

AGENDA
APRIL 14, 2004

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider March 10, 2004 Regular Meeting Minutes for approval
- V. Executive Director's Report
 - A. **Northern Expansion Update**
 - a. Construction status:
 - i. N. Doucet Drive Asphalt Extension – John Plaisance
 - ii. Slip A, Bulkhead – John Plaisance
 - iii. Slip B, West Bulkhead – Joe Picciola
 - iv. Slip B, Hydraulic Dredging – Larry Picciola
 - B. **Airport Update**
 - a. Project status:
 - i. Hangar Construction
 - ii. Environmental Assessment
 - C. **New Port Administration Building**
 - D. **FEMA Update**
 - a. Debris Fence Project
 - E. **Port Security**
 - a. Harbor Patrol Vessel
 - b. Security Camera System
 - F. **Highway Improvements**
- VI. Committee Reports
 - A. **Executive Committee**
 - a. Executive Director's employment contract
 - b. Consider ratifying President Vizier's signature on Administrative Order
 - c. Consider setting escalation rate for Martin Holdings' renewal of lease on Lot A
 - d. Consider authorizing lease of property along 16th Street
 - e. Consider updating State Bank Signature Card
 - f. Consider ASCO's request to assign their lease to Magnolia Shorebase, LLC
 - B. **Permits & Waterways Committee**
 - a. Public input needed for improved range lights
 - b. Public Notices:
 - 1. Carrizo Oil
 - 2. Greater Lafourche Port Commission
 - 3. John Guidry
 - C. **Construction and Development Committee**
 - a. Consider approving Change Order No. 1 for paving of N. Doucet Drive
 - b. Consider accepting Clear Lien and paying retainage to Lamar
 - D. **Finance Committee**
 - a. Consider payment of invoices and recognize Expenditures over \$10,000
- VII. Public Comment
- VIII. Any other business
- IX. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION

April 14, 2004

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Wednesday, April 14, 2004 at 10:30 AM.

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

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

ABSENT: None

Upon motion by Larry Griffin and second by Ervin Bruce, the minutes of the March 10, 2004, regular meeting were unanimously approved.

Executive Director's Report

Northern Expansion – Engineer John Plaisance reported that all the asphalt work has been completed for the N. Doucet Drive Extension. Barriere Construction is doing the striping today and the waterline should be in place within the next few weeks. Engineer John Plaisance reported that the final soil reports for Slip A Bulkhead were received from Eustis Engineering and a final analogy of the repair work should be submitted soon. He sent the results of the borings to Rowan Marine, and Rowan will be hiring an engineering company to inspect the bulkhead. Director Falgout reported that he has hired The Shaw Group as a third party engineering firm to review the damages of the bulkhead. Further discussion followed regarding the engineering company hired. Commissioner Harris Cheramie made a motion to look for another engineering firm, but the motion died for lack of a second. Director Falgout reported that approval was received to change the order of the Northern Expansion Port Priority Projects moving the bulkhead from the middle of Slip B to tie in to the Flotation Canal bulkhead. Engineer Joe Picciola reported that detailed design plans and cost estimates will be resubmitted to DOTD for the West Bulkhead Slip B project. He reported that three bids were received for the soil boring testing and he recommends Eustis Engineering. Discussion followed regarding whether a conflict existed since Eustis supplied the original soil boring information for the project's design but it was decided that they should be used again to insure the accuracy of the information obtained. Engineer Larry Picciola reported that the Dredging of Slip B is about 60% complete with approximately 1.1 million yards dredged. He stated that a few minor concerns arose during the distribution of spoil in the mitigation areas that resulted in building and re-capping levees as pumping continued. Discussion followed regarding the levees and the benefits of the spoil placement for the future phases of mitigation areas. Engineer Larry Piccola reported that the Bulkhead project down Slip B is currently on hold until the next port priority funding. He reported that the Pontoon Excavator is out for bid and the bid opening is scheduled for next month. Director Falgout stated that the Port Priority Program has ranked the Northern Expansion bulkhead project in the top three on the list containing approximately \$20 million of funding.

Airport – Airport Manager Jeff Hunter reported that a few punch list items are left to be completed on the Airport Hangar. He reported that completion should be between 3 – 4 weeks. He also reported that the Airport Firewall construction is scheduled to commence this week. Director Falgout reported that the Environmental Assessment is complete. He attended a meeting with the Corps of Engineers to review their assessment of the wetlands at the Airport.

He also requested more details from the Corps regarding permitting the wetlands. Director Falgout stated that there will not be any mitigation on the wetland impact at the Airport.

New Administration Bldg – Director Falgout reported that the Grand Opening of the new building is scheduled for May 12th at noon following our next board meeting and the public is invited.

FEMA Debris Fence – Engineer Joe Picciola reported that funding has been received and surveying is currently being done along LA 3090 and Flotation Canal Road. He anticipates completion of the project plans and specs within the next few weeks and will be ready to go out for bid. Director Falgout reported that the Boat Launch project is currently on hold because of a FEMA audit. Director Breaux reported that the Beach Restoration project is being reviewed by the Caillouet's and he anticipates changes in the design plans.

Port Security – Director Falgout reported that Chief Terrebonne has inspected and took photos of the construction of the vessel at Gravois. He reported that the motors are scheduled to be delivered next week for installation. Communications Director, Jon Callais reported that the first meeting for the Camera System project was held this morning. He reported that the electricians are at the port working on the first camera installation on the Fourchon Bridge, and all the cameras are on order. The timeframe for the first phase of a functioning camera system is 120 days from the date of the contract. The cameras being installed will be able to view all the areas of the Port from monitors at the Operations Center.

Highway Improvements – Director Falgout reported that there are two public dates set in May for DOTD to present the final information from the third toll study. He reported that the meetings are scheduled to convey what the recommended toll will be and to get public feed back. Commissioner Griffin had concerns regarding the location of the electrical pole at the intersection of LA 3090 and LA Hwy 1 along the shoulder which was discussed and will be looked into.

Committee Reports

Executive – Chairman Donald Vizier reported that the committee met on March 24, 2004 at the Operations Building in Port Fourchon. Present were Donald Vizier, John Melancon, Larry Griffin, and Harry Cheramie; no member was absent. They also met on April 12, 2004 at the Administration Building in Galliano. All members were present. The Commission then discussed items that were discussed at the Committee meetings.

Chairman Vizier presented for the board's consideration the Executive Director's employment contract. Director Falgout stated that the committee recommended some changes to the existing contract including preparation for the future by adding a daily log of activities, maintaining an orderly list of our staff meetings and taping them, keeping the director staff informed of all activities, updating current salary, and adding the requirement of 180 days written notice to terminate contract. Commissioner Jimmy Lafont stated that Director Falgout does an excellent job, but he questioned a few items in the contract and also recommended removing the word negligence as it appears in the contract for future prospects. Discussion followed regarding this removal and there was further clarification for the additions to the contract. Commissioner John Melancon made a motion to accept the Executive Director's contract as is. This motion was seconded by Donald Vizier, and the floor was open for discussion. Commissioner Harry Cheramie made a motion to amend the Executive Director's contract term to a 1 year term ending on December 31, 2004 rather than a 3 year term. This motion was seconded by Jimmy Lafont. Commissioner Beau Martin also agreed with the 1 year term and wanted to look for a replacement, have a 6 month transition period, and have a new Executive Director in place for the next 2 years to prepare for election time. He stated that the

new board coming in would have an experienced person that has a track record and not have a brand new board and a brand new director at the same time. The amended motion failed for lack of a majority. Commissioner Chuckie Cheramie addressed claims of negligence by the Executive Director regarding the hiring of an engineer without enough insurance coverage, the lack of communication of events at the Port, his absence at the Port, and his writing confidential letters about Mr. Cheramie to the ethics board. Commissioner Melancon spoke on behalf of Director Falgout stating that he has been here for 27 years and has a track record and experience. He reported that Director Falgout has led this Port to the highest potential that we could have possibly reached and we are building for the future. President Vizier commented also on Director Falgout's behalf stating that in his 15 years as a Commissioner he has learned a lot from Director Falgout and admitted that everyone makes mistakes and no one is perfect. He also stated that the lack of insurance coverage by the engineering firm was undetected by the Director, all the staff members involved, and the Commissioners. He also stated the issue regarding the mishandling of the Caillouet lease was a result of a change in personnel. Commissioner Martin took the floor commenting on the Director's track record and performance. He stated that the Port has been successful and thanked Director Falgout for the job he has done. He reported issues regarding the cost to the Port for the mishandling of the Caillouet lease with \$600,000 of cost to the Port, the Northern Expansion bulkhead failure which estimates \$700,000 to repair and the engineers' lack of coverage, the graveyard being under federal investigation and which may cost the Port several hundred thousand dollars for the attorney fees and for the clean up, the lack of communication with Commissioners, the ethics letters being written about Commissioners, the lack of utilization of a \$2 million Airport within the past 2 years, the Director's adversarial relationship with lessees, and the growth salaries at 90% compared to the growth of the Port at 60%. Commissioner Martin stated that although Director Falgout has done a job for 27 years, he suggests that it is time to find a replacement and have a 6 month transition period to have this newly hired person gain the knowledge, contacts, and experience needed from Director Falgout. He recommends this transition now for a new Director to be in place with a two year track record and ready for the election of a new board. Director Falgout took the floor to comment on a few items that were mentioned. He stated that the lack of communication is because we are a rapidly growing organization and the ability to get information out on such short notice is sometimes difficult. He also stated that regarding meetings and events that are taking place at the Port, Commissioners are not always invited by the different organizations putting on these events and when the Port Commission is the agency putting on a function the Commissioners are invited. Director Falgout also commented that he feels he plays a significant role in this agencies growth and is surrounded by an excellent staff that also plays an equal part in the growth of Port Fourchon. Director Falgout stated that twenty-five years ago, he often visited the port but as the port grew he realized that the best use of his ability is perhaps doing the higher end of things at the office which involves going to Baton Rouge and Washington. He explained that the contacts with lessees are still made today but are by other staff members. He reported that he makes multi-million dollar decisions daily and he has brought in over \$50 million in grant money. The Commission and staff deserve the credit for the Port's success and although we did not put up the money for the Port, we facilitated what has happened there. Director Falgout stated that since we live in a marsh, it takes special talents in this environmentally sensitive area to have a successful port and feels he deserves some credit for the success and permitting efforts. Director Falgout ended by saying all these issues should be weighed in the evaluation of his productivity. The original motion by Commissioner John Melancon was then voted on and passed by a vote of 5 yeas and 4 nays to approve the Executive Director's three-year contract.

President Vizier presented for the board's consideration to ratify President Vizier's signature on the Administrative Order concerning the vessel graveyard. Upon motion by John Melancon, and second by Chuckie Cheramie, the floor was open for discussion. Commissioner Beau Martin disagreed with the document and would like approval from EPA before any action is taken by DEQ. Director Falgout stated that EPA will sign off on this document before any work is done. The motion then passed with 8 yeas and 1 nay.

President Vizier presented for the board's consideration a request from Martin Holding's Lot A to change the rate of escalation to 0% for the next 5 years of the lease. Director Falgout stated that the committee does not recommend approving this request because the lessee benefited from commencing its lease at a low 2% rate of escalation. Upon motion by Wilbert Collins, and second by Larry Griffin, the motion passed with 7 yeas and 2 nays.

President Vizier presented for the board's consideration proposals to lease property on 16th Street in Port Fourchon. Director Falgout reported that Evergreen Helicopters requested all three Lots at \$.20 per sq. ft. and Mayeux Flying Service requested Lots 1 and 2 at \$.18 per sq. ft. The committee recommends leasing Lots 1 and 2 to Mayeux Flying Service at \$.20 per sq. ft. and lease Lot 3 to Evergreen Helicopters at \$.20 per sq. ft. Upon motion by Harry Cheramie, and second by Erin Bruce, the motion was unanimously passed. Director Falgout reported that in addition, Evergreen requested to lease the existing helipad facility at the Airport for \$2,500 per month with a \$.05 fuel flowage charge and a 3% rate of escalation. Upon motion by Ervin Bruce, and second by Chuckie Cheramie, the lease of the helipad facility to Evergreen Helicopters was unanimously approved, and President Vizier was authorized to sign it.

President Vizier presented for the board's consideration changes to the State Bank Signature card to reflect the new election of officers. Upon motion by Chuckie Cheramie, and second by Harry Cheramie, the revised signature card was unanimously approved.

President Vizier presented for the board's consideration a request from ASCO USA to assign its lease to ASCO Magnolia, LLC. Director Falgout reported that ASCO is not moving forward at this time with the transfer to ASCO Magnolia, LLC and requested to table this item. Upon motion by Larry Griffin, second by Beau Martin, and unanimous approval, this item was tabled.

Permits & Waterways – Chairman Chuckie Cheramie reported that the committee met on March 24, 2004 at the Operations Building in Port Fourchon; present were Chuckie Cheramie, Jimmy Lafont, Beau Martin, and Donald Vizier; no member was absent. The committee also met on April 12, 2004 at the Administration Building in Galliano; all members were present. The Commission then discussed items that were discussed at the committee meetings.

Chairman Cheramie presented to the board the improved range lights at Belle Pass. Commissioner Beau Martin reported to the board the range lights have been relocated, the colors have changed, and they have tripled the intensity. He also reported that the Coast Guard is asking for public comment for the next 30 days. President Vizier stated that it will be advertised in our local paper to request comments from the public.

Chairman Cheramie presented to the board the public notices received from Casio Oil & Gas, John Guidry, and Greater Lafourche Port Commission. There are no concerns with these permits therefore no action needs to be taken.

Construction & Development – Chairman Ervin Bruce reported that the committee met on March 24, 2004 at the Operations Building in Port Fourchon; Present were Larry Griffin, Donald Vizier, and Ervin Bruce. Wilbert Collins was absent. The Commission also met on April 12, 2004 at the Administration Building in Galliano; all members were present. The Commission then discussed items that were discussed at the committee meetings.

Chairman Bruce presented Change Order No. 1 for the N. Doucet Drive Extension. Director Breaux reported that this includes the increased quantities of adding 5th Street and the widening of N. Doucet Drive which totals \$120,843.38. Upon motion by Wilbert Collins, and second by Chuckie Cheramie, the Commission unanimously approved Change Order No. 1.

Chairman Bruce presented the Clear Lien Certificate for the new Administration Building for approval. Director Breaux reported that the retainage of \$58,000 will be paid and we are withholding \$24,000 until punch list items are completed. Upon motion by John Melancon, and second by Chuckie Cheramie, the Commission unanimously approved the Clear Lien Certificate and paying the retainage of \$58,000, but withholding the \$24,000 until completion of the punch list items.

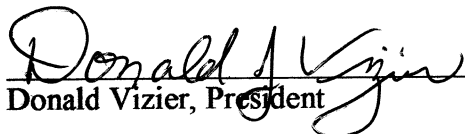
Finance – Chairman Johnny Melancon reported that the committee met on March 24, 2004 at the Operations Building in Port Fourchon. Present were Johnny Melancon, Larry Griffin, and Donald Vizier; Wilbert Collins was absent. The Committee also met on April 12, 2004 at the Administration Building in Galliano; all members were present. The Commission then discussed items that were discussed at the committee meetings.

Chairman John Melancon made a motion to approve the invoices for the month of March 2004, which was seconded by Ervin Bruce, and the floor was open for discussion. Commissioner Beau Martin disagreed with approving the Deramee, Allemand, Pitre and Richard's invoice until he could obtain a better understanding of items on the invoice. Commissioner Beau Martin made a motion to amend the approval of invoices by extracting Deramee, Allemand, Pitre & Richard's invoice until further clarification. This motion was seconded by John Melancon, and unanimously passed. Discussion followed regarding legal council's attendance at Commission meetings.

President Vizier called for public comment. Mr. Mike Lorraine had concerns regarding the lack of available dock space for fishing vessels at the public marinas in Fourchon. Discussion followed regarding the history of the public docks. Director Breaux reported that electricity and water were recently placed at the Nerby Collins Marina and it will be inspected for possible dredging. Mr. Lorraine also commented on the Havoline Canal not being marked adequately. It was reported that the Coast Guard and the Corps of Engineers are involved in marking the canal. Discussion followed regarding highway embankment stabilization projects and a few comments were heard from the audience regarding the range lights. Mr. Charpentier questioned the new procedures for discarding a vessel now that the Leeville graveyard is closed. Commissioner Melancon reported that the procedure consists of removing the vessels by barge, breaking the vessel, and putting it in containers to be sent to a proper dumping area.

Upon motion by Larry Griffin, second by Chuckie Cheramie, and unanimous approval, the meeting was adjourned.

ATTEST:


Donald Vizier, President


Harry Cheramie, Secretary