

# ***West Calcasieu Port Board Meeting Minutes***

May 13, 2014

## **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 May 13, 2014, at the offices West Calcasieu Port, 311 Gross 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**

President Dick Kennison conducted a roll call. The following persons were present:

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

Board Member Tim Dougherty was absent from the meeting.

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Glen James, Darla Perry, Francis Andrepont, David Tauber, Alfred Devall, Brooke David representing Senator David Vitter's office and Sheila Burton.)

## **V. Approval of minutes of the April 1, 2014 regular monthly meeting**

President Dick Kennison entertained a motion to approve the minutes of the April 1, 2014 regular monthly meeting. Wilmer Dugas made a motion to approve the minutes of the April 1, 2014 regular monthly meeting, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carries.

**VI. Amendments, additions and deletions to the proposed agenda**

Chuck Stutes requested to add 2 items to the proposed agenda. The first item is a consideration and approval of the change order for the new roadway project. The second item is substantial completion of the new roadway project.

President Dick Kennison entertained a motion to add the 2 items requested by Chuck Stutes to the proposed agenda. Board agreed by stating “Aye” with no opposition.

**VII. Discuss and take action on approval of Orion Marine Group Lease Addendum/Extension**

Port Director Lynn Hohensee reminded the Board of the discussion last month about the necessary changes to the lease document. Lynn said he knows Glen James made all of the changes to the lease document and presented them via email to Bill Boyer, and Bill Boyer was supposed to present them to the Orion Marine Group management team. Lynn said before an Orion Marine Group representative can sign off on the document, they have to get their management team and legal counsel to review it. Lynn said he was hoping all parties would be at the meeting to sign all documents, but it doesn't look like that will happen. Lynn suggested waiting on Glen James to arrive at the meeting to give more details. The Board agreed to put the matter aside for it to be addressed by Glen James.

**VIII. Discuss and take action on proposed lease with Tauber Oil**

Port Director Lynn Hohensee explained that Tauber Oil would like to use a barge slip at a rate of \$2,000 per month for the first 6 months to get a feel for the market in the area. If they feel the market is justified for them to continue operations, they will enter into a longer lease. Lynn said the Port will still need to enter into a 6-month short-term lease agreement with Tauber for the barge slip at \$2,000 per month, and they will work in a through-put arrangement and other considerations. Lynn stated that as of right now, there is only one company doing fueling in the marine community; and there has been a lot of encouragement for Tauber Oil to come in and provide an alternative supply of marine fuel. President Dick Kennison said it sounded like a fair agreement to ask for a 6-month trial lease because they will be making a huge investment getting a barge load of fuel here. Then if it works out, Dick said the Port can look at a longer term situation. Lynn said they will work with Glen James to get a short-term lease together and make sure the company is bonded and they have all of the appropriate environmental/safety/security documents in place. Lynn said they will be located on the west side of the new barge loading ramp, and they will be located within the security TWIC area that's supported by Devall Leasing right now.

Wilmer Dugas made a motion to accept the recommendation of the Port Director by entering into a short-term 6-month lease agreement with Tauber Oil for a barge slip at \$2,000 per month, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carries.

**IX. Discuss and take action on joining Port of New Orleans amicus brief for ad valorem tax issue on port owned property**

Lynn Hohensee explained that he provided a letter of support to the Port of New Orleans on behalf of the West Cal Port for ad valorem tax issues on port-owned property. Dick Kennison said that since the letter has already been sent, he will ask the Board to ratify their decision by the Port Director and Port President in doing so. Board agreed by stating “Aye” with no opposition.

*{NOTE: At this time, David Tauber and Alfred Devall enter the board meeting.}*

President Dick Kennison welcomed David Tauber and Alfred Devall to the meeting and explained that the Board just finished taking action on accepting Tauber Oil’s proposal. Lynn further explained the agreement by the board for the short-term lease. Mr. Tauber stated his approval of the agreement.

**X. Discuss and take action on DEQ Beneficial Environmental Project – Hatch proposal**

Lynn Hohensee explained how the Port of Lake Charles has an opportunity to get beneficial environmental funding through DEQ. Lynn explained how the DEQ funding works. Lynn said the funding will help the Port of Lake Charles recapture marsh lands. Lynn said a letter of support from West Cal Port will go a long way, along with other public entity support in the region. Dick Kennison explained that the letter of support has already been sent and asks the Board to ratify their decision on what has already taken place. Dick explained the urgency in sending the letter and how he felt it was in the best interest of West Cal Port to show support for their sister port in Lake Charles. Wilmer Dugas made a motion to ratify the decision on sending the letter, 2<sup>nd</sup> by Dave Aguilard. No opposition. Motion carries.

**XI. Committee Reports**

Lynn gave an update on the Tenant Committee. Lynn stated USES is in the process of getting corporate funding support; and Lynn, along with Glen James, provided signatures on a document that helps them get their support.

Lynn asked permission of the Board to host an appreciation dinner within the next couple months for Devall Towing management team to thank them for their support in promoting the growth of the Port and their generous donation and help on the new loading ramp. Lynn said it will be an evening dinner at a West Cal area restaurant. Lynn said at a later date he would also like to do the same for the Orion Marine Group local management team for their newly extended 5-year lease along with the infrastructure improvements they have brought to the Port.

Lynn told the Board that he and Dick Kennison received some information this week regarding a possible buyer of the 6.95 acres of the Sonnier property that borders the eastern side of the Port property. Lynn said there is interest by this party to purchase the land and possibly at some point lease or sell it to the Port. Lynn said they are in preliminary discussions right now, and there will be more meetings by the Tenant Committee to explore this further to see what would be in the best interest of the Port.

## **XII. Port Director Report**

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

### **Marketing/Business Development –**

- The West Calcasieu Port has formally requested funding through an economic development grant from the Calcasieu Parish Police Jury, which will cover the final steps in completing the work associated with the port's new barge loading ramp.
- Progress continues in bringing a fueling operation to the West Calcasieu Port, thanks to close coordination with Devall Towing and the USCG.
- Tentative agreement has been reached between the port's tenant committee and Orion Marine Group re: the five-year extension of the existing lease agreement. The port board will receive a recommendation from the tenant committee.
- The port continues to actively market the Devall Diesel Building to local prospects..
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.

### **Port Operations –**

- Construction/installation of the new barge-loading ramp funded by a grant from Devall Towing basically is complete. Support soil/concrete and electrical work remain to be completed. A third monopile is planned for the west side of the ramp loading area in the basin to accommodate more safe use of the ramp and to meet the need for a new port tenant.
- Progress is being made on the road construction work for the 700-foot of hard-surface roadway to the new barge loading ramp following weeks of inclement weather conditions. The project deadline of the end of March is extended due to the weather-related delay of work.
- Issues are being addressed to assure that U.S. Fence/Gate honor its obligation for post-installation service for the port's main security gate. Electrical outages which caused problems with the backup battery system have been corrected. Issues with the card readers are being addressed.

### **Professional Organizations & Networking –**

- The WCP director represented the port at:
  - a. Ports Association of Louisiana monthly board meeting
  - b. Inland Waterway Conference
  - c. Calcasieu River Waterway Harbor Safety Committee meeting and CRWHSC navigation committee meetings
  - d. Chamber/SWLA Gov't Affairs/Infrastructure committee
  - e. West Cal Chamber/Commerce monthly meeting
  - f. WCCC economic development committee meeting
  - g. USCG SETX/SWLA meeting
  - h. 2 Parish public hearings re: sewer tax

- i. Propeller Club meeting
- j. PetroChem meeting
- k. Boys Village board meeting

- Port purchased table at annual Chamber/SWLA banquet.

#### **News Media & Community Relations–**

- Site Selection Magazine featured an article/photos based on the economic growth in SWLA, including positive mention of the West Calcasieu Port.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

*{NOTE: Lynn expressed his gratitude to Francis Andrepont and the Police Jury in the assistance of getting \$102,000 in funding support from economic development funds that has allowed the Port to do finishing touches on barge loading ramp, the roadway project, electrical support for lighting and the third monopile.*

*Chuck Stutes asked about the old barge ramp. Lynn stated it has been given to Devall Towing, and it is his understanding it will be scrapped.}*

### **XIII. Announcements/Reports (Legal, Financial, Engineer)**

**FINANCIAL:** Darla Perry gave the financial report. Barge days are still doing very well, still ahead of last year. Last year at this time there were 24,493; and thus far this fiscal year it is 28,864 barge days. March barge days were 3,429. Ramp revenue year to date is \$38,800. Last year at this time it was \$55,300. Darla said she expects the fees to go up once the new ramp is in use. Regarding the cash flow for March, Darla told the Board they paid the annual note on the revenue bonding for the infrastructure. Darla said she funds that note every month where the money sits in the account ready to pay for the annual note. In addition, money was disbursed for the monopile repairs in the amount of \$19,883; and then \$11,106.41 went out for the ramp road project. Darla said she believes everyone has their reports filed for the Ethics Board. Darla stated she would like to get some quotes on getting a security camera on the guard shack to see the new ramp. Darla said she does not think you will be able to see the new ramp from the current camera. Lynn said they will need to look into getting a new camera system that the Coast Guard would be able to access.

President Dick Kennison entertained a motion to accept the financial report as presented to the Board. Wilmer Dugas made a motion to accept the financial report as presented to the Board, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carries.

**ENGINEER:** Chuck reported the roadway project was completed last week. The inspection was held at 2:00 p.m. today to go over a minor punch list. Chuck said they will be adding some more limestone on the shoulders of the road to help with the truck load. Lynn asked if that will require a work order change. Chuck responded no, that it is a unit cost in the original construction item. Chuck also noted that construction was well under the estimated cost, so they will be coming in under the contract amount. Chuck commended the job of the asphalt company REI. Chuck said he was very pleased with the outcome.

Chuck said the ramp itself still has some work left to be done. The operations and maintenance manual still needs to be delivered. Another training session will need to be done once the manual is delivered. Chuck said the work lights are being installed today. Lynn Hohensee asked about the electrical line over the roadway. Chuck said they measured the line; and it is 15 feet above the pavement, which is 1 ½ feet more than Federal Interstate System. Chuck said if the lines need to be raised, they can pay Entergy a fee to come out and raise the lines. Alfred Devall stated that the way the ramp is being used presently, the lines should be fine. If down the line this needs to be changed, Entergy will be contacted.

Chuck recommended to Alfred Devall to wait a few months on the removal of the existing ramp until Devall Towing is 100% satisfied with the new ramp to make sure there are no issues or problems. Once they are satisfied, the ramp can be taken away.

Chuck stated that Arabie Environmental is working on the permitting of the East Barge Basin for maintenance dredging. The Corps of Engineers has decided they want to do a public notice. So Chuck said it will be about 2 months before that is done. Another permit Arabie Environmental is working on is to fill in the ditch with culverts. Chuck said the Corps of Engineers is short-handed, so things are moving slowly.

Regarding the bulkheading on the south and west sides of the office building, boring work should start on that shortly, and then they can complete the pile engineering. There was further discussion about the funding of the project.

Chuck said that he and Glen James need to get together to discuss the gate issues. The computer for the gate has been damaged, and it no longer works. All of the operational manuals and other equipment were found. Chuck suggested Lynn Hohensee should be the keeper of the computer.

Lynn Hohensee reminded the Board that it has been 5 years since maintenance dredging has been done. He has received comments back from Devall Towing people that it is getting difficult to get barges up to revetment even on high tides. Sediment is constantly coming into the barge basin. Lynn said that he, Darla and Chuck may need to start working with DOTD to put into place a request for funding for more maintenance dredging. The Board agreed.

*{NOTE: Glen James enters the board meeting.}*

**LEGAL:** Glen James addressed Item VII of the agenda regarding the Orion Marine Group lease addendum/extension. Glen said they asked for the lease to be made with F. Miller Construction, LLC. Robert W. Lewis, Senior Vice President/Assistant Secretary will sign the lease for F. Miller Construction, LLC, according to their instructions. Glen said he has the addendum prepared with their recommended changes. President Dick Kennison asked Glen if it was his recommendation that we take action on the lease today. Glen said the Board can approve it today and signing can be done later. Glen stated the addendum extends the lease to August 31, 2019, with the option to renew the lease for 5 additional successive terms of 1 year each provided Lessee gives Lessor written notice by certified mail of its intention to renew at least 90 days prior to the expiration of the primary term or each renewal term as may be applicable of the lease. If Lessee timely

exercises any option to renew this lease, then this lease shall continue upon the same terms and provisions contained in the lease or as modified herein. The rent, Lessee shall pay to Lessor in the amount of \$10,000 per month for the remaining primary term and during any renewal periods of the lease. All rental payments should be made in advance of the first day of each month.

Glen stated the Article X assignment was amended to say that Lessee shall have the right to sublease or sign any portion of the leased premises to an affiliate of Lessee without the consent of Lessor. Furthermore, Lessee shall have the right to sublease or sign all or a portion of the leased premises to a third party with Lessor's consent, which consent shall not be unreasonably withheld.

President Dick Kennison asks Glen James if he recommends the Board accept the addendum of the lease. Glen says he does. Wilmer Dugas made a motion to accept the recommendation of counsel to approve the F. Miller Construction, LLC, lease addendum/extension, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carries.

#### **XIV. Public Comments**

President Dick Kennison thanked Francis Andrepont for all of his support. Francis Andrepont thanked the Board for writing the letter of appreciation to the Police Jury for the funding the Port received. Francis reiterated that anytime the Port needs support for any future projects, he is available to help in any way he can.

Chuck Stutes reminded President Dick Kennison of the 2 items added to the addendum. Chuck stated there are a couple of items that may require a change order for the new roadway project. Item 1 involves a casing being installed by the contractor under the roadway so tenants can run a water line in the future under the road. Cost would be \$1120. Item 3 is a 2" water line that was unearthed while digging the ditches for the new roadway needs to be lowered so they are under the ditch and they don't go through the ditch. Cost will be \$1496.80. Chuck said he and Lynn discussed the idea of installing a steel gate on the ramp and putting delineators on it so that any vehicles won't have any accidents. Chuck said they can construct the gates where they will have a lock on them so that no one can use the ramp without authorization. Chuck said that the Devalls and Lynn would probably be the ones with a key to the lock. Chuck stated the items on the change order totaling \$4,891.80 need the Board's approval. Dave Aguillard made a motion to approve the items on the change order totaling \$4,891.80; 2<sup>nd</sup> by Wilmer Dugas. No opposition. Motion carries.

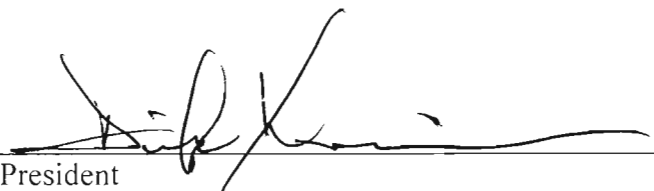
Chuck said there is one other item on the change order not listed. The asphalt that was removed from the area of the construction project on the roadway was placed at the back of the property. Chuck said if they want the asphalt removed, they can add some money to the change order and get that done. Chuck recommended removing the asphalt from the Port. President Dick Kennison asked how much asphalt was there, and Chuck said it was approximately 15 truckloads. There was further discussion about the asphalt. Lynn also suggested removing the asphalt from the Port property. Wilmer Dugas made a motion to remove the asphalt from the Port property at a cost not to exceed \$2,000; 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carries.

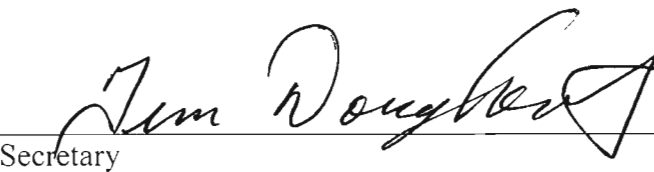
With regards to the next item, the substantial completion of the new roadway project, Chuck said he recommends to the Board that they accept the new roadway project as substantially complete, and then the paperwork will be drawn up at his office to be properly executed. Wilmer Dugas made a motion to accept the new roadway project as substantially complete, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carries.

Brooke David announced that the Water Bill has passed the Senate and is being finalized. Brooke went over a few items that are in the Bill and how they will affect Louisiana.

**XV. Adjournment**

President Dick Kennison adjourned the meeting at approximately 3:54 p.m.

  
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President

  
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Secretary