

West Calcasieu Port Board Meeting Minutes

January 8, 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 January 8, 2019, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Tim Dougherty led the invocation.

III. Pledge of Allegiance

Pledge led by Tim Dougherty and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, David Devall of Devall Towing, Darla Perry and Sheila Burton.)

V. Approval of minutes of the December 4, 2018 regular monthly

President Dick Kennison entertained a motion to approve the minutes of the December 4, 2018 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the December 4, 2018 regular monthly 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.

VII. Appointment of Budget Committee by Chairman

President Dick Kennison explained how the State Auditor requires the Port to have a Budget Committee and that he has appointed himself, Darla Perry, Port Director Lynn Hohensee and Scott Foreman to serve on the committee. President Kennison entertained a motion to accept the members appointed to serve on the Budget Committee. Wilmer Dugas made a motion to accept the members appointed to serve on the Budget Committee, 2nd by Dave Aguillard. No opposition. Motion carried.

VIII. Committee Reports

There were no Committee Reports given at this time.

IX. Port Director Report

{Port Director Lynn Hohensee reported that Orion Group is still looking to relocate their engineering office to the port. Lynn stated that he gave Orion Group a tour of the Old Ferry Road facility before the board meeting today, and they are extremely interested. Lynn told the Board that the Tenant Committee has come up with a fair market price to lease the building and has made the offer to Orion. Orion said they are going to speak with their Corporate office in Houston about the offer. Lynn stated he feels that Orion would like to get out of the Lake Charles offices as soon as possible. There was a brief discussion about Orion Group leasing the Ferry Road building.

Lynn announced that Stream Land Company is still working on efforts to place a dredge spoil pump station at the port once the Driftwood project goes into construction. Lynn stated that they are looking at offering 1 of 2 different areas at the port for Stream Land to lease space.

Lynn told the Board they are still working with Entergy to bring 3-phase into the port for Tubal-Cain and for the auxiliary pump for Stream Land. Lynn asked the Board if they noticed the poles laying down by each of the existing poles coming into the port. He said he believes that may be part of that Entergy project to bring 3-phase to the port. Chuck Stutes shared his concerns about some of the poles possibly being in the way of the new roadway. Chuck asked Lynn if he can contact someone at Entergy to see if they will share their layout drawings so he can make sure there is no interference with the new roadway.

Lynn assured the Board that even if they lease the building to Orion Group, the space east of the building and the waterfront will still be available for the Coast Guard to lease, if they want it.

Lynn turned the floor over to David Devall to speak to the Board about possibly bringing on AccuTRANS to set up a marine fuel fleeting operation at the port. David Devall recommended bringing AccuTRANS to the port for a short term to see if it works for both parties before entering into a long-term agreement. Mr. Devall told the Board that

AccuTRANS representatives wanted to come to the board meeting today but was unable to make it due to their Corporate 2019 planning meetings. Mr. Devall explained the working relationship they have had with AccuTRANS over the years and gave a brief description of the services AccuTRANS could provide at the port. There was a brief discussion about AccuTRANS and how their business would differ from Fidelity. The Board discussed with Mr. Devall possible areas around the barge basin where AccuTRANS could be located and the type of business they could bring to the port. Mr. Devall suggested placing AccuTRANS' barge at the ramp; and if the ramp is needed, they could move the barge somewhere else temporarily and then move it back. President Kennison asked Mr. Devall if AccuTRANS would take on water if it was available. Mr. Devall answered yes, that they would take on fuel, water and trash. President Kennison asked about how much water they would normally take on. Mr. Devall answered 25 to 30,000 gallons per boat. Mr. Devall said he would get AccuTRANS to get in touch with Lynn so they could come meet with the Board. The Board thanked Mr. Devall for coming to speak at the meeting.

President Kennison suggested to Lynn that in the interim of meeting with AccuTRANS, he should check with some of the other ports to see if they have anything close to what the port has for a fuel fleeting operation. Lynn said he would check with St. Mary's, Morgan City, Alexandria and Shreveport. President Kennison also suggested having AccuTRANS meet with the Tenant Committee first before coming to the Board and making a proposal.}

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

Marketing/Business Development/Retention –

- 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. Interest for the site of the pump station remains focused on a location east of the NE corner of the spoils area. The facility will need 3 Phase electricity support, and the new location will position the station considerably closer to the 3 Phase that is being set up for Tubal-Cain.
- S.T.A.R. Concrete Pumping lease of their port building continues on a month-to-month basis into 2019 or until 30-day notice is provided.
- Orion Marine Group continues to show interest in possibly leasing additional property at the port. Orion interest is now focused on the green house. Early discussions also continue with Orion Marine Group re: renewing five-year option on lease agreement.
- With the assistance of IMCAL regional planning office, the port's application for a \$4 million federal EDA grant has been submitted. It is expected that an EDA response to the port's application packet could be received as early as mid-January 2019.
- 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.
- Partnering with Devall Enterprises, the port director has been working with a prospect interested in setting up marine fueling operations at the port in 2019.
- Coordination continues with SWLA Economic Development Alliance and Entergy to seek certification for a parcel of property at the port that will be supported by proposed new waterfront improvements. In December, the port received an initial site evaluation from the SWLA Economic Development Alliance office that was positive (see attached).
- River Barge Works continues to develop a site inside the port's spoils levee to hold recovered Portland cement that was obtained from client barges and earmarked for recycling.
- Provided site tour for SEMS Environmental Engineering Business Develop Mgr.
- Provided site tour for the new executive director of the Ports Assn. of Louisiana.

Port Operations –

- Devall Towing has completed installation of dead men on port property west of the west barge basin. The new infrastructure is now being used.
- Tubal-Cain continues with its site improvements and infrastructure development.
- Discussions continue with T-C and Entergy officials re: 3 Phase electricity support to the port.
- The port director and port engineer remain in communication with the new point-of-contact at Louisiana State Office of Facility Planning and Control re: funding for engineering/design for new port bulkheading project.
- Multiple state and federal regulatory efforts are underway to address concerns about the loss of soil into the Gulf Intracoastal Waterway from recent civil work on the south shore of the waterway directly across from the West Cal Port. Currently, soil runoff is occurring. Long-term concern focuses on potential for weight of dirt causing sliding of GIWW shoreline into the channel, especially during extended wet weather.

Professional Organizations & Networking –

- In December, the WCP director (and/or board members) represented the port at:
 - a. Cal/Cam Navigation District meeting
 - b. USCG meeting @ Devall HQ sponsored by the American Waterways Council
 - c. Chamber/SWLA business after hours
 - d. PetroChem meetings
 - e. Boys Village board meeting
 - f. Propeller Club holiday reception
 - g. HGA Engineering holiday reception
 - h. Christus-St. Patrick/Oschner holiday reception

News Media & Community Relations–

- American Press year-end Top-10 wrap up of SWLA-related news articles included an article on growth/development in western Calcasieu Parish. The article referenced the completion of dredging at the West Cal Port.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities

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

FINANCIAL: Darla Perry presented the Financial Report. Darla reported that they received DOTD funds for the dredging in November of \$1,152,570.12 but expended \$1,267,293.38. So the net cash for November was -25,680.43. Darla stated there were 2 months of payments in November for Mike Hooks. Mike Hooks has moved out. So effective January 2019, the Port will lose \$1750 per month from that tenant. Darla said the STAR lease has been rented out, but it did not show up on the November report. Darla announced that BOMAC Construction is parking approximately 25 cars where the 2nd STAR lease was located. Darla said she spoke with BOMAC's project manager, and they expect the lease to go between March and July. Darla reported that Tubal-Cain is now paying a higher rate, and they have done an excellent job on remodeling the old Devall building. There was a brief discussion about the remodeling of the Devall building.

President Kennison brought up the statement that Mr. Devall made about placing AccuTRANS's barge where the ramp is. President Kennison asked if it was possible to facilitate a truck to pump diesel there at the ramp as opposed to AccuTRANS taking their barge to Citgo to fuel up. Lynn explained that they get a price break when they buy large

quantities from Citgo and that a truck would not be able to hold the large quantity they are purchasing.

Darla reported the barge days are running 855 more for year to date. Darla said barge days are not hitting budget, but they are still more than last year at this time. Darla reported there is still no ramp revenue; and, in fact, the only revenue that the ramp has had in the entire fiscal year is \$1,350. Port Director Lynn Hohensee explained to the Board that several years ago the port had a revenue stream from the ramp due to Schlumberger and Halliburton servicing the oil drilling in the marsh. Since then, there has been a downturn in the use of the ramp. Lynn said that after speaking with David Devall, he feels that as new projects in this region begin in the next 12 to 18 months, and the congestion continues on the bridges and roadways in the Lake Charles area, the Port may see there will be new business for the ramp. In the meantime, the space in between the pilings at the ramp can be used to park the fuel barge.

Tim Dougherty said he noticed on an email where there was some trouble with the gate. Darla said she called out Sanford to come and service it, but she does not know if it has been repaired yet.

Darla explained that Chris Funk was supposed to attend the meeting today to go over the audit, but he had issues with his schedule and could not attend. Darla briefly went over the audit with the Board. Darla reported the total assets for the fiscal year was \$13,608,902 compared to \$13,372,719 the previous year. The liabilities were 591,258 compared to 669,557 the previous year. Darla told the Board the auditor's opinion stated "the financial statements referred to above present fairly," which is the best audit opinion you can have. Darla stated there were no findings. Beginning on page 26 is the State Agreed-Upon Procedures audit, and there were no findings. Darla said McMullen and Mancuso has submitted the audit to the Legislative Auditor; and if anyone has any questions regarding the audit, they can call Chris Funk. Darla recommended that the Board make a motion to accept the audit from McMullen and Mancuso as presented. Wilmer Dugas made a motion to accept the audit from McMullen and Mancuso as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

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

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

ENGINEER: Chuck Stutes reported now that the EDA grant application is completed, they are back on the roadway project and hopes to submit it to DOTD in February so they can go out for bids. Chuck said they need to get with Entergy to make sure none of the new poles will interfere with the new roadway. President Kennison entertained a motion to accept the Engineer's Report as presented. Tim Dougherty made a motion to accept the Engineer's Report as presented, 2nd by Dave Aguillard. No opposition. Motion carried.

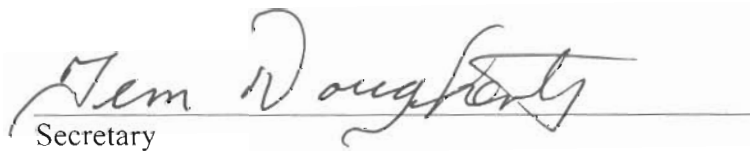
XI. Public Comments

There were no public comments at this time.

XII. Adjournment

Tim Dougherty told President Dick Kennison that he appreciated the email he sent out about being president of the port, and he appreciates everything he is doing. President Kennison adjourned the meeting at approximately 3:39 p.m.


President


Secretary