

West Calcasieu Port Board Meeting Minutes

March 3, 2020

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 March 3, 2020, at 7000 Southland Field (Southland Airport), Sulphur, Louisiana.

II. Invocation

President Dick Kennison led the invocation.

III. Pledge of Allegiance

Pledge led by Joe Andrepont and recited by all board members and guests.

IV. Roll call

Sheila Burton conducted a roll call. The following persons were present:

- ✓ Dick Kennison
 - ✓ Wilmer Dugas
 - ✓ Buddy Reams
 - ✓ Scott Foreman
- (Tim Dougherty was absent.)

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Joe Andrepont and Sheila Burton.)

V. Approval of minutes of the February 4, 2020 regular monthly and February 18, 2020 special meeting

President Dick Kennison entertained a motion to approve the minutes of the February 4, 2020 regular monthly meeting and the February 18, 2020 special meeting. A motion was made by Wilmer Dugas to approve the minutes of the February 4, 2020 regular monthly meeting and the February 18, 2020 special meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions or deletions to the proposed agenda at this time.

VII. Discuss and take action on request for Port sponsorship for annual PAL conference

Port Director Lynn Hohensee told the Board the PAL conference will be held in Bossier City this year. The registration will be \$400. Lynn asked for the Board to approve the Port being a sponsor since he will become the president of PAL in July for the next 2 years. Sponsorship cost is \$600. Wilmer Dugas made a motion to approve the cost up to \$1,000 for the registration and sponsorship to PAL, 2nd by Scott Foreman. Buddy Reams asked what is the normal attendance for the PAL conference. Lynn answered around 250 to 300 people with a lot of legislation involvement like DOTD, LED and the Coast Guard. President Kennison told Mr. Reams that Lynn has made good contacts through PAL that have been very beneficial to the port. No opposition. Motion carried.

VIII. Discuss and approve expenditures for utility/telephone line construction required for new road

Chuck Stutes explained they have been in contact with all of the utility companies since September of last year when an official letter was sent out, along with a set of plans. Chuck stated they have also been in contact with them through phone calls and face-to-face meetings. Chuck said he and Lynn went to a Waterworks No. 9 meeting about a month ago in Carlyss. Arrangements have been negotiated with Cameron Communications, and the amount was reduced substantially. Chuck said they tried to negotiate with Waterworks No. 9, but they said they have the same policy for all customers and do not want to set a precedence of giving a discount to the port. Chuck explained there will be a fee of around \$1700 for the 2" meter, which is standard, that will be next to the green house. The fee will include installing the meter and boring under the road and tying it to the large water line on the north side of the road. Waterworks No. 9 will also be providing the labor for free.

Chuck reported 280 feet of water line that runs along Dock Board Road, just south of the current gates of the port, on the east side of the road, have to be relocated and lowered for the roadway installation. There are 2 parallel water lines there, 4" and 8". Chuck said the quote is for \$28,380 to relocate the lines, which includes lowering them to 7 feet below the existing surface of the roadway and below the ditches. Chuck gave a brief history on the 2 water lines. Darla told the Board that Devall paid for the 2nd water line. Chuck reiterated there are 2 charges from the water district: \$1761 for the 2" water meter and \$28,380 to lower the existing 4" and 8" lines.

Chuck stated Entergy had previously sent an invoice for \$22,256; and the invoice was protested as being excessive because there were issues with coordinating the work and lack of communication. Chuck said they installed a line without approval from anyone at the port. Entergy reviewed everything and lowered their invoice to \$12,232. Chuck said they do not have the new invoice yet, but Entergy has given it to him in writing that that is what the new amount will be. Chuck explained that the work will include relocating 2 power poles, raising power lines that are now too low for a roadway and removing some existing poles and power lines that are not in use. Chuck agrees that the \$12,000 amount is a reasonable price for the work. There was a brief discussion regarding the power lines and the water lines. Chuck calculated that the total cost should be approximately \$50,000 for all of the work done by the utility companies.

Wilmer Dugas made a motion to approve expenditures for utility/telephone line construction required for new road, 2nd by Scott Foreman. No opposition. Motion carried.

IX. Committee Reports

There were no Committee Reports given at this time.

X. Port Director Report

Port Director Lynn Hohensee announced that CGBM is now in place and operational. They are fueling about 3 customers per day currently. Lynn explained to Mr. Andrepont and Mr. Reams the lease agreement with Orion and showed them on a map the 2 barge slips that CGBM is currently using for fueling. Lynn also explained the lease with CGBM and showed where their offices are located at the port.

Lynn told the Board he and Chuck met with King Fabricators this morning regarding the barge loading ramp that was struck by a marine company from Houston back in June 2019. Lynn said they are still trying to work with the company from Houston to get the Port compensation for the damages to the ramp. Lynn and Chuck spoke with King Fabricators about doing some upgrades to the ramp that will keep it operational. Lynn gave a brief history about the barge ramp and its usage. Lynn said he feels the ramp could be a good revenue stream in the future with the new projects coming into the area.

Lynn briefly spoke about a possible opportunity where LNG tanks would come to the port to fill up barges and off-load them with water. Lynn stated that the Port would sell them water, which would be a great revenue stream for the Port. Mr. Andrepont asked where the Port receives its water supply. Lynn answered Carlyss Water District and briefly explained how the water usage is sold to the tenants.

Lynn said the Port has had very good media coverage regarding the 32 acres of certified site, and he feels this will be a great marketing tool for the Port.

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

Marketing/Business Development/Retention –

- CGBM has completed its move into the green house and the berthing of its fuel barge at the Orion Marine east slip. The company now has a two-person team on station that will operate the marine fueling operation. The berthing at the Orion slip is temporary until dredging of the GIWW in front of the green house is complete. At that time, the CGBM barge will be relocated to that location.
- The port continues to actively market the Orion lease property.
- Average daily barge count for the month of December continued to remain in the high range we've enjoyed for the past 12 months 118-125, frequently exceeding 125.
- 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 Operations –

- The Economic Development Administration approved the selection of an administrator firm and an engineering firm to support the construction of new bulkhead and heavy-duty crane pad. CSRS will serve as administrator, and Meyer & Associates will serve as project engineer.
- The USACE has permitted the dredging in front of the green house. CGBM, a division of AccuTRANS, will arrange for the dredging operation. The cost will be shared by the company and the port. Timing of the dredging is yet to be determined.
- McManus Construction of Lake Charles has starting construction of the port's new entrance roadway.
- The port director and port engineer attended the Carlyss Water District monthly board meeting to discuss possible cost-sharing approach to movement of water lines in advance of the new entrance road completion.
- Coordination of repairs to the barge loading ramp are ongoing. A King Fabrication team has visited the site and is preparing an estimate of repair or replacement cost.

Professional Organizations & Networking –

- In February, the WCP director (and/or board members) represented the port at:
 - a. PAL executive committee meeting and monthly meeting of the PAL board
 - b. West Cal Chamber monthly lunch meeting
 - c. Propeller Club lunch meeting
 - d. Chamber/SWLA Leadership Alumni reception
 - e. LCIA quarterly lunch meeting
 - f. West Cal Chamber business after hours
 - g. BV board meeting

News Media & Community Relations–

- Large amount of positive local, state and trade media coverage followed the SWLA Economic Development Alliance public announcement at the Intracoastal Park Pavilion that 32 acres of port property had been certified and deemed “shovel ready” for development. Funding for the certification was provided by LED (75 percent) and a 25-percent match by the port.
- Local media coverage followed the WCP's news release that announced Buddy Reams as a new WCP commissioner replacing Dave Aguilard.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

A motion was made by Wilmer Dugas to approve the Port Director's Report as presented, 2nd by Scott Foreman. No opposition. Motion carried.

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

ENGINEER: Chuck Stutes reported the contractor on the access road (McManus Construction) is making good progress. Chuck said they've been clearing trees as they go along, and they have 700 feet of road bed built. Considering all of the rain and the bad weather, Chuck said he feels they are making good progress. Chuck told the Board they submitted their first contractor pay estimate about a month ago, and they should be receiving a second one within a few days. Chuck said he has visited the site a couple times this week. There are several drainage pipes that have been installed by the driveway into the green house, and the Drainage District is cleaning out a ditch in the area. There was a brief discussion regarding the drainage issue.

Chuck told the Board when he and Lynn met with King Fabricators earlier today, they asked them to separate their estimate into 2 parts: repairs necessary due to the collision and suggested repairs for improvements and general maintenance. Chuck stated David

Devall requested one improvement of having the ramp in a parking position to hold it up higher out of the water to decrease the possibility of barges hitting the ramp in the future.

Wilmer Dugas made a motion to accept the Engineer's Report as presented, 2nd by Scott Foreman. No opposition. Motion carried.

FINANCIAL: Darla Perry reported on the cash flow for January 2020. Darla reminded the Board that she has copies of all of the financials and statements with her if anyone would like to review them at any time. Darla explained to Mr. Andrepont and Mr. Reams how the fleeting days worked and how fleeting days are charged. Deposits totaled \$112,354.36. Darla briefly reviewed the disbursements with the Board. Disbursements for January 2020 were \$39,340.57, leaving a net profit of \$73,013.79.

Mr. Andrepont asked if the water is included in the utilities expense. Darla answered yes, it includes water and electrical. Mr. Andrepont asked how many gallons of water does the Port disburse per month. Lynn explained it depends on the tenant and their needs for the month. Darla further explained most tenants are under 10,000; but River Barge Works could be up to 40,000 to 50,000 per month.

Barge days for the month of January were 3772. So far, this fiscal year, barge days total 28,399. Darla reported that is 3,140 more barge days than this time last year. There was a brief discussion regarding comparing barge days from years past.

Darla announced that they had their kickoff conference with EDA regarding the \$4.2 million grant. Those in attendance for the conference call were Darla, Port Director Lynn Hohensee, Chuck Stutes, Cory Dunn and Donald Brinkman. Darla said there is a lot of work to be done on the project. President Kennison briefly explained the issues with IMCAL the Port had to overcome regarding the grant. Mr. Andrepont told the Board that if there is anything the Police Jury can do to help with the situation, shoot him an email; and he will do what he can to help. There was a brief discussion regarding IMCAL.

Darla told the Board the security gate is broken again. She has received 2 quotes: Nash Fence Company, \$1280 for a wireless key pad using WiFi; a cellular receptor would be \$4,300. Darla stated since they will be putting in a new gate with the new road, she hates to spend a lot of money on repairing the old gate; but it needs to be repaired. There was a brief discussion regarding the gate repair.

Mr. Andrepont told the Board he needs to leave for another meeting; but if there is anything the Police Jury can do to help the Port, they are there to help.

There was continued discussion regarding the gate repair. Chuck Stutes said he wouldn't recommend WiFi for the Port. Wilmer Dugas made a motion to accept the quote of \$4,300 for the cellular receptor, 2nd by Scott Foreman. No opposition. Motion carried.

Wilmer Dugas made a motion to accept the Financial Report as presented, 2nd by Buddy Reams. No opposition. Motion carried.

President Dick Kennison told the Board he doesn't know what the outcome will be regarding the LNG barges filling up with approximately 30 million gallons of water at the port; but he feels it would be a great help in paying for the gate issues and installing the new water lines.

Buddy Reams asked if the additional repairs and expenses that were approved will greatly affect the cash flow of the Port. Port Director Lynn Hohensee answered no. President Kennison explained it is the cost of doing business. Darla explained the Port has a separate maintenance fund that is set aside for unusual repairs.

LEGAL: There was no legal report given at this time.

XII. Public Comments

There were no public comments made at this time.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:49 p.m.


President


Secretary