

GREATER LAFOURCHE PORT COMMISSION
AGENDA
WEDNESDAY, DECEMBER 9, 2020 at 10:30AM
Administration Office • 16829 East Main St • Cut Off, LA 70345
(Revised: December 8, 2020 at 9:18AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Approve minutes for November 12, 2020 regular meeting
- V. Executive Director's Report
 - A. Northern Expansion
 - 1. Northern Expansion Slip C 1100' East Bulkhead (*Picciola & Associates*)
 - 2. Northern Expansion Slip C 1500' Sweep Dredging (*Picciola & Associates*)
 - 3. Northern Expansion Slip D & Bayou Lafourche Dredge (*GIS Engineering*)
 - B. Airport Projects
 - 1. Aircraft Operations
 - 2. Airport Connector Road and Bridge (*Picciola & Associates*)
 - C. Other Projects
 - 1. Tidal Creek Bridge & Culvert Improvements (*Picciola & Associates*)
 - 2. Front Commercial Marina Boat Shed/Lift (*GIS Engineering*)
 - 3. WRDA Update
- VI. Presentation from Scott Angelle, Bureau of Safety and Environmental Enforcement (BSEE)
- VII. Public Comment
- VIII. Committee Reports
 - A. Executive Committee
 - 1. Consider approving the amendment request from Galliano Marine Service to extend term of lease site GLF111
 - 2. Consider approving the request from In Hot Water to sublease to Clean Waste a portion of site GLF611
 - 3. Consider approving the request from HOS Port for basic rental deferral on lease sites GLF601 and GLF602
 - 4. Consider approving the request from Ecoserv for basic and improvement rental deferral on lease site GLF628
 - 5. Consider approving the Cooperative Endeavor Agreement with West Belle Pass Headland Restoration Corporation
 - 6. Consider purchasing the J. Wayne Plaisance office and warehouse
 - 7. Consider approving the Policy Manual Revisions
 - 8. Consider approving the surplus sale bids
 - B. Permits & Waterways Committee
 - 1. Review permit from LOOP, LLC
 - C. Finance Committee
 - 1. Consider approving payment of November 2020 invoices and recognize expenditures over \$10,000
 - 2. Consider approving the November 2020 unaudited financial statements
 - 3. Consider approving the 2020 Budget Amendment
 - 4. Consider approving the 2021 Budget
- IX. Any Other Business
- X. Public Comment
- XI. Adjournment

Serena L. Bruce, Legal/Projects Assistant
Greater Lafourche Port Commission
16829 East Main St., Cut Off, LA 70345
(985)632-6701

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
December 9, 2020

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, December 9, 2020 at 10:30AM at the Administration Office 16829 East Main Street, Cut Off, LA 70345.

President Harris Cheramie, Jr. called the meeting to order and Secretary M. Callais then called roll.

ATTENDED: Harris Cheramie, Jr., John D. Ordonne, Jimmy Lafont, Rodney J. Gisclair Sr., Curtis Pierce, Larry Griffin, John Melancon, Jr., Mike Callais, and Kris Callais

ABSENT: None

Upon motion by K. Callais second by Griffin, with no public comment, the board unanimously approved the minutes for November 12, 2020 meeting.

Executive Director's Report

Northern Expansion – Engineer Joe Picciola reported on Shavers-Whittle Construction for Slip C 1100' East Bulkhead project. He stated they have poured all the concrete deadman and are painting the bulkhead. They are working on placing the drainage pipe and tie back rods and should be complete by the end the month. Melancon questioned contract time, Picciola replied they will have some additional contract days added for Hurricane Delta and Zeta. Engineer Joe Picciola reported the Northern Expansion Slip C 1500' Sweep Dredging plans are complete and have been approved by DOTD. We plan to begin advertising end of December and open bids January 27th at 2PM. Engineer John Plaisance reported on Northern Expansion Slip D & Bayou Lafourche Dredge. The notice to proceed was issued on December 1st. Crosby Dredging plans to be on site after the holidays.

Airport Projects – Joe Wheeler, Airport Director reported the aircraft operations for November were 2122, with 7325 passengers, and 16,310 vehicles. Engineer Joe Picciola reported on the Airport Connector Road and Bridge Project. He stated the design and right of way plans are complete and approved by DOTD. The environmental assessment is approved. We are waiting on the US Coast Guard permit. The local office has approved it and it was sent to DC for signatures. DOTD has set up the letting date as January 13th or February 10th. Bryce Autin stated all offers for property acquisitions have been made on 12 parcels. We have started signing some of the Sale Agreements and we are working on acquiring the remaining properties.

Other Projects – Engineer Joe Picciola reported on the Tidal Creek Bridge & Culvert Improvements. Low Land was issued the notice to proceed on November 30th. They will be on site this week to begin work on the culvert and kayak launch area. The concrete bridge has been ordered. Engineer John Plaisance reported on the Front Commercial Marina Boat Shed and Lift. He stated the contracts with Picciola Construction have been delivered to the Port today for signature. The plan is to start in January. Executive Director Chett Chiasson gave a WRDA (Water Resources Development Act) Update. He stated the House did pass the WRDA bill yesterday afternoon and it is on its way to the Senate for approval. We would like to thank Congressman Scalise and Congressman Graves for getting our project into the bill. This authorization is to go to 30' depth in Belle Pass, Bayou Lafourche, and the Northern Expansion. Chiasson gave an update on the Belle Pass Emergency Dredging by the Corps of Engineers. He stated Crosby Dredging started last Thursday and are moving along well. We anticipate one lane of vessel traffic at full depth by the end of the week.

Presentation from Scott Angelle, Bureau of Safety and Environmental Enforcement (BSEE) – Angelle addressed the board to talk about performance and acknowledge the importance of Port Fourchon to America. He stated everyone who has a need to heat or cool their homes or buy transportation fuel is connected in some kind of way to this Port Commission. What you do is important when 50% of America's oil comes from the Gulf of Mexico ("GOM"). He stated right now, there are a lot of concerns of what is the direction but he stated that 10 years after the worst environmental disaster in the history of the country that if America wishes to score where we will invest oil and gas dollars the GOM on criteria will win every day. He stated when he

started this presentation, he had America's #1 Energy Port is in Louisiana, but now it is the World's #1 Energy Port. We have rebranded America's Offshore Energy. We all went to work and were able to show America we can do 3 things at one time. We have safe operations, environmentally sustainable operations, and a robust energy production. In 2019 we had the highest offshore oil production in the history of the country. In terms of oil spills in 2019, the ratio of volume spilled to volume produced is approximately 17 Tablespoons in an Olympic size pool. That is incredible. It is less oil spilled than onshore operations. Last year we had the 2nd Safest of High-Hazard Industries in America when you measure incident rates. This doesn't mean we don't have bad days because we do; however, when you look at the year, we have been able to consistently produce. We are second only to nuclear power industry incident rates. From an environmental stand part, greenhouse gasses are emphasized when it comes to methane production. He stated the last several years we have consistently achieved a ratio of less than 1.25% of flared/vented methane compared to produced gas. When it comes to climate change generally believed to be driven by methane in the atmosphere the GOM had incredible performance because of solid regulations and a robust system. Regarding marine mammals, since 2017 we haven't had a single report of an incident or fatality of a marine mammal or sea turtle as a result of oil and gas operations offshore.

Angelle reported in April 2017, the President signed an Executive Order 13795 which states *"It shall be the policy of the United States to encourage energy exploration and production, including on the Outer Continental Shelf, in order to maintain the Nation's position as a global energy leader and foster energy security and resilience for the benefit of the American people, while ensuring that any such activity is safe and environmentally responsible."* He stated that he inherited a report from the governmental accountability office that stated we needed strong leadership at the Department of Interior regarding oversight. His first email to all BSEE Employees when he came into this office was *"I am reminded of the real definition of teamwork, "common people accomplishing uncommon things." I am confident, working together, we can, and will, be the generation of Americans that transforms BSEE into what America demands we do and that is to be more than just an "either or" agency."* He then showed a graph which shows the highest oil production in the history of the country. He stated in 2010 many speculated that America had to make a choice either robust production or safe operations. In 2017 we took a "we can do it all" approach. In 2020 an improved brand emerges with environmentally sustainable operations, safe operations, and a robust energy production. Environmentally sustainable operations with less than 1.25% flared/vented gas, zero incidental marine mammals, less oil spilled in 2018 and 2019 from active exploration and production operations in at least a quarter century, and the second safest of high hazard industries.

It is about keeping all our people safe. He showed a graph that the total recordable incident rates keep going down. We have been very vibrant in our inspections making sure we are doing the right thing. We instituted a voluntary program for all near misses which are not required in the oil and gas industry. When he started it was at 4% participation and it is now at 86% participation. He stated every near miss should be reported so we can learn from it. A new program he implemented is BSEE!Safe the world's first mobile solution to give offshore oil and gas workers critical, new safety alerts directly to their cell phones. We are the first workforce regulator to issue safety alerts directly to the frontline workers. Since the institution of the program more than 6,900 participants.

Angelle reported on royalty payments to the government from 2017 to 2018 from \$3.8 Billion to \$5.2 Billion and from 2018 to 2019 it went from \$5.2 Billion to \$5.7 Billion. Based on the total 753 producing deepwater wells, BSEE estimates the average annual royalty per deepwater producing wells in GOM for CY2019 was \$5.52 Million. On a facility basis, Shell's Ursa claims top spot with a total of \$370.8 Million reported royalties and on a per well basis it is BP's Thunderhorse at \$17.3 Million. He stated 50% of the state's deepwater oil production is coming from 13% facilities. 9 deepwater facilities account for half of 2019 oil production. Another 9 facilities account for another quarter of production and the remaining 50 account for the remaining quarter of production. Deepwater GOM Energy Production observation in 2019 was the highest offshore oil production in history of the U.S. Outer Continental Shelf. Yet, approximately 4 out of 5 deepwater facilities (53 of 68) are producing less than 50% of their daily oil capacity. The average time elapsed since highest oil production achieved on deepwater facilities is 14 years. We need more dollars invested in drilling. It is time for smarter policy, there are \$211 Billion worth of resources that are within 30 to 60 miles of each of the 68 platforms. If we have product and a platform, why the utilization rate is not higher. After further research, the platforms need subsea pumping which cost up to \$150 Million to get

formation of flow to other platforms. The solution is to consider offering lower royalty rates for those companies that want to install flow assurance. The lower rate will help the company pay for the subsea pumping for platforms to reach their full capacity. America will get the production. America will get the royalty it wouldn't otherwise, and it creates jobs. Offshore oil and gas has a future in America. When it comes to environment, production, and safety we check all the boxes.

President Cheramie opened the floor for any public comment. Senator Mike Fesi updated the board on the past special session. He stated the Governor implemented emergency powers that put a toll on all of our businesses and as the legislature tried to give the people more say so we were unsuccessful, but we will keep trying because we need to keep our businesses open. With that it created a deficit, the unemployment trust fund was over \$1 Billion, but as businesses were forced to close the fund was quickly drained. We were able to move around funds from the Cares Act and put \$85 Million back into unemployment so we wouldn't have to raise taxes. On a good note, in September the unemployment rate was 7.9%, October was 6.9% and November was 6.7%. If we can keep that trend and get businesses back opened, we will better the economy. Covid is a bad situation and we loss a lot of good people, but at the same time you have a 99.7% recovery rate from what we know today. Businesses need to get back in the right direction and get money flowing so we can have a better year next year and get unemployment down. Fesi worked on Amendment No. 7 having the unclaimed funds in a trust that will go back to the people. He plans to continue to make a difference for the rest of his term.

Andrew Martin presented to the board a letter written by his attorney Henry Lafont. He then read the letter. This letter is in response to the latest offer to purchase his property and the batture property. He is not opposed to this project and has cooperated unconditionally but would like the community to understand this entire process began in 2006. The Port approached him to purchase the property for a new bridge to connect to LA and LA 308 with road to LA 3235. In 2015 the project shifted to the Lafourche Parish Government, but an agreement was not reached when Councilmen Lorraine was not able to get a second on his motion. Martin then stated 2 years ago, the Port took over the project, which now involves DOTD, State Government, and the Federal Government.

This project concerns 2 properties: the office on the batture owned by Ace Martin and the residence and real estate owned by Andrew Martin. The properties have been appraised several times. The appraisals of the Ace Martin office and batture: July 2001 by Velma Realty for \$197,300, September 2008 Neon Co., Inc. for \$269,000, January 2013 by Lafourche Appraisal for \$284,000, March 2016 by Lafourche Appraisal for \$309,000, March 2020 by Brian Larose for \$53,000, May 2020 by Bennet Oubre for \$45,000, and August 2020 by Lafourche Appraisal for \$295,000. The appraisals for the Andrew Martin residence and real estate: September 2008 by Neon Co. for \$542,000, December 2008 by Lafourche Appraisal for \$1,200,000, February 2009 by Acadian Appraisal for \$912,000, January 2013 by Lafourche Appraisal for \$1,250,000, March 2016 by Lafourche Appraisal for \$1,250,000, May 2020 by Bennet Oubre for \$257,000, May 2020 by Brian Larose for \$241,000, and August 2020 by Lafourche Appraisal for \$1,000,000.

Martin stated originally it was agreed the appraisals would be obtained by December 2019/January 2020 however it was not until May 2020 that he received the appraisal. Throughout this entire situation he has cooperated, but he feels the community can understand his frustration when the appraisal for the residence and property goes from \$912,000 in 2009 to either \$257,000 or \$241,000 in 2020, a decrease of \$650,000. In comparison, Martin's 2016 appraisal went from \$1,250,000 to \$1,000,000 in 2020, a decrease of \$250,000. He stated the appraiser who is local and living one-half mile from Martin and a lifelong resident in Galliano who knows this community is more consistent than those from Destrehan, Houma, Lafayette, and Thibodaux.

Martin stated the Port's original offer was \$53,000 for the batture and office and \$257,000 for residence and real estate. Martin counter offered with \$345,000 for batture and office and \$1,100,000 for his residence and real estate. On October 13th, the Port offered \$275,000 for batture and office and \$470,000 for residence and real estate, with \$81,226 for moving expense. He stated negotiations continued and on November 9th the Port offered to purchase batture and office for \$148,000 and \$652,000 for residence and real estate. Martin then stated on November 23rd the Port lowered the offer to \$243,800 or \$242,500 for residence which was confusing. He noted an offer was made on property designated as 5-C on the map which involves the Succession of Elda Martin which Andrew Martin is the independent executor and all contracts should be made with Andrew Martin. Mr. Martin rejects the offer by the Port because the last two appraisals by the Port, although it states based on fair market value, it has no value for replacement costs. He stated an example

is the 1200' cabana and pool house has a value of \$2,500. Also, there is no value considered for the location. Mr. Martin's property gives a direct route from LA 3235 to the Airport Road and no consideration is given for safety and environmental concerns. Martin stated another reason for the rejection is that the amount offered does not even cover the liens attached to his real estate. Those liens follow the real estate in any transaction. He stated if expropriation takes place the Port would walk away with the property free and clear, but Mr. Martin would still be responsible personally for the liens on the property. He does not think that anyone would consider that fair. It would appear this matter is leading to litigation by the Port expropriating his property. This is the last thing he wants to happen, however he will do whatever he needs to do to protect his interest, as any of you would protect your interest. He thanked the board for the time.

Committee Reports

Executive Committee - The committee met November 23rd in Cut Off present were Cheramie, Melancon, M. Callais, with R. Gisclair Sr. absent. They also met December 7th in Cut Off with all members present.

Upon motion by Melancon second by K. Callais, with no public comment, the board unanimously approved the amendment request from Galliano Marine Service, LLC to extend the term of lease site GLF111.

Upon motion by M. Callais second by Ordonne, with no public comment, the board unanimously approved the request from In Hot Water, LLC to sublease to Clean Waste, LLC a portion of site GLF611.

Upon motion by Griffin second by Pierce, with no public comment, the board unanimously approved HOS Port to amend lease sites GLF601 and GLF602 for a deferral of 50% of Basic Rent with 2% interest for 12 months from January 1, 2021 to December 31, 2021. Thereafter, the deferred amount will be amortized at 2% over the remainder of the current or extended term during which time there shall be no Early Termination Right.

Upon motion by Gisclair second by Lafont, with no public comment, the board unanimously approved Ecoserv Environmental Service to amend lease site GLF628 to extend the primary term to 15 years and accordingly recalculate Improvement Rent and also to a deferral of 50% of Basic Rent with 2% interest for 12 months from December 1, 2020 to November 30, 2021. Thereafter, the deferred amount will be amortized at 2% over the remainder of the current or extended term during which time there shall be no cancellation without payment equivalent to the deferred rent of remaining months in term.

Upon motion by Ordonne second by K. Callais, with no public comment, the board unanimously approved the Cooperative Endeavor Agreement with West Belle Pass Headland Restoration Corporation (WBPHRC) for the Port to provide administrative services and funds to operate and WBPHRC will acquire oyster leases on state lands for coastal restoration and mitigation projects.

Upon motion by Pierce second by M. Callais, with no public comment, the board unanimously approved purchasing the J. Wayne Plaisance office and warehouse for the agreed upon purchase price of \$285,000.

Upon motion by M. Callais second by Melancon, with no public comment, the board unanimously approved the Policy Manual Revisions which removes Civil Service references in the Compensation and Benefits Section.

Upon motion by Griffin second by Gisclair, with no public comment, the board unanimously approved the high bids for the 4 surplus vehicles which total \$7,897.92 and dispose of the vessel that received no bids.

Permits & Waterways Committee - The committee met November 23rd in Cut Off present were Lafont, Ordonne, Cheramie, and Pierce. The committee also met on December 7th in Cut Off with all members present.

Pierce presented for the board's review the permit from LOOP, LLC.

Finance Committee - The committee met November 23rd in Cut Off present were Melancon, Cheramie, M. Callais, with Gisclair absent. They also met December 7th with all members present.

Upon motion by Melancon second by M. Callais, with no public comment, the board unanimously approved payment of November 2020 invoices and recognized expenditures over \$10,000 which total \$2,642,999.90.

Upon motion by Melancon second by Griffin, with no public comment, the board unanimously approved the November 2020 unaudited financial statements.

Melancon presented for the board's consideration to approve the 2020 Budget Amendment. Chiasson stated the amendment is due to rental deferrals and reductions as well as the expenses to landowner rentals, and a decrease for projects that were not completed. Miranda Parker stated the net change totaled

(\$10,582,804) which leaves our ending amended net income of \$1,023,985. Upon motion by Pierce second by Ordonne, with no public comment, the board unanimously approved the 2020 Budget Amendment.

Melancon presented for the board's consideration approving the 2021 Budget. Miranda Parker, Finance Director presented the highlights of the budget. The Port anticipates revenues of \$26.1M less direct cost of \$9.8M, equals gross profit of \$16.2M, less operating expenses of \$16.4M, equals operating profit/loss of (\$153,749), plus non-operating revenue of \$9.5M, equals net income of \$9.3M.

Regarding the non-operating revenue of \$9.5M mentioned above, the breakdown is on page 17 of packet which includes \$3.7M of advalorem less 10% uncollectable taxes, plus \$18.4M capital grants, \$459,000 of maintenance grants, and \$800,000 of interest earned, less \$3.4M of emergency 5% contingency, less \$9.9M for special projects such as beach restoration, LA 1 Phase 2, Leeville dredging, and Bayou Lafourche-CPRA Dredging.

Parker then continued with the expected 2021 beginning cash of \$124.7M, plus net income of \$9.3M, plus the depreciation expense of \$7.8M, less purchase of capital assets of \$1.5M, less cost of capital projects of \$41.6M, plus the unearned deferred revenues (\$1.4M), plus other payables (\$131,000), plus other receivables of (\$4M), equals ending cash of \$93.1M, less future Fourchon Island project \$50M, equals final ending cash of \$43.1M. Chiasson wanted to highlight one of the large projects we will be working on in 2021 is the \$13M Slip D Dredging project which will complete all of our mitigation requirements. Parker stated the overall operating budget is \$26,330,538, capital budget is \$43,202,194, and non-operating budget is \$13,426,637 which totals the 2021 Budget of \$82,959,369. Upon motion by M. Callais second by Melancon, with no public comment, the board unanimously approved the 2021 Budget of \$82,959,369.

Cheramie opened the floor for any other business. Melancon welcomed Mr. Monty Vegas, Mr. Keith Guidry, and Mr. Brian Marts.

Cheramie opened the floor for any public comment. Each Commissioner then wished everyone a Merry Christmas and a Prosperous New Year.

Upon motion by Lafont second by Ordonne, the board adjourned at 11:36AM.

ATTEST:



Harris Cheramie Jr., President



Charles M. "Mike" Callais, Secretary