

West Calcasieu Port Board Meeting Minutes

November 14, 2017

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 8:30 a.m. on November 14, 2017, at the offices of Meyer & Associates, 600 N. Cities Service Hwy., Sulphur, Louisiana.

II. Invocation

Dave Aguillard led the invocation.

III. Pledge of Allegiance

Pledge led by Wilmer Dugas 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 Aguillard
- ✓ Wilmer Dugas
- ✓ Tim Dougherty

(Scott Foreman arrives later in the meeting.)

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Chuck Stutes, Glen James, Chris Funk and Sheila Burton.)

V. Approval of minutes of the October 3, 2017 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the October 3, 2017 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the October 3, 2017 regular monthly meeting, 2nd by Tim Dougherty. 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. Presentation of Audit Report for Board Approval (Chris Funk, CPA)

(At this time, Scott Foreman entered the meeting.)

Chris Funk reported that it was a good audit; and they issued an unmodified opinion, meaning they believe the financial statements are fairly presented and contain no material misstatements. Chris told the Board there were no audit findings this year and no management comments. Chris briefly went through the Audit Report with the Board explaining some of the details on the financial statements. Chris told the Board it was a very good audit, and he believes having Darla Perry's office in place helps to mitigate a lot of the issues that a lot of other Governmental entities have.

Chris announced to the Board that the Legislative Auditor is now requiring another engagement done for all Governmental entities called "Statewide Agree-Upon Procedures." Chris briefly explained the reasons for the SAUP and how this affects the Port. Chris and Darla Perry gave the Board examples of items the SAUP will require the Port to report on the additional audit. There was a brief discussion about the SAUP. Tim Dougherty asked if the Port gets a tax write-off on items such as mowing and infrastructure projects. Chris answered no and explained how the Port is now required to have documentation and signed contracts for all contract services.

Chris stated he brought the engagement letters for Mr. Wilmer Dugas to sign on behalf of the Southland Field giving permission to Mr. Chris Funk, along with his firm, to take care of the SAUP for the Airport. Chris also gave President Dick Kennison a set of engagement letters to sign for West Cal Port. There was a brief discussion on procedures in bidding out materials on projects. Wilmer Dugas makes a motion to accept the Audit Report as presented by Chris Funk, 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Discuss and take action on: Consideration and appropriate action to authorize commencement of planning activities on the New Bulkhead along the Gulf Intracoastal Waterway with partial funding by the State of Louisiana (75% state funding with 25% local match) in accordance with the 2nd amended Cooperative Endeavor Agreement. (FP&C Project Number 36-PO5-14-01)

Port Director Lynn Hohensee explained the project in question is located in between Orion and the property the Port bought in 2015, approximately 600 linear feet. Lynn explained that this is the only waterfront the Port has access left to market. Lynn briefly explained the reasons for the project and stated the approximate cost of the project will be \$4 million. Lynn said the Devalls are giving their total support of this project and feels there is a demand for this kind of development on the waterfront. There was a brief discussion about the project. Chuck Stutes explained the State has approved \$200,000 for planning purposes, which will be available after the vote today. Chuck said they have submitted a capital outlay request on November 1st for the rest of the project. Chuck stated he hopes that will put the Port first in line to get more money, if there is money available. Dave Aguillard made a motion to authorize commencement of planning activities on the New Bulkhead along the Gulf Intracoastal Waterway with partial funding by the State of Louisiana (75% state funding with 25% local

match) in accordance with the 2nd amended Cooperative Endeavor Agreement. (FP&C Project Number 36-PO5-14-01), 2nd by Tim Dougherty. No opposition. Motion carried.

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 gave a detailed explanation on his 2nd point under Marketing/Business Development/Retention regarding Dominion Group moving soil from the Cameron LNG plant. Lynn told the Board that after further review by the Tenant Committee, they feel it is in the best interest of the Port not to pursue Dominion as a tenant.

Lynn announced the Chamber of Southwest Louisiana Banquet will be held January 30, 2018 at the Golden Nugget. The Port has reserved 2 tables. Lynn asked the Board members to check their calendars and let him know who will be able to attend. Tim Dougherty expressed his appreciation to the Tenant Committee for their work.

Lynn reminded the Port of the work Tubal-Cain has done in the last 18 months bringing \$10 million worth of infrastructure improvements to the Port and the obstacles they have faced trying to get permitting and mitigation of 4.5 acres. Lynn said he has sent communication to Senators Johns and Morrish and Representative Danahay explaining the situation and the impact it has on the Port. Lynn stated the problems with getting mitigation done has become a big issue at the Port Association of Louisiana; and representatives from DNR, Coastal Management and the Corps of Engineers will be present at the next PAL meeting in January to explain mitigation and the rising costs.

Lynn said that Tubal-Cain has given a proposal to the Port that would eliminate the cost of mitigation on the western part of the property and put them in a different part of the property. Lynn stated the 2 key elements to this are support of the Board and support of Devalls. Lynn reminded the Board where Tubal-Cain is presently located and said they are proposing to take up 300 feet of space to the west of the ramp and put in place a permanent tower crane, provide their own employee parking area, build their own boiler building that would be baffled so that there would be no noise imposed upon the tenants or residents to the north, and build a flare incinerator. Lynn explained that approximately 70% of Tubal-Cain's market for cleaning and stripping barges would include flaring. Flaring is very desirable to their customers. Lynn said Tubal-Cain would also build a new structure on top of the levee area on the southeast corner for the Devalls. Lynn further reviewed the Tubal-Cain Proposal given to the Board members.

Chuck Stutes asked Lynn if Tubal-Cain will continue to use the existing area that they are using presently to some degree. Lynn answered no. Tubal-Cain will pay for the bulkheading east of the ramp but will return that area to the Devalls. There was continued discussion regarding Tubal-Cain's Proposal. Glen James asked if the money

will stay the same. President Dick Kennison answered no, that the lease will have to be redone. There was further discussion regarding Tubal-Cain's Proposal and the benefits for both the Devalls and the Port. President Kennison explained that the Board is just reviewing the Proposal today, and no action is needed at this time.}

Marketing/Business Development/Retention –

- Port tenants, prospects and private and business partners were invited to the Devall Towing annual steak cookout at the company's Sulphur-based headquarters. A presentation was made to the attendees re: growth/development of the port and the role the port is playing in the region's economic expansion.
- Met w/Dominion Group @ Devall HQ (w/Mike Devall) re: interest in shipping 150,000-200,000 cubic yards of soil from Cameron LNG to the port. They also propose to establish an aggregate storage/shipping operation at the port.
- Met w/Five-S, another prospect interested in moving the same Cameron LNG dirt to our port and possibly setting up a future aggregate operation.
- Continue to work with prospect interested in limited lease of property at the port for several years.
- 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 drone video team shoot footage at the port for a marketing/promotion project. The shoot, scheduled for October, will occur later this autumn.
- Conducted port tour for Chris Sullivan, regional representative for Congressman Higgins.
- Port board president and director hosted port team in Chamber/SWLA annual golf tourney with team members – Joe Devall, Devall Towing, and Cmdr. Dan Cost, USCG Marine Safety Unit-Lake Charles.

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 continues to perform upgrade work on the barge loading ramp so that it will better accommodate low-water operations. Orion Marine Construction is assisting with the project.
- Tubal-Cain continues to attempt to work through permitting issues.
- Met with Callan Marine re: upcoming dredging work and expansion of company in southwest Louisiana.
- Port director and port CPA are working with contractors to effect repairs to port main gate system and the Green House carpeting that was damaged in a water leak from the structure's A/C system.

Professional Organizations & Networking –

- In October, the WCP director (and/or board members) represented the port at:
 - a. PAL monthly board meeting
 - b. PetroChem regular dinner meetings
 - c. Met with Gov. Edwards and Jay Dardenne, Chief of Administration, during a reception in Lake Charles.
 - d. Propeller Club meeting
 - e. Met with Homeland Security
 - f. Attended Farmers Rice Mill 100th anniversary luncheon/program
 - g. BV board meeting, golf tourney

- h. Chamber/SWLA infrastructure/gov't affairs committee meeting
- i. West Cal Chamber economic development committee meeting

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 said the audit was the report she was presenting. Darla said there were 788 more barge days for September. Darla reported there was a little more under Repair & Maintenance due to some repairs Nash had to do to the fence. There was a net positive of \$46,394.39 for September and approximately \$68,000 for October. Wilmer Dugas made a motion to accept the finance report as presented, 2nd by Dave Aguillard. No opposition. Motion carried.

ENGINEER: Chuck Stutes said Blaine with Arabie called him yesterday about the dredging project saying he spoke with the permit writer at the Corps who told him that he has completed his work and the permit is ready and sitting on his boss's desk. Lynn said he has spoken with Mike Herman at the Corps and feels Mike is very supportive of the Port. Chuck said they may need to call a special meeting, because once they receive the permit it can go out for bids.

XII. Executive Session

Wilmer Dugas made a motion to go into Executive Session, 2nd by Dave Aguillard. No opposition. Motion carried. The Board went into Executive Session at approximately 9:25 a.m.

Dave Aguillard made a motion to come out of Executive Session, 2nd by Scott Foreman. No opposition. Motion carried. The Board came out of Executive Session at approximately 9:35 a.m. President Dick Kennison announced that the Board has granted Port Director Lynn Hohensee a 3% cost-of-living increase and Darla Perry an increase of \$95 per month. Lynn told the Board that he will be honored as Alumnus of the Year by the Chamber Southwest.

XIII. Public Comments

There were no public comments at this time.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 9:38 a.m.


President


Secretary