Lafont and second by John Melancon, a two-thirds vote was taken to add the houseboat to the agenda. Commissioner Lafont reported that there is more and more traffic in the bayou and believes that the Port will need to get more involved in vessels making wakes. He reported that the houseboat was in the middle of the bayou. The complainant did not have a

name of the vessel that caused the wake. He suggested that the Harbor Police get more involved with vessels making wakes in the bayou.

Construction and Development Committee - Chairman Bruce reported that the committee met on September 5, 2006 at the Administration Building in Galliano. Present were Ervin Bruce, Larry Griffin, Donald Vizier, and Wilbert Collins. The Commission then discussed items that were discussed at the committee meeting.

Upon motion by Jimmy Lafont and second by Wilbert Collins, the board unanimously accepted the high bidders for the surplus equipment.

Upon motion by Harry Cheramie and second by Chuckie Cheramie, the board unanimously approved the Substantial Completion Certificate from Weeks Marine for the Leeville Mitigation Hydraulic Dredge project.

Upon motion by Wilbert Collins and second by John Melancon, the board unanimously approved the DOTD Sponsorship Agreement for the Localizer project at the Airport which includes funding of \$230,000.00.

Finance Committee – Chairman John Melancon reported that the committee met on September 5, 2006 at the Administration Building in Galliano. Present were John Melancon, Larry Griffin, Wilbert Collins, and Donald Vizier. The Commission then discussed items that were discussed at the committee meeting.

Upon motion by John Melancon and second by Wilbert Collins, the board voted on approving the payment of the August invoices. The vote resulted in 8 yeas and 1 abstained by Chuckie Cheramie.

Upon motion by John Melancon and second by Larry Griffin, the board unanimously approved the out of state travel request by April Danos for an IT Committee Meeting in Florida.

Chairman Melancon presented for the board's consideration the Total Waste Management notice of default. Mr. Rome reported that they are in default of their lease for the months of May– August. They have been notified and they have responded by email stating that the payment has been wired yesterday. The options are that the Lessor can cancel the lease immediately or as of any date, continue to proceed to get money, or we can have recourse to any other means of the law. Mr. Rome advised that since the meeting was changed and they have responded that we should grant them a week to pay the default balance. If not, we can proceed to cancel their lease. President Vizier questioned how long they have leased this property and if they were ever in the default before. Mr. Rome stated that they have leased since 2004 and they have in the past been in default. Upon motion by Larry Griffin and second by Jimmy Lafont, the board unanimously approved to grant TWMA a 10 day extension and after the 10 days we will notify them of their cancellation if payment has not been received.

President Vizier opened the floor for public comment. Mr. Douglas Cheramie questioned when the Apache Road will be turned over to the Port. Director Falgout stated that we have not submitted a document to LOOP yet and only have had discussion thus far but they are agreeable in doing this. He stated that Mr. Autin will prepare a document to submit to them which will probably take approximately 30 days to have this finalized. Mr. Cheramie stated that it was discussed in the meeting that the Parish road from Highway 308 to the Airport is being damaged and part of this is because of the construction going on at LOOP. LOOP will donate the road to the Port and they will still build more tanks so who will need to keep up the road. Director Falgout stated that if the Port acquires the road, we will keep it up and maintain it. He stated that we have an aggregate road there now and we have several housing facilities that are having problems with the dust. He stated that the road is being used by the Airport for construction as well as LOOP. The Port has designed the road overlay that should withstand that type of activity. The Apache Road has been there for several years and has a good foundation, of course when you overlay with asphalt you may find some weak spots but it will be maintained by the Port. Mr. Cheramie wanted the board to keep in mind when doing the agreement that if the construction of these new tanks by LOOP causes damage to the road that they should be responsible for the repairs.

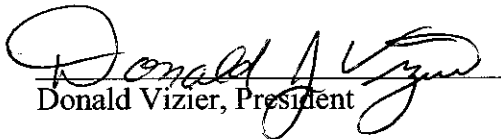
Mr. Cheramie stated that there are 5 incumbents for the next election that have no opposition. He congratulated them and stated that they are doing a good job. He also wished the other candidates good luck in the election.

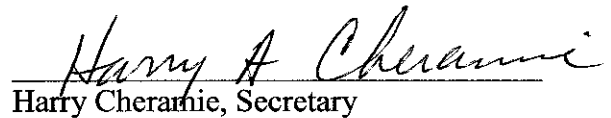
Commissioner Harry Cheramie questioned the original overlay of the Airport Road because the road has not been of great quality since then. Director Falgout stated that the Parish engineer they appointed for that stretch of road was Mr. Joe Picciola. Mr. Breaux reported that the asphalt was wider than the original shells. They did compaction test and the thickness of asphalt required was placed. He stated but if you use it to run heavy loads the subsoil may give. Mr. Picciola reported that they looked at overlaying the road and he expressed that the road may not hold up with the construction going on at LOOP. He stated that the other problem is that the failures are aligned with old bayous or canals therefore you will have natural dips in the road. We would expect periodic maintenance during times of heavy loads and construction. They have used the Parish road sales tax money and did patching to extend the life of the road. He reported that there is another project this fall by the Parish if you request to the administration they should look into repairing the road because they are also in support of the Airport corridor. We could design a section for the heavy loads but it will be costly.

President Vizier recognized Mr. Bryan Duet a candidate for the Port Commission. He stated that the last 3-4 years his involvement with the Port was simple either fishing or financing camps. He stated that in the last 3 months since seeking election, he has been very pleased on what he has learned about the Port. He complimented the board on a job well done and wished them continued success in the future.

Upon motion by Larry Griffin and second by Chuckie Cheramie, the board adjourned the regular meeting.

ATTEST:


Donald Vizier, President


Harry Cheramie, Secretary