

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

October 3, 2017

## **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 October 3, 2017, at Devall Office, 2244 Swisco Rd., Sulphur, Louisiana.

## **II. Invocation**

President Tim Dougherty 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
- ✓ Dave Aguiard
- ✓ Wilmer Dugas
- ✓ Tim Dougherty
- ✓ Scott Foreman

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Chuck Stutes, Glen James, Mayor Chris Duncan, Blaine Johnson, Eddie Van Huis and Sheila Burton.)

## **V. Approval of minutes of the September 5, 2017 regular monthly**

President Dick Kennison entertained a motion to approve the minutes of the September 5, 2017 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the September 5, 2017 regular monthly meeting, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

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

Port Director Lynn Hohensee asked for Item VIII to be deleted. President Dick Kennison announced Item VIII would be deleted from the agenda.

**VII. Discuss and take action on giving Lynn Hohensee authority to execute Change Order No. 3 – Rehabilitation of Existing Bulkhead Project (Orion) which is a decrease of \$20,235.00**

Chuck Stutes announced the project of the rehabilitation of the bulkhead around the old Devall Towing building is now complete. Chuck reminded the Board that several months ago there was a change order done to modify the fender system due to concerns of people falling into the Intracoastal. Chuck said the project came out extremely well. Chuck stated there was quite a bit of rock behind the bulkhead that was not necessary because the voids were not as big as they thought they would be. So for that reason, it was necessary to do the change order for a decrease of \$20,235.00. Chuck said this item is asking the Board to give Port Director Lynn Hohensee authorization to sign the final reconciliation change order on the project. Wilmer Dugas made a motion to give Port Director Lynn Hohensee authorization to execute Change Order No. 3 – Rehabilitation of Existing Bulkhead Project (Orion) which is a decrease of \$20,235.00. No opposition. Motion carried.

**VIII. Discuss and take action on proposed tenant lease**

Item VIII was deleted from the agenda.

**IX. Committee Reports**

There were no committee reports at this time.

**X. Port Director Report**

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

{Port Director Lynn Hohensee said he spoke today with Mike Herman with the Army Corps office in New Orleans. Lynn explained Mr. Herman is the project engineer on the dredging of the barge basin. Lynn said it was a positive and constructive meeting. Lynn stated that Mr. Herman told him that the only comment they received on the public comment period was from the U.S. Wildlife & Fisheries. Lynn said Blaine and his crew responded to them with in-depth information. Mike Herman told Lynn the only thing they are waiting on is the comments or feedback from U.S. Wildlife & Fisheries that they are satisfied with the information they were provided and their questions have been addressed. President Dick Kennison asked Lynn if U.S. Wildlife & Fisheries understands they are waiting on their response. Blaine Johnson responded that he does not know if Mike Herman has told them that directly. Lynn asked Mr. Johnson if there was a way to intercede with the U.S. Wildlife & Fisheries to tell them that the project is waiting on their response to the Corps. Mr. Johnson answered, "Sure." Lynn explained that Mr. Herman also told him that the Corps is not pursuing any mitigation involvement with the spoils going into the spoils area.

Lynn told the Board there was another air conditioning water leak in the green house that has caused some damages in the ceiling of the downstairs bathroom and carpet damage. Darla said that Mangrum Air Conditioning has been out to look at it. Lynn said that Darla has made arrangements for a dehumidifier to be brought out, and they are moving ahead to get it corrected. Darla explained that Mr. Derek Brooks is going to shampoo the carpet, and they may have to replace a small portion of the carpet in the hallway. There was a brief discussion regarding the issue with the air conditioning.

Lynn reminded the Board that the West Cal Chamber Banquet is November 9<sup>th</sup>. Lynn said that Dick, Darla and Tim have indicated that they would like to have a seat at the table. Dick told Lynn he is not going to be able to go.

Lynn shared a flyer for the Amendments coming up for a vote and explained how important the Amendments are for the economy in the state of Louisiana, especially Amendment 1.

Lynn introduced guests Eddie Van Huis, President of Tubal-Cain; and Blaine Johnson of Austin Arabie Environmentals. Lynn explained how there have been several discussions about how they can accommodate a less amount of mitigation costs for the 4 ½ acres of wetlands involved in the acreage that Tubal-Cain is leasing on the west side of the port. Lynn stated that he invited Mr. Van Huis and Mr. Johnson to the meeting today to help further explain the mitigation issues Tubal-Cain is facing.

Mr. Van Huis explained to the Board that what mitigation means is to be able to mow the grass and use a bull dozer and cut down the vegetation. Mr. Van Huis told the Board that they came to the Port with expectations of doing some mitigation, but they did not expect it to cost \$238,000. Mr. Van Huis told the Board he could not see paying \$238,000 just to mow the grass, because that price does not include doing any digging or any type of improvements to the land. Mr. Van Huis stated they have been working with Lynn, and they received another quote from a different mitigation bank in the amount of \$108,000. Mr. Van Huis said that it is still too much money to spend on mitigation. Mr. Van Huis continued expressing his views on the mitigation issue.

Mr. Blaine Johnson stated that the \$108,000 is not an amount that's been approved by Office of Coastal Management. It is just an offer. Mr. Johnson further explained details surrounding the mitigation issue. The Board discussed ideas on how to handle the mitigation problem with Lynn, Mr. Van Huis and Mr. Johnson. Darla Perry suggested having the Tenant Committee see if legislative intervention might help in the long term. Mr. Johnson explained that even though the State is involved, this goes back to a Federal law that this ties into. Mr. Johnson further explained the frustrations with having to answer to two different entities -- the Corps and Coastal Management -- and each giving different views on what needs to be done. President Dick Kennison asked Mr. Van Huis if the Port were to pay for half of the \$108,000 on mitigation costs, would that be something Tubal-Cain would be interested in. Mr. Van Huis answered, "Absolutely." President Kennison explained that he isn't saying the Port will definitely do it, because they are going to try to find ways to get around the mitigation costs; but it might be an option. The Board further discussed different ideas on how to help Tubal-Cain with the mitigation costs. President Kennison told the Board that they will not be able to come up with a solution today. There was further discussion on the land banks in the area.

Mr. Van Huis told the Board that whatever number is given for the cost of mitigation, if Tubal-Cain and the Port decide that that is how they choose to spend part of their money, is that the best way to spend their money. Mr. Van Huis said he told Lynn if Tubal-Cain and the Port doesn't agree that this is the best way to spend their money, if there are ways to bring in the Devalls to readjust some stuff, he is willing to look at that as well. Mr. Van Huis suggested one option of having the Devalls go further west and Tubal-Cain could stay where they are now with possible increased rent. Lynn said that the Board will take that into consideration and have the Tenant Committee look at all of the options at how best to go forward in helping Tubal-Cain and the Devalls as the Port's tenants. The Board thanked Mr. Van Huis and Mr. Johnson for their input.

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

- Continue to work with prospect interested in limited lease of property at the port for several years.
- Met for second time with VP-Strategic Planning for Morrison Fabrication of Houma.
- Met with ConocoPhillips government affairs manager.
- The port director continues to coordinate with Devall Towing and the Port of Vinton re: ongoing discussions for possible movement of construction soil by barge from western Calcasieu and Cameron Parishes to industrial sites planned or under construction on the Calcasieu River Waterway. The WCP would play an instrumental role in the movement of dirt by barge.
- Entergy has contacted the port to seek permission to have a drone video team shoot footage at the port for a marketing/promotion project. The shoot will be conducted in October.
- Port tour was provided to two staffers of the Economic Development office at the Chamber/SWLA and SWLA Economic Development Alliance.
- Attended open house for Terracon in Sulphur.

#### **Port Operations –**

- WCP is waiting final permitting for the planned maintenance dredging of the west barge basin.
- Port Director continues to work with consultants who are developing an effort to capture Homeland Security grant funding for several south Louisiana ports, including the West Calcasieu Port
- King Fabricators performed three days of upgrade work on the barge loading ramp so that it will better accommodate low-water operations. Orion Marine Construction assisted with the project.
- Tubal-Cain continues to attempt to work through permitting issues.

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

- In September, the WCP director (and/or board members) represented the port at:
  - a. PAL monthly board meeting
  - b. PetroChem board meeting, regular dinner meetings, and golf tourney
  - c. Met with Republican candidates for State Treasurer in SWLA Republican roundtable event
  - d. Propeller Club meeting
  - e. West Calcasieu Chamber lunch meeting
  - f. BV board meeting
  - g. Accepted invitation from McNeese State President Daryl Burkel to join him and other military veterans as well as Fort Polk command team in President Box during first home football game which was designated as military appreciation night.

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

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

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

**LEGAL:** There was no legal report given.

**FINANCIAL:** Darla announced that the Board has copies of the financials that were sent out earlier, and the full general ledger along with all income statement balance sheets are present in a folder for the Board's review. Darla explained the reason for the negative on the cash flow was due to some capital expenditures of \$100,000 on the ramp and some dredging. Darla reported that Orion paid 2 months of rent in August that is reported on the income side. Year to date, July and August, Darla reported there are 139 more barge days than last year at this time. Darla explained that this was due to barges tying in for Safe Harbor time due to Hurricanes Harvey and Irma. Darla reported there was not any ramp revenue for the month of August. Chuck Stutes reported that the ramp repairs will be finishing up within the week. Tim Dougherty made a motion to accept the finance report as presented, 2<sup>nd</sup> by Scott Foreman. No opposition. Motion carried.

**ENGINEER:** Chuck Stutes announced the bulkhead project is now complete. The Board previously voted on the Reconciliation Change Order, and now it is just a matter of doing final close-out documents with the contractor and the State since it was a State-funded project. Chuck said he actually just misspoke regarding the ramp. Chuck reported that they began work on the ramp last week and will finish the work this week. Chuck said he and Lynn met with a couple of the guys that were on site this morning, and they will have another crew coming in tomorrow to fine-tune the ramp and lift it some so that it sits higher in the parked position. Chuck explained the ramp should be ready for use in October.

Chuck announced they are hoping to get the Corps permit for the dredging project in the month of October. Chuck said as soon as they receive it, they will need a resolution from the Board to request DOTD allow the Port to advertise. So they possibly may need to have a special meeting scheduled to get the resolution signed.

Port Director Lynn Hohensee confirmed with Chuck, in regards to the ramp, there is some additional work on the land side that will need to be done in terms of black-topping at the entrance going up on the ramp to help minimize the bend. Chuck agreed. Lynn said he spoke with Orion today about seeking out a supplier for the work. Darla asked if it will have to be bid out. Chuck said they will have to discuss it. Chuck explained it will be under \$150,000. So you will not have to get bids, but they do like you to get three quotes. Chuck said there might be an issue getting 3 quotes since there aren't too many asphalt companies in the area. There was a brief discussion about the black-top project.

President Dick Kennison asked Lynn to check with the Tenant Committee to see if a meeting can be scheduled. Chuck stated during that meeting he would like to discuss the capital outlay to the State, which has to be done by November 1<sup>st</sup>. Chuck said they need to talk about how much to ask per year and the percentage the Port would like to contribute.

**XII. Executive Session**


There was no Executive Session at this time.

**XIII. Public Comments**

Mayor Chris Duncan told the Board to keep up the good work. President Kennison thanked the mayor for his attendance.

**XIV. Adjournment**

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

  
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President

  
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Secretary