

AGENDA
SEPTEMBER 13, 2000

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Consider August 9, 2000 Regular Meeting Minutes for approval
- V. Executive Director's Report
 - A. E-Slip Expansion Updates
 - 1. 2nd leg
 - 2. 3rd leg
 - B. Northern Expansion Update
 - C. Highway Improvements
 - D. Golden Meadow Seawall
 - E. Bayou Clean Up
- VI. Committee Reports
 - A. Executive Committee:
 - 1. Consider amending by-laws allowing the Vice-President to act as Assistant Secretary and perform the duties of the Secretary as needed
 - 2. Authorize Executive Director to execute Supplemental Agreement No. 1 with DOTD for Additional Dredging in E-Slip Leg III
 - 3. Consider ad valorem tax millage
 - 4. Confirm awarding of contract to Mike Hooks, Inc.
 - 5. Request of Offshore Mariners United
 - 6. Engineer's Contract – Northern Expansion
 - B. Legal, Permits & Waterways Committee:
 - 1. Letters of No Objection
 - i. Greater Lafourche Port Commission
 - 2. Steven Charpentier
 - C. Construction & Development Committee:
 - 1. Change Order No. 1, Section 00650 for Deep Draft Berthing Facilities-Phase IV-Dredging
 - 2. Certificate of Substantial Completion for State project No. 578-29-0008
 - D. Finance Committee:
 - 1. Consider payment of Invoices and recognize Expenditures over \$10,000
 - 2. Consider July 2000 Financial Statement for approval
 - 3. Consider August 2000 Financial Statement for approval
 - E. Personnel Committee:
 - 1. Consider accepting new policies
 - i. Workplace drug testing policy
 - ii. E-mail communication policy
 - iii. Internet use policy
 - iv. Access to public records policy
- VII. Any other business
- VIII. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
September 13, 2000

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session in the Conference Room of the Administration Building in Galliano Louisiana on Wednesday, September 13, 2000 at 10:30 AM pursuant to the provision of due notice in writing to each and every member thereof and duly posted in the manner prescribed by law.

President Bernard called the meeting to order and requested that Secretary Terrebonne call the roll.

PRESENT: Johnny Melancon, Rodney Terrebonne, Larry Griffin, Dudley Bernard, Wilbert Collins, Chester Cheramie, Harry Cheramie, Donald Vizier, and Ervin Bruce

ABSENT: None

Also present were Ted M. Falgout, Executive Director; Loulan Pitre, Port Attorney; Larry Picciola, Marco Picciola, Joe Picciola, and John Plaisance, Port Engineers; Susan Martin, Accountant Administrator, and Addie Callais, Administrative Specialist.

President Bernard led in the recitation of the Pledge of Allegiance.

Upon motion by Donald Vizier and second by Wilbert Collins, the Board of Commissioners unanimously approved the minutes from the August 9, 2000 Regular Meeting.

EXECUTIVE DIRECTOR'S REPORT:

E-Slip Expansion Updates

2nd Leg – Port Engineer Larry Picciola reported that the agreement has been settled with Weeks Marine. Port Attorney Loulan Pitre reported that he has the agreement that he needs President Bernard to sign so that the settlement check can be deposited by the Port Commission. Mr. Picciola met with Mr. Dick Forson who works with a company out of Orange, Texas that does bulkhead repairs. Mr. Picciola elaborated on several methods of repair that will keep the costs down. Once the dredge is finished in the third leg of the E-Slip, divers need to be sent down to reexamine the holes to pinpoint which ones have cavities. Executive Director Falgout presented a physical demonstration of the proposed method of repair. Discussion followed.

3rd Leg – Port Engineer Joe Picciola reported that the final inspection of Part B is done. On the Part A Extension, the Contractor is finished driving all of his timber piles and is currently pouring all of his concrete deadmen. He is also blasting and painting sheet piles at his yard in Houma, and those should start arriving on site in the next couple

of days. He is expected to start driving sheet piles on the 20th of September. For dredging, bids were received on the 16th of August. The low bid was offered by Mike Hooks in the amount of \$406,350.00. He should be finished with the dredging in Part A by the weekend and will move on to Part B.

Northern Expansion Update

Project engineer John Plaisance reported that all of the soil borings have been taken, and a report should be submitted early next week. Director Falgout reported that we really want to get this project started. He is confident that we can convince DOTD to put us in the highest priority when reviewing this project. The \$1.5 million EDA Grant for which we have applied is still expected to be awarded to the Port Commission. There was a change in the application in that Bollinger was proposed as a major tenant, but the company has since decided that they will not move into a new facility at Port Fourchon since they recently acquired Halter Marine. L & L Oil and Gas Services will replace Bollinger, and their benefits are potentially greater than those posed by Bollinger, so our EDA Grant Application will not be hindered by this change. The Port Priority funding in the amount of \$9.8 million that is going toward this project is secure. The Port Priority fund is impacted by the financial position of the state, but there is \$25 million allocated to that program. There are about 9 different projects competing for these funds; thus it is important that the project move quickly.

Board member Melancon requested that Director Falgout explain what EDA is to the audience. Director Falgout explained that EDA is a federal administration, the Economic Development Administration. They award loans and grants for job creation. Public agencies can apply to the federal government for funds that will create jobs. The Port has been very successful in previous grant applications with EDA. There is a 50% match requirement for EDA funded projects. If there is no 50% local match, you do not get the federal funds.

Highway Improvements

Executive Director Falgout reported that an Environmental Impact Statement is currently being done. The Port is matching the federal funds 80/20 to fund this million-dollar study to get the permit that will allow the construction of an elevated highway to Port Fourchon. These studies usually take 5-6 years to complete, but this one will be done in one year because the matching funds were on-hand to compliment the state's funds.

Director Falgout reported that he and Roy Francis are leaving this evening to travel to Washington to meet with the Congressional delegation and the White House to support the CARA bill. This bill is important to the state and is strategically important to this Commission. It is something that they have personally been a leader in throughout the duration of this bill.

Golden Meadow Seawall and Bayou Cleanup

Director Falgout reported that the work is being completed now for the Bayou Cleanup. Approximately \$35,000 has been expended so far, and \$100,000 has been budgeted. Most of the debris in the bayou has been removed. There are still a couple of

other sites to be addressed, and embankment reshaping has occurred to reinforce the Golden Meadow seawall. The project will probably continue for about another month.

Board Member Vizier questioned Director Falgout about a location near the Golden Meadow Bridge where he observed the Contractor driving piles. He wondered if there was an old well there. Director Falgout reported that there was an old well head there that is a hazard. The Commission has approached Roland Guidry and the Oil Spill Coordinator's office to have it removed, but it will be quite some time before it is removed, so pilings were driven around it and a hazard sign was placed on those pilings.

COMMITTEE REPORTS

Executive Committee

President Bernard reported that the Executive Committee would like for the Commission to consider amending the By-Laws to allow the Vice-President to perform the duties of the Secretary as needed. Director Falgout added that the Secretary, who has to signoff on all affidavits of true resolutions, is in great demand, as the Commission is very busy. The Treasurer already has to power to be Acting Secretary, and having the Vice-President with that power as well will enable the Administration to execute necessary resolutions expediently. Upon motion by Rodney Terrebonne and second by Chester Cheramie, the Board of Commissioners unanimously approved amending the By-Laws to add the duties of the Secretary to those of the Vice-President.

President Bernard presented for Board Approval a Supplemental Agreement No. 1 with DOTD for additional dredging in Leg III of the E-Slip. Director Falgout added that the agreement would allow the state to share 90% of the cost of the dredging. Upon motion by Johnny Melancon and second by Ervin Bruce, the Board of Commissioners unanimously approved authorizing Director Falgout to execute Supplemental Agreement No. 1 with DOTD.

President Bernard presented the ad valorem tax millage for the board's consideration. Director Falgout explained that every four years, property is reassessed, and a reassessment form is sent to all taxing agencies. The form explains the taxes currently assessed by the Commission, the funding it generates, what the new assessment would generate, and an adjustment that would generate the same amount of funding as the year before. The Port assessed 7.25 mills in 1999 generating \$1,052,614.18. If the Port wishes to generate the same amount of money, the Commission has the option of rolling back the millage to 6.94. The Commission also has the option of rolling forward to assess the 7.25 mills to generate an additional \$40,018.00. If the Commission chooses to roll forward, a public hearing is required. President Bernard presented the recommendation of the Executive Committee to roll back to 6.94 mills. Board Member Harry Cheramie made a motion to reduce the millage by 2 mills. Director Falgout explained that such an option was not available at present. Currently being considered by the Commission was whether to roll back to 6.94 mills or to roll forward to 7.25 mills. Annually, in January, the option exists to change the mills when the Board passes the ordinance that assesses the mills. Upon motion by Donald Vizier and second by Rodney

Terrebonne, the Board unanimously approved rolling back their assessments to 6.94 mills for the taxing year 2001.

President Bernard presented for confirmation the awarding of the contract for dredging in the third leg to Mike Hooks. Upon motion by Johnny Melancon and second by Wilbert Collins, the Board unanimously approved awarding the contract to Mike Hooks.

President Bernard presented the request from Offshore Mariners United for the Commission's consideration. Director Falgout reported that on August 25, 2000, the Commission received a letter from the attorney for the Union requesting that the Commission "instruct police officers under the Commission's employment not to respond to requests from such tenants or sub lessees to the Port's tenants to arrest or otherwise deter OMU organizers from gaining access to public docks and other public areas under the Commission's jurisdiction." Several cases were cited in the letter supporting OMU's position. Attorney Pitre reported that the cases speak to the right of labor to organize, but they do not speak directly to the request being made, which is that the Port instruct its police officers not to help lessees enforce their Access and Trespassing policy. He does not feel like those cases give a clear answer to this proposition. The attorney for OMU has requested that if the Port is not prepared to respond favorably to this request, it should grant them a public meeting with advanced notice where the OMU will be able to present its position in more detail. At such a meeting, the lessees and other interested parties and citizens would also be able to present their position. Attorney Pitre felt it would be premature to enact such a policy that would affect the lessees without giving those lessees a chance to voice their opinions. Attorney Pitre expressed that the public meeting would be necessary if the Port wishes to continue the discussion begun with OMU. The Executive Committee wishes to continue to operate under the same policy they always have and to grant the public hearing. Board Member Donald Vizier asked whether the fact that the Port leases its land from other entities would make a difference. Attorney Pitre felt that the issues Mr. Vizier raised will not be the determining factor. He feels that the issue is the purpose for which you lease the property to a lessee – for private or public use. Upon motion by Larry Griffin and second by Donald Vizier, the Board of Commissioners unanimously approved continuing to enforce their policy as they currently are. A public hearing will be called at a later date.

President Bernard presented the Northern Expansion Engineer's Contract for consideration by the Board. It had to be altered to comply with EDA's requirements. Approval of the contract will authorize the hiring of J. Wayne Plaisance, Inc. as the Project Engineers for the Northern Expansion. Upon motion by Johnny Melancon and second by Rodney Terrebonne, the Board of Commissioners unanimously approved the Northern Expansion Engineer's contract and authorized the hiring of J. Wayne Plaisance, Inc. to provide services for this project.

Legal, Permits, and Waterways Committee

Upon motion by Larry Griffin and second by Chester Cheramie, the Board of Commissioners unanimously approved issuing a letter of no objection to the Greater Lafourche Port Commission to replace a collapsing culvert crossing LA 1 South of the Leeville Bridge.

Chairman Griffin introduced Mr. Steven Charpentier who wished to address the Board on behalf of the fisherman regarding the channel between Leeville and Grand Isle. He reported that there is almost no water in the channel, and he would like for the Port to dredge the channel. He said when there is a hurricane, boats must travel through the Gulf to get to the Intracoastal. This channel would offer an inland route to shelter in the event of a storm, thereby making the trip safer and shorter. The Board acknowledged that it will push to get that channel dredged, but it will take some time, as these projects always do.

Construction & Development Committee

Chairman Ervin Bruce presented Change Order No. 1 for Deep Draft Berthing Facilities-Phase IV-Dredging for the Commission's consideration. Director Falgout explained that this change order is necessary to add the amount of cubic yardage the Commission is asking DOTD to help dredge in the 2nd leg of the E-Slip. Upon motion by Ervin Bruce and second by Donald Vizier, the Commission unanimously approved Change Order No. 1.

Chairman Bruce presented for the Commission's approval the Certificate of Substantial Completion for State Project No. 578-29-0008. Director Falgout reported that this is the Weeks' dredging project that is complete. Project Engineer Larry Picciola reported that after there was damage by Weeks, the contract was put on hold. Now that the damages are settled, he wishes to finalize all of the necessary paperwork to closeout the project. Upon motion by Harry Cheramie and second by Donald Vizier, the Board unanimously accepted the Certificate of Substantial Completion.

Finance Committee

Upon motion by Donald Vizier and second by Larry Griffin, the Board unanimously approved paying invoices for August 2000 and recognized all expenditures over \$10,000.

Upon motion by Donald Vizier and second by Johnny Melancon, the Board unanimously approved the Financial Statement for July 2000.

Upon motion by Donald Vizier and second by Johnny Melancon, the Board unanimously approved the Financial Statement for August 2000.

Personnel Committee

Chairman Melancon presented to the Board new policies for their approval. Director Falgout elaborated on the workplace drug testing policy, e-mail communication policy, Internet use policy, and access to public records policy that was under the Commission's consideration. Upon motion by Johnny Melancon and second by Harry

Cheremie, the Board unanimously accepted the new policies to be incorporated into the Employee Policy manuals.

Any other business

Board Member Harry Cheremie questioned whether Assistant Director Davie Breaux had met with Mr. McAllister with Armortec in reference to broken A-Jaxes that need to be replaced. The meeting is scheduled for Thursday, September 14, 2000. Director Falgout reported that on the A-Jax project, there are about 50 blocks that have been damaged since they were put in place. Project Engineer Joe Picciola reported that Armortec had issued a warranty that covers, for one year, damage up to that caused by a Category 1 storm. The warranty includes full replacement of broken A-Jaxes. Discussion followed.

Mr. Carl Chauvin questioned whether the \$7 million in the bank accounts of the Port Commission at the end of 1999 contained any money that was collected from ad valorem taxes that year or from previous years. Director Falgout reported that ad valorem taxes are not separated from the rest of the funds generated by the Port, so any money carried over from previous years could possibly contain tax monies. However, it usually is the case that funds carried over from previous years are for designated projects that are scheduled to be built in the upcoming year and are funded with federal and state monies. Board Member Melancon added that the Port's operation costs \$24 million a year to run. And having only \$3 million cash on hand is not excessive because if the highway washes out or a major storm hits, it could cost much more than that to bring the Port back to its present, operative state. Mr. Chauvin conferred with Mr. Melancon's opinion, from a business standpoint. But he also said that because the Port is a state entity, it must follow the Constitution of the State of Louisiana, and revenues in excess of the amounts needed must be rolled back. He suggested segregating those tax amounts into different accounts because the Port needs to keep better accounting of where that money goes. Director Falgout added that Mr. Chauvin must understand that the Port does not have even \$1 million in a rainy day fund somewhere. All the money is budgeted into projects that the Commission hopes the public approves of. Director Falgout added that sometimes, you don't get to spend all of the money in one year; maybe it's a construction problem, a permitting problem, or something else. The only money that you can claim as excess is the contingency fund, which the Port is required to establish based on a small percentage of its budget. That fund is only about \$1,700,000. The bills paid at today's meeting alone were over \$2 million. One day you can have \$10 million, and the next day there can be only \$5 million. There is no money set aside to be saved for a rainy day or that is extra. Director Falgout suggested that Mr. Chauvin review the Port's budget, and it should be clear.

Mr. Roy Gisclair thanked the Board for reducing the millages anyway. He knows there will be still be the same amount of money generated next year, but he appreciates the Board's efforts.

Representative Loulan Pitre asked for the opportunity to speak, not as the Port's attorney, but as the community's representative. He said that there is a consensus in this

community. The citizens, the business community, the Port Commission, the lessees, and everybody running for Port Commission says we ought to have a half billion dollar improvement to our highway system south of Golden Meadow. Everybody agrees. Everybody says we ought to be expanding this Port as fast as we can because the opportunity is here. And to do it costs money. Mr. Chauvin, and everyone else, there is no surplus. We are going ask the federal and state governments for half a billion dollars for highways or for the millennium port, and you cannot say that dropping \$280,000 for taxes is going to be the be all and end all for everyone. We need matching funds when asking for federal and state funds. We are trying to speed these projects along and move them faster than anybody can imagine. Rep. Pitre said that he doesn't like paying taxes; he knows the people don't like paying taxes, but he asked that we be honest. If you say you want to get rid of the ad valorem tax, don't say you're for expanding the Port; don't say you're for the Leeville bridge; don't say you want a Millennium Port because Santa Claus isn't going to come. He reiterated that he is speaking as our Representative, and he was elected on Port expansion and highway improvements. But we cannot send him to Baton Rouge to ask a state with \$70 million for new capacity projects for \$50 million to build a bridge without some local funds on the table, because it's not going to happen. He plans to introduce legislation to give the Port Commission even more power to build that highway. The Environmental clearance will be had this year, 5-10 years prior to what is normal. Rep. Pitre asked that people not say that we won't have any local resources and that the local people are not going to pay any part of it because that is not realistic. He added that he thinks it would be great if we could lower taxes and build a billion dollars of improvements, but it's not smart. It may be smart politics; it may play well on the street. But if you say you are for getting rid of the ad valorem tax, then you are deciding to go in a whole different direction with this Port. Mr. Chauvin asked whether Representative Pitre would be willing to introduce legislation that would allow the people to decide if they still want to pay the ad valorem tax. He said that he would, but the people must first be given the honest facts, and they have not been getting the honest facts. The people need to hear where that money is going to go.

Mr. Terry Serigny added that he owns businesses in Leeville, and he reviewed the property taxes that he pays to the Port on his ten pieces of property. It amounts to only \$46.00 a year. It's only about \$4.60 per piece of property, which he feels is nothing considering that his money allows businesses in the Port to employ welders that can make \$40.00 an hour. He feels that we are blessed to have a Port that employs local people. He said everybody is arguing about what is wrong with the Port, but we should recognize the pot of the gold at the end of the rainbow, which is Port Fourchon because everybody is working. Board Member Larry Griffin commented that LOOP and Edison Chouest would not pay each about \$100,000 per year if the tax were removed, and Mr. Serigny agreed that his \$46.00 is a small price to pay for all of the benefits.

Mr. Roy Gisclair said that his only objection to Rep. Pitre's speech is that the tax base for the Port is only the 10th ward. He wondered why the rest of the parish does not pay taxes for the Port since they do utilize it. He would like to see a parish-wide tax of 3 mills instead of one on only the 10th ward. Rep. Pitre said that then you would have to allow Commissioners to be elected from the entire parish.

Mr. Chuckie Cheramie, who is running for Seat A introduced himself and asked that the people consider him for the Port Commission.

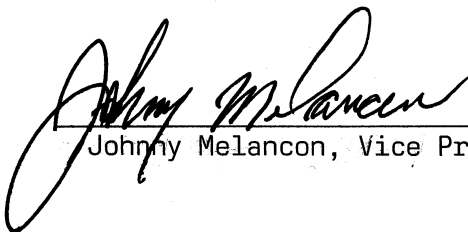
Ms. Rosie "Taroze" Vizier Galjour also introduced herself. She is running for Seat C.

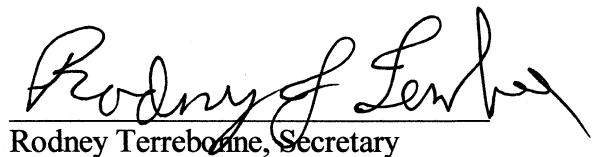
Board Member Melancon said that he wanted to add that the Port utilizes 65 million gallons of water a month. Because companies in Port Fourchon use so much water and pay \$3.00 per 1,000 gallons, the people of the parish can continue to receive water at \$1.25 per 1,000 gallons. The businesses' use generates enough capital that the Freshwater District never has to raise the homeowners' rates. Director Falgout added that of the four sales tax districts in the parish, one is experiencing trouble meeting their expected collections; whereas, this district has exceeded its anticipated collections, and we would think that has some relation to the Port being in this district. Engineer Joe Picciola added that this district collects 43% of all the sales taxes of Lafourche Parish.

Accountant Administrator Susan Martin said that all the members of this Commission come to her with questions. They question a lot of the things that are done. They are informed as much as they can be about the accounting numbers, and to assure that they have a particular number correct every time that they are asked a question would be difficult for even her to do. She would like to express that Donald Vizier does often question the information that is there and does the best that he can, along with the other board members, to see that they have accurate information.

Upon motion by Larry Griffin, second by Rodney Terrebonne and unanimously approved, the board meeting adjourned.

ATTEST:


Johnny Melancon, Vice President


Rodney Terrebonne, Secretary