

## West Calcasieu Port Board Meeting Minutes

May 5, 2020

### **I. Call to order**

In accordance with JBE 2020-30, the West Calcasieu Port's meeting was held at 7000 Southland Field (Southland Airport), Sulphur, Louisiana, via video/telephone conference and in a manner that will allow for observation and input by members of the public, as set forth in the notice posted on May 1, 2020. All other Open Meetings Law requirements have been met.

President Dick Kennison, called to order the regular meeting of the West Calcasieu Port at approximately 3:01 p.m. on May 5, 2020,

### **II. Invocation**

Invocation was suspended at this time.

### **III. Pledge of Allegiance**

Pledge of Allegiance was suspended at this time.

### **IV. Roll call**

Tim Dougherty conducted a roll call. The following persons were present either via conference call or in person at 7000 Southland Field (Southland Airport), Sulphur, Louisiana:

- ✓ Dick Kennison (via video conference)
- ✓ Wilmer Dugas
- ✓ Buddy Reams (via video conference)
- ✓ Scott Foreman (via video conference)
- ✓ Tim Dougherty (via telephone conference)

(Others also present at the meeting via video conference were: Lynn Hohensee, David Devall)

(Also present via telephone conference: Glen James)

(Also present in person at 7000 Southland Field (Southland Airport): Darla Perry, Chuck Stutes and Sheila Burton.)

**V. Approval of minutes of the March 3, 2020 regular monthly**

President Dick Kennison entertained a motion to approve the minutes of the March 3, 2020 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the March 3, 2020 regular monthly meeting, 2<sup>nd</sup> 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 any lease/amendments for Mike Hooks, Orion and General Equipment**

Port Director Lynn Hohensee explained that there is no need for a lease amendment for General Equipment and Orion at this time since they worked out a document that the Port signed off on that outlines liability during the time period that General Equipment's materials are on the Orion leased property, which will be another 40-45 days.

Lynn stated he will turn the Mike Hooks issue back over to the Board for ratification. Lynn explained that Mike Hooks is leasing the space for 6 months, possibly longer, where the Alabama company was parking the cars on the gravel road west towards the spoils reception area.

Attorney Glen James told the Board the lease has been prepared and executed by Mike Hooks, LLC, and Dick Kennison on behalf of the Port and needs to be ratified for a 6-month lease at \$1750 per month. If the lease runs longer than 6 months, it will go to a month-to-month lease. Tim Dougherty made a motion to ratify the Mike Hooks lease for 6 months at \$1750 per month, 2<sup>nd</sup> by Wilmer Dugas. No opposition. Motion carried.

**VIII. Discuss and ratify action taken on LA Storage LLC survey permit**

Attorney Glen James told the Board that the Port is permitting LA Storage, LLC to do a survey with the expectation there may be a lease or easement in the future. Port Director Lynn Hohensee explained they are doing a survey on the far west side of the port property in an area not being utilized at this time. Mr. James stated permission to do the survey will make LA Storage, LLC responsible for any possible damages.

President Dick Kennison entertained a motion to ratify permitting LA Storage, LLC to do a survey on the port property. Wilmer Dugas made a motion to ratify permitting LA Storage, LLC to do a survey on the port property, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

**IX. Review and approve Proposed Budget FYE 6/30/21, amend Budget FYE 6/30/20**

Darla Perry explained the proposed budget for the coming year shows the Port will be operating on approximately \$295,000 worth of expenditures; \$504,000 worth of depreciation. Darla says she projects the income to be approximately \$1,086,000 (sic) leaving a net income of \$286,000 (sic). Darla told the Board there will be changes necessary to amend the budget since there was some recent activity concerning the S.T.A.R. lease and the CGBM lease. Darla stated that will be discussed at a later date, but she would like to have the proposed budget passed for July 2020 through 6/30/21.

Darla reported the amended budget fell a little bit over 5% on some of the expenditures due to engineering items that were not on a specific grant project, ramp, dredging, lease areas that needed to be re-surveyed, professional fees for shovel-ready site, extra licenses, depreciation when auditor updated the schedule after original proposed budget.

Darla requested making 2 separate motions: to pass the proposed budget for FYE 6/30/21 and to accept the amended budget for current FYE 6/30/20. Wilmer Dugas made a motion to accept the amended budget FYE 6/30/20, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

Wilmer Dugas made a motion to pass the proposed budget for FYE 6/30/21, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

**X. Ratify current port policies and adopt policies for data recovery procedures and harassment**

Darla explained to the Board that the Legislative Auditor requires that the Port policies in certain categories for accounting be reviewed by the Board, and they were sent out last week. Darla stated most of the policies are the same as prior years with two new policies being data recovery and harassment policy.

Darla explained the data recovery consists of digital data that includes accounting and financial data. Darla told the Board the Port had policies in place, but they were not written. Darla stated the files are backed up daily through iCloud/iDrive and then backed up weekly on an external hard drive that is put in a safe.

Tim Dougherty made a motion to ratify current port policies and adopt policies for data recovery procedures and harassment, 2<sup>nd</sup> by Wilmer Dugas. No opposition. Motion carried.

**XI. Committee Reports**

There were no Committee Reports given at this time.

## **XII. Port Director Report**

Port Director Lynn Hohensee told the Board he has been in touch with all of the Port tenants that have ongoing operations, and all of them are operating under the confines of social distancing and good safety practices. Lynn stated he has not heard any negative feedback from any of the tenants at this point.

Lynn announced that S.T.A.R. Concrete Pumping notified him they will be leaving the port as a tenant effective the end of May. Lynn said he will begin marketing the S.T.A.R. building to prospective tenants even though this is a tough time for the industry and businesses in our area.

Lynn discussed the topic of dirt coming in across the Intracoastal and causing issues at the port. Lynn said he is working with the Corps to help them understand the issues tenants are having, dealing with silting along the waterfront. Lynn told the Board he is working with VLS, formerly Tubal Cain, to see if bucket dredging can be done since there are 2 more years left on the Corps permit. VLS has been complaining about the dirt and is requesting the Port go in 50/50 to pay for any cleanup of the waterway in their slip area. Lynn said he is working with Randy Cooper to get it resolved. Lynn stated he feels it might possibly be the responsibility of the Port to pick up the cost. Lynn told the Board no action needs to be taken at this time.

Lynn announced to the Board the Coast Guard shut down CGBM since they did not comply with making a security plan when they brought the fuel barge to the port. Lynn said the plan is for CGBM to fleet the fuel barge at Devall's where it will remain until they get it moved to the green house. Lynn briefly reviewed the plans for dredging in front of the new bulkhead area all the way east of the property line, including the waterfront by the green house. Lynn told the Board he was informed by the attorney and a member of CGBM's management team that they will not participate in the 50/50 bucket dredging as previously discussed. Lynn stated they will need to wait until the final dredging is completed that's associated with the State grant.

Lynn told the Board he met with the Coast Guard at the port last week. The issues they had with CGBM's fuel barge was some of the piping on the barge, the barge was not staffed 24/7, there was no decking on the ground side where the barge was located, nor did they have a security plan filed with the Coast Guard. Lynn stated, despite all of this, they received the current lease payment from CGBM for nearly \$9500 and then he heard from CGBM's attorney and they would like to reduce the lease payment to \$2500 per month. Lynn said he spoke with Darla and Dick, and he would like to suggest to the Board that CGBM's lease amount be dropped to \$7,000 per month until the barge is back in place.

Lynn explained the regular amount of the lease is \$9500. However, he would recommend dropping the \$500 per month for the Orion slip and the 200 linear feet of waterway in front of the green house that is \$2,000 per month, which would give them a reduction of \$2500 per month on their lease until they become operational. President Dick Kennison asked Lynn if he read CGBM's email correctly where they were requesting to only pay \$2500 per month. Lynn told him he read the email correctly. Lynn said he feels if they are going to continue leasing the 2 acres of land along with the green house, the Board, as stewards of a public entity, should not allow them to use that property at no cost. President Kennison agreed. Lynn stated he thinks it is fair on the

Port's part and in good faith to counter-offer \$7000 per month if he has the permission of the Board to do so.

President Kennison stated he feels he needs to ask for a motion from the Board to approve moving CGBM's lease agreement from \$9500 per month to \$7000 per month up to the point they become fully operational at the port. President Kennison also asked that it be noted in the minutes that part and parcel of the issue is not what the Port is or is not doing; it's what CGBM failed to do.

Lynn made 2 requests of President Kennison: Once CGBM resumes their regular payment, he would suggest taking off the \$500 for the Orion slip, which would reduce their monthly payment to \$9000. Second item is an amendment needs to be made to the agenda to approve moving CGBM's lease agreement. President Kennison asked Attorney Glen James if an amendment can now be made to the agenda. Mr. James said yes, an amendment can be made to the agenda at this time.

President Kennison entertained a motion to amend the agenda to add the CGBM item to the agenda. Tim Dougherty made a motion to amend the agenda to add the CGBM item to the agenda, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

President Kennison entertained a motion to approve moving CGBM's lease agreement from \$9500 per month to \$7000 per month up to the point they become fully operational at the green house barge. Tim Dougherty made a motion to approve moving CGBM's lease agreement from \$9500 per month to \$7000 per month up to the point they become fully operational at the green house barge, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

Lynn reported that starting April 27, 2020, General Equipment requested an additional 2 acres, which will give them a total of 4 acres at \$1750 (per acre) per month. The first 2 acres are on a one-year lease. The additional 2 acres are on a month-to-month lease.

Lynn stated a right-of-way needs to be established once construction starts on the bulkheading to be able to get construction equipment into the area. Lynn suggested possibly doing a spur road off of the new entrance road directly into the bulkhead area.

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

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

- During the month of April and the COVID-19 pandemic, West Calcasieu Port tenants have continued with their respective operations with a priority for health/safety. Transportation-related business operations are exempt from state work closures.
- S.T.A.R. Concrete Pumping has given notice that the company will be terminating its lease at the West Cal Port effective the end of May. The port has begun to market the property previously leased by S.T.A.R.
- Devall Fleeting operations have recorded record-high or near record-high daily fleeting numbers (as high as 148) in April. USACE repair work at the Calcasieu Locks has had an impact on the rising number of barges fleeted, as has the higher-than-normal number of large 30,000-barrel barges loaded with crude oil.
- General Equipment (South Carolina) has leased two additional acres of the former CEMEX lease area on a month-to-month basis, which follows GE's lease of an original two acres earlier this spring for a year. GE is relocating materials from a portion of the Orion lease area to the newly leased area.

- Atlantic Equipment continues to relocate scaffolding and support materials from the acre that it has leased east of the port entrance road to within its two-acre fenced leased area. AE also has been requested to inform the port if it will accept a one-year option extension of its lease agreement with the port.
- CGBM discontinued temporarily marine fueling service to clients on the GIWW, until they can address all USCG issues and incorporate USCG operational recommendations. CGBM indicated that the operations won't reopen where the fuel barge is currently moored across the old Orion Marine east slip. But they will reopen once the fuel barge is moored on the green house waterfront following necessary dredging. The company's two-person team on station continues to occupy the green house. A USACE permit has been received for the dredging.
- The port continues to actively market the Orion lease property. The port also is assisting Orion in marketing three industrial cranes located on their lease.
- 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 two port locations.
- Entergy has contacted the port to offer a digital communications effort to assist the port with marketing activity. A presentation on the offering is tentatively planned for an upcoming WCP board meeting.
- The port director participated in a series of tele-meetings and webinars designed to share information re: state and national maritime issues during the current COVID-19 pandemic.

#### **Port Operations –**

- The port staff (led by our CPA) continues to work with the Economic Development Administration and the EDA project administrator firm and an engineering firm to facilitate project development for the construction of new bulkhead and heavy-duty crane pad. CSRS serves as administrator, and Meyer & Associates serves as project engineer.
- CGBM, a division of AccuTRANS, has received its USACE permit to dredge in front of the green house. The cost will be shared by the company and the port. CGBM has narrowed the field of several contractors to one. CGBM and the port engineer were in close contact during the contractor selection process.
- McManus Construction of Lake Charles has restarted construction on the port's new entrance roadway.
- Coordination of repairs to the barge loading ramp are currently on hold pending legal developments between the port and the responsible party re: projected repair costs. A King Fabrication team visited the site in March and prepared an estimate of repair cost.
- Calcasieu Parish drainage district (western) had crews at the port for several weeks in March doing vegetation removal and other actions designed to improve the drainage of the ditch that separates the port property (between the green house land and the main portion of the property). Due to the state's pandemic work order, parish crews have not returned to complete the project to date. We don't have a confirmed time/date when the project will be completed. The work is at no cost to the port.

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

- In April, the WCP director (and/or board members) represented the port at:
  - a. PAL executive committee meetings via Go to Meeting online.

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

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

A motion was made by Tim Dougherty to approve the Port Director's Report as presented, 2<sup>nd</sup> by Wilmer Dugas. No opposition. Motion carried.

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

**FINANCIAL:** Darla Perry told the Board she sent a copy of her financial report to everyone two weeks ago, and she has nothing further to add.

**ENGINEER:** Chuck Stutes reported the progress of the new port entrance road came to a halt temporarily since the contractor had several employees who did not report to work due to the COVID19 Proclamation that was done 6 weeks ago. Chuck stated they were able to man the project 2 weeks ago and are near 100% complete with clearing and removing all cleared materials and 70% complete with earth work and are proceeding, getting a lot of work done.

Port Director Lynn Hohensee told the Board there is another project in place between the green house property and the main property of the port. The West Drainage District of the Parish is in the process of cleaning out the ditches. Lynn stated once it is completed, it will be beneficial both to the port and to the residents in the area. Chuck said he thinks the project is probably 90% completed. The debris hasn't been removed yet, but the ditches are basically cleaned out. Chuck stated for the first time, in his memory, the ditches in the subdivision are not holding water all the time now.

Lynn reported that he received a letter from the attorney handling the issue concerning the barge loading ramp. The recommended course of action is that a formal demand letter will be sent to Genesis to reimburse the Port for all costs for the damages. The letter will include a 15-day response deadline and will demand that Genesis acknowledge responsibility for the damage caused by the barge and that Genesis will pay for all costs of repairs and any out-of-pocket expenses as a result of the damages. Short of receiving a satisfactory response from Genesis within the applicable time frame, the Port will proceed in filing suit seeking to recover all damages sustained by the Port along with legal fees.

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

### **XIV. Public Comments**

David Devall said he just wanted to reiterate what Lynn had said regarding the silting in the barge basin. David said he feels they will have an issue come winter time, so it is a concern for them. David reported the barge days have been reaching full capacity. He explained to the Board that Devall is beginning their preparations for the upcoming hurricane season.

XV. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:50 p.m.

  
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President

  
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Secretary