

West Calcasieu Port Board Meeting Minutes

November 3, 2015

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 November 3, 2015, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Tim Dougherty led the invocation.

III. Pledge of Allegiance

Pledge led by Dave Aguillard and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Chuck Stutes, Glen James, Dalton Langford, Tim Lafleur and Sheila Burton.)

V. Approval of minutes of the October 13, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the October 13, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the October 13, 2015 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. Discuss and Take Action on West Calcasieu Airport Board Member appointment

President Dick Kennison stated that he spoke with Tim Dougherty before the meeting, and Tim stated that he was going to resign his position on the Southland Airport Board. President Kennison said Wilmer Dugas spoke with Tim Dougherty and also spoke with Dalton Langford, Airport Chairman of the Board, and said he would take the position. Tim Dougherty made a motion to replace himself (Tim Dougherty) with Wilmer Dugas as the representative of the West Calcasieu Port Board to the Southland Airport Board, 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Committee Reports

Port Director Lynn Hohensee reported that the Tenant Committee took a due-diligence trip to Texas to visit two out of the three companies that have offered proposals to the Port to bring barge cleaning, stripping and maintenance services to the Port. Lynn stated they visited one facility in Port Arthur, Texas that morning and then one facility in Channelview, Texas that afternoon. Lynn told the Board that both companies are seasoned companies in their respective industry and are highly qualified, and both come by the recommendation of Devall Towing. Lynn said it is an extremely difficult decision, and the Tenant Committee will most likely request a special meeting before December 1st for the purpose of discussion and making a final decision on the new tenant. President Dick Kennison asked Darla Perry how much time she would need to formulate the proposals and give the numbers for each side. Darla answered that she would need one day. Lynn said that both Texas companies understand that they are in a bidding competition with each other as well as with a third company from Sulphur and that only one company will be given the contract at the port. There was further discussion on the issue of the potential new tenant. Wilmer Dugas suggested moving to the next agenda item since no specific details could be discussed further regarding this issue.

IX. Port Director Report

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

{NOTE: Port Director Lynn Hohensee stated that the Board will need to begin looking at how they need to structure the growth of the port property in the future. Lynn asked the Board if they have had a chance to review the new port website. President Dick Kennison mentioned that he feels an issue needs to be addressed with the O'Carroll Group regarding a YouTube website that has been inappropriately linked onto the port's new web page. Lynn stated that he will call Peter O'Carroll this afternoon regarding the issue.

Lynn said he has spoken with USES, and they have been unable to pick up their items on the concrete slab on the west side of the building due to their work schedules and weather. Lynn said he is trying to find out who is responsible for the dumpsters next to the S.T.A.R. building.

USES told Lynn the dumpsters belonged to a company called Baker and gave him the phone number. Lynn said when he spoke to someone at Baker, they did not know what dumpsters he was talking about. Lynn stated S.T.A.R. Concrete has requested removal of the dumpsters, so he will try to get them moved per their request as soon as possible. Wilmer Dugas asked if USES was still paying on their lease. Lynn answered that USES is no longer paying on their lease since a new tenant was able to immediately move into their space. Lynn stated that Tresco, however, is still paying \$2,000 per month on their 2 acres. Lynn said Tresco's attorney called him today to see if Tresco could be released from their lease if they paid some money upfront. Lynn said he told him no, that he did not have authority to do that; but if the Port gets a new tenant for those 2 acres, the Port would be willing to allow them early termination of their lease. Darla Perry stated she received another payment from USES, and she placed it in a reserve account since they have not paid any utility bills since they have been at the port. Darla said she has asked Devall to give her the 12 months of bills so she can see the total.}

Marketing/Business Development –

- Four members of the West Calcasieu Port tenant committee conducted a due diligence trip to view operations at two Texas companies that have made proposals to the port to bring barge cleaning/stripping/maintenance operations to the port. Following further committee study/review, a recommendation will be made to the port board of commissioners for action. A third firm – local – also has expressed interest in performing wet barge cleaning/stripping at the port.
- The port director continues to meet with Devall Towing and the Port of Vinton re: early 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.
- The O'Carroll Group facilitated the startup of the port's revitalized website.

Port Operations –

- The West Calcasieu Port completed the purchase of 11.5 acres of property adjacent to the port's footprint from the Rhodes Group.
- Permitting/engineering continues for the replacement of bulkhead along the Devall Diesel Building area. Port engineer estimates that the port will be ready to go out for bids early next year.
- Modifications to the interior of the S.T.A.R. Concrete Pumping Company building continue.
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.

Professional Organizations & Networking –

- In October, the WCP director (and/or board members) represented the port at:
 - a. Dr. Loren Scott annual state/region economic review @ SEED Center
 - b. Calcasieu River Waterway Economic Study Rollout @ SEED Center
 - c. Chamber/SWLA Gov't Affairs/Infrastructure Committee meeting
 - d. Propeller Club meeting
 - e. Advertising/sponsorship related to two local fund-raising golf tourneys (Boys Village, Chamber/SWLA)
 - f. Three PetroChem meetings.
 - g. BV board meeting

News Media & Community Relations–

- Two news releases were issued announcing the purchase of land and the re-election of the port board president.
- Strong local news coverage resulted from the news release announcing the land purchase.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

LEGAL: Glen James told President Kennison he needed his signature on the S.T.A.R. Concrete lease. Darla Perry asked about an addendum for the water usage and whether anyone had discussed that with S.T.A.R.. Port Director Lynn Hohensee stated he didn't think so and that he didn't think S.T.A.R. had brought up the issue of water usage. Lynn said he feels they will just need to see it on the invoice.

Port Director Lynn Hohensee asked Glen what steps needed to be taken on the request regarding the waiver from the representative from Orion Marine Group. Glen stated they want to finance some equipment or some other type of purchase, and the lender will not finance it without the Port subrogating. Glen said at this point it is a question of whether it is something they want to add to their contract. President Dick Kennison stated his issue is that any litigation would have to be done in New York. Glen stated he noted that in his email to Orion Marine Group, but it is unlikely that the Port would ever have any issue with that. Darla reminded the Board of how well Orion Marine Group pays the Port and what a good tenant they have been, so she wouldn't want to see the Port do anything to mess up their loan. Lynn asked whose signature needed to go on the document. Glen answered President Dick Kennison's signature needed to be on the document. There was further discussion about Orion Marine Group's request regarding the financing of equipment. President Kennison asked if Attorney Glen James recommended signing the document for Orion Marine Group, and Mr. James answered yes.

FINANCIAL: Darla Perry told the Board they had the financial reports for September. Darla said she received 2 Devall payments in the month of September. The only unusual expenditure was the interest paid on the revenue bonds. The repair and maintenance is for Nash Fence. Port Director Lynn Hohensee stated that Nash Fence was provided with all of the names of people that need pass cards for the gate. Darla said both ramp and barge days are trailing last year at this time. Barge days are down 1,952. Ramp is down year to date 8,950. Darla said the Port finalized the Rhodes property purchase, and she is still working on FEMA. Darla reported that there was a water heater that went out, and it is being monitored. Darla said last month, September to October, Cemex's water usage was 500,000 gallons of water. Darla said the meter was broken August into September.

ENGINEER: Chuck Stutes stated November 1 was the deadline for capital outlays. Chuck said they submitted 2 capital outlay requests. One is a previous capital outlay request totaling \$4 million for the new bulkhead on the Intracoastal Waterway. Chuck said the Port would have to pay for half of that. Chuck stated he is hoping that request will move up this year. The other request is a new project for an entrance road, 1800 linear feet, on the Rhodes property. Chuck said that project total is approximately \$1.3 million with half being owed by the Port. President Dick Kennison asked Chuck if the Port asked the Police Jury to pay for the Port's half whether the State would still match it. Chuck answered yes.

President Dick Kennison entertained a motion to accept all three reports at this time. Wilmer Dugas made a motion to accept all three reports as presented, 2nd by Dave Aguillard. No opposition. Motion carried.

XI. Executive Session

There was no executive session at this time.

XII. Public Comments

President Dick Kennison welcomed Dalton Langford and Tim Lafleur to the meeting. Wilmer Dugas thanked Tim Dougherty for his service on the Southland Airport Board. Tim Dougherty stated he enjoyed working with the Southland Airport Board and that there are a lot of great things about to happen at the airport.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:27 p.m.



President



Secretary