

West Calcasieu Port Board Meeting Minutes

December 3, 2019

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:00 p.m. on December 3, 2019, at Southland Airport, 7000 Southland Field Road, Sulphur, Louisiana.

II. Invocation

Wilmer Dugas led the invocation.

III. Pledge of Allegiance

Pledge led by Scott Foreman and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Glen James, Chuck Stutes, Marion Aguillard, Steve Derouen, Donald Brinkman and Sheila Burton.)

V. Approval of minutes of the November 5, 2019 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the November 5, 2019 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the November 5, 2019 regular monthly meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

President Kennison requested adding to the agenda to accept Cameron Communications' offer of the Port's counter-proposal to pay a certain portion of the cost to relocate the fiber-optic cables. Cameron Communications has accepted the Port's counter-proposal today by letter.

Wilmer Dugas made a motion to add to the agenda to accept Cameron Communications' offer of the Port's counter-proposal to pay a certain portion of the cost to relocate the fiber-optic cables for the new entrance road, 2nd by Scott Foreman. No opposition. Motion carried.

VI(a). Accept Cameron Communications' offer of the Port's counter-proposal to pay a certain portion of the cost to relocate the fiber-optic cables for the new entrance road

President Kennison entertained a motion to accept Cameron Communications' offer of the Port's counter-proposal to pay a certain portion of the cost to relocate the fiber-optic cables for the new entrance road. Wilmer Dugas made a motion to accept Cameron Communications' offer of the Port's counter-proposal to pay a certain portion of the cost to relocate the fiber-optic cables for the new entrance road, 2nd by Scott Foreman. No opposition. Motion carried.

VII. Election of Officers Upcoming Year

President Kennison invited board members to make nominations for the upcoming year. Dave Aguillard made a motion to reappoint the current slate of officers to the board for the upcoming year, 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Discuss and take action: Resolution certifying compliance with the public bid laws for State Project #H.012471(322)

Chuck Stutes announced that a lot of progress has been made on this project since the last board meeting. Since the last meeting, Chuck informed the Board that they have drawn up the entire contract and sent it to the contractor; the contractor has put together all of the bonds, insurance and requirements of the contract, signed it and sent it back to Meyer & Associates. Chuck said the next step is to accept the resolution required by DOTD since DOTD Port Priority Program is funding a portion of the project. Chuck stated he has also brought copies of the contract that need to be executed in front of 2 witnesses after the resolution has been passed by the Board.

Chuck read the Resolution into the minutes as follows:

“Whereas, the West Calcasieu Port has solicited bids for State Project No. H.012471(322) in accordance with the current bid laws of the state of Louisiana, including, but not limited to R.S. 38:2211 et. seq.; and

“Whereas, the West Calcasieu Port has submitted to DOTD Certification of proof of publication, one (1) copy of the bid proposals and bid bonds as submitted by each of the three (3) lowest bidders, a legible copy of the bid tabulation of all bids received, and certified to be correct by the Engineer and an authorized official of the Sponsor, a copy of the engineer's recommendation, contract documents, Notice of Award of Contract, and a copy of the recordation data in the Clerk of Court's Office.

“NOW, THEREFORE, BE IT RESOLVED by the West Calcasieu Port, in Regular session, assembled on this 3rd day of December, 2019, does hereby certify that the bidding procedures comply with Louisiana Revised Statutes 38:2211, et. seq.”

Wilmer Dugas made a motion to accept the Resolution certifying compliance with the public bid laws for State Project #H.012471(322), 2nd by Tim Dougherty. No opposition. Motion carried.

IX. Discuss and take action on selection committee for outstanding RFQ’s for EDA project

President Kennison made a recommendation to appoint his self along with Darla Perry, Glen James and Lynn Hohensee to serve on the committee for outstanding RFQ’s for EDA project.

Wilmer Dugas made a motion to accept the recommendation made by President Kennison to appoint his self along with Darla Perry, Glen James and Lynn Hohensee to serve on the committee for outstanding RFQ’s for EDA project, 2nd by Scott Foreman. No opposition. Motion carried.

X. Committee Reports

President Kennison explained to the Board that the Port made a counter offer to Orion’s first offer, and now Orion has made a counter proposal today to the Port’s counter offer. President Kennison stated they would like to take the counter proposal under advisement and would like the Board to allow the Tenant Committee to meet and discuss the proposal and to either accept, reject or make another counter proposal offer to Orion. There was a brief discussion regarding Orion and their lease agreement.

Wilmer Dugas made a motion to allow the Tenant Committee to come to an agreement on a final counter proposal to Orion Marine, 2nd by Tim Dougherty. Tim Dougherty reminded the Board that Orion is not allowed to sub-lease. There was a brief discussion regarding Orion’s position on the lease and their options. Wilmer Dugas asked if Orion decided not to go along with the proposal, the Port can still bring in the new tenant, with Devall’s assistance, and Orion will still be obligated to pay their lease amount of \$10,000 per month? President Kennison answered yes, that’s right. There was no opposition on the motion. Motion carried.

XI. Port Director Report

Port Director Lynn Hohensee announced the Chamber Banquet next month is January 30th. The Port has a table. Lynn said he will be attending the Annual Work Boat International Trade Show and the PAL Board meeting, both in New Orleans this week. Lynn stated that CGBM will have a booth and has invited him to join them and others at a dinner function while there.

Lynn said he and Darla received word from Devall Enterprises that the Black Lake Fleeting has been bought by Kirby for \$5 million. Lynn said the Devalls are exploring

the opportunity to possibly partner with Kirby to take over and operate the fleeting service.

Lynn told the Board he has been in touch with the Chamber and Entergy, and all of the work for the certification of the port property is wrapping up. An announcement should be made regarding the certification the first of the year.

Tim Dougherty asked for an update on the pipeline for Stream Land Services. Lynn explained they are waiting on a final investment decision. Once that is made, they will begin dredging and movement of dredge spoils through piping that will come to the port, to a substation, and will be repumped out to beneficiary-used spoils and reception sites to the west of the port. Lynn said there is still very much interest from Stream Land Services and Great Lakes Dredging in using the port for the pump station and movement of the spoils.

Lynn said he just came from the Calcasieu River Waterway Harbor Safety quarterly meeting at the Port of Lake Charles. The river pilots reported they have moved 19 ships for Cameron LNG since the spring and expects to expand more the first of the year once Train #2 starts up. Lynn briefly talked about what was discussed at the meeting and said he is waiting to see what happens. Lynn did say he met with David Richard a couple of weeks ago, and they are very excited about the plans moving forward. Lynn said he would like to see Great Lakes Dredging lease the property that Orion has currently to use for their staging facility for the new pipe. Lynn feels it could easily be a 3-year lease for the port.

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

Marketing/Business Development/Retention –

- Nearly 100 attendees were hosted to the annual salute steak cookout to the West Calcasieu Port by Devall Enterprises. Much appreciation to the Devall Family for their gracious generosity.
- The port director is actively recruiting a replacement for Orion Marine re: leasing the property the Houston-based company has leased for more than 10 years.
- Average daily barge count for the month of October continues to remain in the high range we've enjoyed for the past 12 months 118-125, frequently exceeding 125.
- Negotiations on behalf of new tenant CGBM, a division of AccuTRANS, continue with a representative of Orion Marine, with the goal of obtaining Orion permission for the CGBM fuel barge to be berthed at the Orion's east slip. The Channelview, Texas-based company is working on obtaining federal permits to facilitate the dredging of the waterfront at the green house and along the port's waterfront. The project has received state approval. Until full federal permitting is obtained, the port will make alternative arrangements for the CGBM fuel barge.
- Port remains in contact with Stream Land Services. Stream is interested in establishing an auxiliary dredge spoil pump station on port land that will support the movement of spoils by pipeline from the proposed Driftwood LNG Export Terminal site to beneficial use spoil reception areas west of the port. SLS also is interested in leasing the yellow house near the shoreline. Tellurian also is interested in possibly establishing a staging site at the port for pipe during installation of the pipeline. Interest for the site of the pump station remains focused on a two port locations. The facility may need 3 Phase electricity support.
- The port director is coordinating with Devall Towing to create interest in the port facilities with ongoing communications efforts with select LNG export terminal projects.
- Port property certification work continues for a parcel of property at the port that will be supported by proposed new waterfront improvements. Site certification will enhance the marketing of the port property to prospective tenants.
- Arrangements were made with Atlantic Equipment for additional compensation to the port during the months that additional acreage is needed.

Port Operations –

- The port has submitted a grant application to the DOTD Port Priority Program for supplemental funding the EDA grant and for additional waterfront improvements. Much appreciation to the port engineer and port CPA for their diligent work in compiling the data and information needed in the application and in a very short time frame.
- McManus Construction of Lake Charles bid of \$1,590,233.60 was accepted and approved by the port board of commissioners for the construction of the port's new entrance roadway.
- Repair work has been completed on the north awning of the S.T.A.R. Concrete Pumping building.

Professional Organizations & Networking –

- In November, the WCP director (and/or board members) represented the port at:
 - a. PAL executive committee meeting and monthly meeting of the PAL board
 - b. Gulf Ports Assn. of America fall conference held in Lake Charles
 - c. West Calcasieu Chamber annual banquet
 - d. PetroChem regular meetings
 - e. BV board meeting and annual Thanksgiving dinner
 - f. Oschner-Christus community advisory panel quarterly meeting

News Media & Community Relations–

- A news release was issued to regional and trade new media re: the selection of a contractor for the port's new entrance road.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

President Kennison entertained a motion to accept the Port Director's Report as presented. Tim Dougherty made a motion to accept the Port Director's report as presented, 2nd by Wilmer Dugas. No opposition. Motion carried.

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

FINANCIAL (AUDIT REPORT): Steve Derouen briefly reviewed the Audit Report with the Board. Mr. Derouen told the Board that overall everything looked fine. Total current assets for 2019 were \$3,757,009 compared to \$3,408,510 in 2018. Mr. Derouen went over the Assets page of the report, giving explanations where needed. Mr. Derouen stated he did an accounting adjustment due to the fact that the prior auditors had quit recording several years ago the Port's equity interest in the Airport where the Port owns 50% share in the Airport. Mr. Derouen said the Port will not receive any money in cash; it just represents the Port's share in the joint venture. Total liabilities for 2019 were \$469,233 leaving a net position of \$18,190,344. Mr. Derouen further reviewed the Audit Report and the Statewide Agreed-Upon Procedures Report with the Board.

Mr. Derouen explained that the Louisiana Legislative Auditor now requires a written policy on disaster recovery/business continuity. Mr. Derouen said he spoke with Darla about this, and Darla said the Port has a backup plan but not a written policy regarding data backup. For this reason, there is an observation noted in the report that the Port does not have a disaster recover/business continuity policy but will adopt one to address this function. Darla further explained the Port has off-site backups and hard backups, but they want it in writing. Mr. Derouen stated he will submit the report to the State before the end of December.

President Kennison entertained a motion to accept the Auditor's Report as presented. Dave Aguillard made a motion to accept the Auditor's Report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

LEGAL: Glen James told the Board that he is still in communication with Genesis Marine over the ramp issue. Lynn asked Glen what he feels the next step ought to be. Glen stated they are not on a time crunch and feels they will eventually get things resolved. Lynn stated he is getting "feelers" that there will be a growing demand for ramp use after the first of the year. So, the Board will need to decide whether to do the repairs and sue Genesis for the money or wait for Genesis to do the repairs. Chuck Stutes recommended using the original company that built it (King) to do the repairs since they have knowledge of the ramp and the drawings. President Kennison stated that this could be a topic for the Tenant Committee when they meet next week.

ENGINEER: Chuck Stutes explained now that the Board has taken action today regarding the new entrance road, he will put a package together of all of the executed contracts and notice of award to send to the State. Once they give their blessing, Chuck said they can move forward with a preconstruction meeting and discuss when the project will actually begin.

Chuck said the Port Priority application was hand-delivered to DOTD on Monday, December 2nd. Chuck stated DOTD told Lynn Hohensee that they would help the Port fund the unfunded balance of the EDA project. Chuck said they had a telephone conference on how to do it because it is rare for this to happen. Lynn further explained the process.

FINANCIAL: Darla Perry reported the barge days are up almost 3,000 more than last year and there was a good cash flow for the month of October.

Tim Dougherty asked Chuck Stutes if they are still looking at maintenance permits for possible dredging. Chuck stated they have discussed it with David Devall, and it will need to be addressed in future years. Darla told the Board that Tubal-Cain was unable to get the barges in this morning. Chuck and Lynn explained that it is due to the winter north wind and low tide.

Tim Dougherty made a motion to accept the Legal, Engineer and Financial Reports as presented, 2nd by Scott Foreman. No opposition. Motion carried.

XIII. Public Comments


There were no public comments at this time.

XIV. Adjournment

President Kennison adjourned the meeting at approximately 3:46 p.m.



President



Secretary