

West Calcasieu Port Board Meeting Minutes

January 8, 2013

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:05 p.m. on January 8, 2013, at the offices of West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Dave Aguillard led the invocation.

III. Pledge of Allegiance

Pledge led by Wilmer Dugas and recited by all board members and guests.

IV. Roll call

Secretary Tim Dougherty conducted a roll call. The following persons were present:

- ✓ Tim Dougherty
- ✓ Dave Aguillard
- ✓ Wilmer Dugas
- ✓ Dick Kennison

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Glen James, Darla Perry, Tommy Murphy, Mike Boies, Jody Lacombe, Ron Hayes, Michael McDougall, Scott Foreman and Sheila Burton)

V. Approval of minutes of the December 4, 2012 regular monthly meeting

President Dick Kennison entertains a motion to approve the minutes as printed and presented to the Board. Dave Aguillard makes a motion to approve the December 4, 2012 regular monthly meeting minutes, 2nd by Tim Dougherty. No opposition. Motion carries.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions, nor deletions to the proposed agenda.

VII. Discussion of leases – Glen James

Mr. James stated he has been working with Joey Devall on the contract for the lease extension for Devall Enterprises, and they have come up with an agreement to extend the lease to 2037. Mr. James explained how there is an existing lease on the port facility and a separate lease on the “warehouse.” Mr. James stated there will be a termination of the lease on the “warehouse,” extending the lease of the barge storage facility, and simultaneously there are negotiations for USES to lease the “warehouse” and Tresco to lease the 2 acres north of the “warehouse.” Mr. James explained how all of those contracts need to come together at the same time since it’s all a part of the lease extension for Devall (excluding Tresco). Wilmer Dugas asked how many years USES wants to lease the “warehouse.” Lynn Hohensee said USES indicated they would like 3 years.

Lynn said the Port has already moved forward with some commitment of investment by installing the 3 pilings and meeting with a contractor to get an estimate on the plumbing improvements to the “warehouse.” The Board asked questions and further discussed particulars for the leases. President Dick Kennison asked Mr. James if the Board needed to approve proceeding with lease negotiations. Mr. James said it is his understanding that a resolution is already in place for that.

Tim Dougherty makes a motion to accept the lease that has been negotiated between the Port and Devall Enterprises, 2nd by Wilmer Dugas. No opposition. Motion carries.

Glen further stated he sent a copy of the survey to Tresco for their approval. Lynn said he’s been speaking with a Tresco representative about the surveyed area. The Tresco rep said he would speak with his partners and get back with Lynn as soon as he could.

VIII. Committee Reports

There were no committee reports at this time.

IX. Port Director Report

[NOTE: The following report is a copy of the original sent out by Lynn Hohensee.]

Marketing/Business Development –

- Attended the International Workboat Show in New Orleans where the West Calcasieu Port was recognized for environmental stewardship in conjunction with its west barge basin expansion project. Talked several maritime companies that are becoming more interested in Southwest Louisiana for possible expansion.

- Participated in West Calcasieu Task Force meeting to discuss impact and needs associated with recently announced private investment growth in local business/industry.
- Lease agreement has been finalized with Tresco, which is partially owned by ChemStar, Houston, Texas. A plat survey of its proposed location at the port has provided to the company.
- Work continues on the development of a lease agreement extension for Devall Towing.
- A lease agreement with United States Environmental Services (USES), located in the Devall Warehouse, will be drawn up following the completion of the Devall lease agreement extension.
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Port Operations –

- Construction activities associated with the west barge basin expansion project are completed. Only vegetation planting in the newly created marshland is the only step that remains and will be addressed in the first quarter of 2013.
- The port has retained the services of Orion Marine Group to install pilings along the stressed bulkhead near the existing loading ramp.
- The port engineer is working with Devall Towing to identify a contractor for the installation of a new barge-loading ramp (est. \$450,000) to replace the old ramp.
- The port's bonding effort has moved forward with the assistance of Bonding Attorney Jay Delafield. Funding is needed to upgrade critical infrastructure at the port.
- The Calcasieu Parish Police Jury has given formal approval for funding support (\$248,700) for the construction of 700 feet of new roadway at the port to support a new barge-loading ramp.
- Orion Marine Group continues to make excellent progress on the waterfront upgrades (including bulkheading) along the GIWW at the port.
- Construction of the new security gate was completed in November. Following an orientation meeting with port tenants for the new security gate at the entrance to the port, the tenants have provided the names of respective employees to receive a keycard pass. Final preoperational steps have been accomplished and full operations of the new gate are expected this week. It includes a remote controlled gate opening/closing system that will be operated from the Devall Towing security tower as well as a keycard system. The gate will be closed from 6 p.m. to 6 a.m., as well as on weekends and holidays.
- Contractor Stormy Martin and his plumbing subcontractor met with the port director at the Devall Warehouse to review the work needed to add plumbing fixtures to the building. A proposal is expected in a few days.
- On Saturday, Jan. 5, electrical failure occurred with the operation of the port's loading ramp. Devall personnel contacted the port director, who gave the Devall representative permission to contact the Devall preferred electrical contractor to respond to the situation. The ramp was engaged with a barge and resting on the barge with the electrical failure occurred. ∴
- Design work continues for the installation of new port signage.
- In anticipation of assuming landlord oversight for the two Devall buildings, a meeting was held with a risk-management services company to discuss/review additional insurance requirements.

[NOTE: Lynn said he spoke with Chris Kelly at Meyer & Associates regarding the security gate. Chris told him there was a faulty part in the operating system. The contractor has a warranty item that should be at the Port within 2 or 3 days. Once that is fixed, the computers will be set up and cards will be given back to tenants, staff and Board Members. Lynn said he's looking into getting the entrance posts repainted in a high visibility color that will be viewable at night.

President Dick Kennison asked Lynn to introduce the guests in the room. Lynn first welcomed Scott Foreman and reported that Mr. Foreman will be the new Port Board Member once he is confirmed by the Police Jury. Lynn welcomed Mike Boies with River Barge Works. Mr. Boies introduced Tommy Murphy and Jody Lacombe with his company. Lynn thanked Mr. Boies for being a tenant of the Port. Lynn introduced Ron

Hayes. Mr. Hayes is in the insurance business, and Lynn explained the importance of the Board exploring some insurance issues and how to best provide coverage to the Port.

Darla Perry introduced Michael McDougall. Mr. McDougall is an interviewee from Dayton, Ohio. Darla stated the West Cal Airport Managing Board will be interviewing Mr. McDougall this evening for the position of Airport Manager.]

Professional Organizations & Networking –

6. The West Calcasieu Chamber of Commerce selected Scott Foreman as its nominee to the West Calcasieu Port Board of Commissioners at its December meeting. Foreman's appointment awaits formal approval of the Calcasieu Parish Police Jury which is on the agenda for Jan. 10.
7. The WCP director represented the port at:
 - a. Ports Assn. of La. Board meetings (December and January)
 - b. A meeting with Sen. Vitter representative
 - c. West Calcasieu Chamber of Commerce monthly meeting
 - d. PetroChem meeting
 - e. Workforce Investment Board – Exec. Committee meeting
 - f. BV board meeting

News Media & Community Relations–

- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

X. Announcements/Reports (Legal, Financial, Engineer)

LEGAL: There was no legal report.

FINANCIAL: Darla Perry reported the ramp lease for November was \$8,850. Since July 2012, the ramp revenue is \$28,400. Darla stated that is \$10,000 ahead of last year. Barge days for November were 2,962. Net cash flow was \$192,000 and expended amount was \$70,000.

ENGINEER: Chuck Stutes gave an update on the West Barge Basin expansion project. Chuck said a hydrographic survey was done by Morrison Survey the week before Christmas. They located areas where dredging was insufficient, so the crew is working on that now. The surveyors will come back out the end of this week to do a 2nd survey to verify the spots in question were fixed. Chuck said after the surveying is done, all that will be left to do is the planting that is planned in the spring of this year. Chuck said if the survey shows the required dredge depth has been met, he will be scheduling a substantial completion inspection and go through the formal process of closing the project out. Once the substantial completion form is filed at the courthouse, the Port can then release the area for use.

Chuck said he spoke with Orion representatives before Christmas, and their project is moving right along.

On the ramp project, Chuck said they are looking for vendors that design and furnish ramps. Chuck said in speaking with people in the industry, he is finding there are not a

lot of companies that do this kind of work. Chuck said he has located a company in Houston that has built several barge ramps, and he will be scheduling a meeting with all involved parties to move forward on the project.

XI. Public Comments

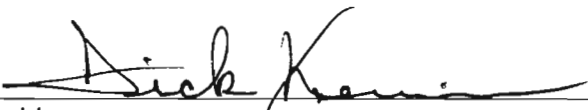
Mike Boies thanked the Board for their hospitality and gave the Board an update on their operations. Mr. Boies brought up the issue of the water usage doubling again and the ongoing investigation to find out where the problem lies. Darla suggested calling the Waterworks District to get a weekly reading. Mr. Boies reported on their revenues. The first 3 quarters were down, and the last quarter has been stable. Mr. Boies spoke about meetings he has set up with potential clients to bring more work into the Port. Mr. Boies said he realizes the River Barge Works lease will be coming up soon, and he is interested in extending the lease. President Dick Kennison asked Lynn and Darla to discuss it and make a recommendation to the Board.

President Dick Kennison asked Chuck Stutes to get a sympathy card on behalf of the Port and send it to David Morrison on the loss of his wife.

Tim Dougherty thanked all of the support staff for all of their hard work. Tim said he has seen a lot of progress over the years at the Port and appreciate everyone that has made it a success.

XII. Adjournment

President Dick Kennison entertains a motion to adjourn. Wilmer Dugas makes a motion to adjourn, 2nd by Dave Aguillard. Meeting was adjourned at approximately 3:49 p.m.



President



Secretary