

West Calcasieu Port Board Meeting Minutes

February 3, 2015

REVISED

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 February 3, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Darla Perry 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
- ✓ Tim Dougherty
- ✓ Wilmer Dugas
- ✓ Dave Aguillard

(Scott Foreman was absent)

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

V. Approval of minutes of the January 6, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the January 6, 2015 regular monthly meeting. A motion was made by Dave Aguillard to approve the minutes of the January 6, 2015 regular monthly meeting, 2nd by Wilmer Dugas. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions or deletions to the agenda.

VII. Discuss and take action on Resolution to request Legislative Action to amend LA RS 34:2102 B to increase the commissioner meeting per diem to three hundred dollars for each regular meeting and two hundred dollars for special meetings, not to exceed two meetings per month

President Dick Kennison requested Attorney Glen James to draw up a proper resolution that could be sent to Senators Johns and Smith to present to the Legislature. Dave Aguillard makes a motion to get a resolution to request legislative action to amend LA RS 34:2102 B to increase the commissioner meeting per diem to three hundred dollars for each regular meeting and two hundred dollars for special meetings, not to exceed two meetings per month, 2nd by Wilmer Dugas. No opposition. Motion carried.

VIII. Committee Reports

No Committee Reports at this time.

IX. Port Director Report

{NOTE: The following report is a copy of the original sent out by Lynn Hohensee. President Dick Kennison welcomed Attorney Jay Delafield and Marie Hohensee to the meeting.

Lynn Hohensee introduced Attorney Jay Delafield and turned the floor over to him to discuss with the Board what can and cannot be done with tax-free bond money and using bond money for land acquisitions. Mr. Delafield went over some of the restrictions the Federal Government has placed on tax-free bond money. Mr. Delafield explained that if the Port wants to use property it has financed with bond money for private development, it must pay off a portion of the bonds allocable to that particular development. Mr. Delafield said the Port can still use tax-exempt financing to aid in the development of the port and to aid in the development of the local economy, but it's very limited.

Lynn asked if the Port is grandfathered from the future tax limitations on tax-free bonds since they already have their bonds. Mr. Delafield answered yes, the Port is grandfathered. Darla Perry asked if the grandfather status pertained to the million the Port has along with the additional that is withdrawn, and Mr. Delafield stated that's correct. There was further discussion about the Port's bond money and how it can be used on projects around the port. After the discussion, Mr. Delafield exited the meeting.

Lynn told the Board there was a lot of good publicity at the Tauber Oil dedication last week. The Port is still working on getting the water lines placed for Tauber Oil. Lynn stated Orion Group is setting up a project with Cemex Cement of La whereby they will be taking any

excess concrete coming in and placing it on the waterfront along and around both slips. Orion said they will crush it to be like gravel, and it will eventually firm up to become a hard surface.

Lynn said he is working with Chuck and Chris Kelly to get the gate situation resolved. Lynn stated he needs to get the computer from the tower reprogrammed and then get River Fence Company to take care of any maintenance work in the future. Lynn asked Glen James if he could send a letter along with the River Fence Company costs incurred to US Fence to see if the Port could receive reimbursement. There was further discussion about the gate issue.

Lynn reported that Chicago Bridge & Iron is moving forward on working on housing for temporary workers. Darla stated that Chicago Bridge & Iron went to the Southland Field today to look at the housing model that was set up.

Lynn reported that the Calcasieu Parish Police Jury sent out the annual notice noting committee liaison assignments. Lynn said the Port's liaisons are Francis Andrepont and Ray Taylor.}

Marketing/Business Development –

- A ribbon-cutting/sign unveiling ceremony was conducted for Tauber Oil Company, recognizing the firm as the port's newest and sixth tenant.
- USES management has completed its walk-through tour of the Devall Diesel building and is preparing a report that will be provided to the port re: their relocation from their existing building to the DD building.
- An in-state prospect received a tour of the West Calcasieu Port and is considering leasing acreage in the port's spoils reception area for a staging area for marsh buggies.
- A business development meeting was held with a new local manager for T. Baker Smith.
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- Work continues on a script for a video for the port's website.

Port Operations –

- Daily barge fleeting numbers averaged 115 in January.
- Tauber Oil Company marine fueling services are at full operations.
- CEMEX Concrete of La. continues with site preparation in advance of full operation.
- Carlyss Water District installed a meter and line for CEMEX and also will install a line and meter for Tauber Oil Company.
- River Barge Works' new crane -- delivered to the port in December -- has been located on the CEMEX leased property for several weeks while RBW awaits the arrival of a new barge. Initially, Orion Marine Group was to facilitate the loading the new crane on a River Barge Works work barge. But, RBW has decided to relocate the crane just north of the TRESKO property where it will be dismantled and moved in pieces by truck to the RBW work site. There it will be loaded onto the work barge.
- Interface sent a team to the port (at the port's request) to service/clean the security camera equipment. One camera was replaced and several cameras needed minor parts replacement. Man-lift support to the Interface workman was provided by Orion Marine Group.
- The port director, port CPA and port engineer continue to provide requested information to the DOTD Port Priority Fund program team as they evaluate the port's recent grant request. The port requested a letter of support from CEMEX to be attached to the grant request packet and it was provided.
- Efforts continue by our port engineer and his staff to address and correct operational issues with the port's main security gate system.

Professional Organizations & Networking –

- In January, the WCP director (and/or board members) represented the port at:
 - a. Chamber/SWLA annual banquet
 - b. West Calcasieu Chamber of Commerce monthly meeting
 - c. PAL board meeting
 - d. Chamber/SWLA Gov't Affairs/Infrastructure Committee meeting
 - e. Public meeting with Lt. Gov. Jay Dardene
 - f. USCG facility security committee meeting
 - g. PetroChem board meeting
 - h. BV board meeting

News Media & Community Relations–

- Media coverage of the Tauber Oil ribbon-cutting/sign unveiling included the American Press, the Southwest Daily News, KPLC-TV and the CPPJ Gov't Channel. Strong, positive coverage resulted.
- A copy disc of the drone footage of the West Cal Port was provided to KPLC-TV and segments of the footage were included in the news reporter's newscast report on Tauber Oil.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

LEGAL: Glen James mentioned Targa Resources made him aware that under their pipeline right-of-way agreement on the Port's property near the Southland Airfield, they will be using a temporary work space. Darla Perry stated she forwarded the information to Oliver Schrupf, Southland Airfield's attorney. Glen stated it is at the intersection of Johnny Jones Road and Hwy. 108. Darla asked if it provides for any payment for temporary work space, and Glen answered no.

FINANCIAL: Darla gave the financial report. She stated she received 2 payments from Devall. Darla said she had 3 months' worth of payments in December for River Barge Works for late payments and current payments. Under the Expenditures, there was \$18,000 on the West Barge Basin expansion paid to Matrix, which was the 2nd part of their payment. Darla said she is still working with FEMA on the payback.

Lynn Hohensee stated he was speaking with Mike Devall last week, and Mike mentioned he recently wrote a check to West Cal Port for the monthly barge days' fees. Mike stated it was the largest check he has ever written to the Port.

Darla said Cemex Cement has not paid their rent yet, but Lynn is going to speak with them. There was further discussion about Cemex Cement's rent payments. Lynn stated he will contact Cemex Cement today about payment.

Darla reported barge days for December were 4,492. Tim Dougherty stated he noticed some sludge near the levees where the spoils are. Tim said there was quite a bit of mud close to the bank. Chuck said there was a big Northern come through, plus low tide that is probably the cause. Darla reported 2400 for ramp revenue in December. Darla stated she put a call in to Matt to see what's going on, because she was expecting more on the

ramp revenue. Darla said she spoke with Percy LaPoint about doing the lawn maintenance, but Tim mentioned he would be able to go to the Port and meet with Mr. LaPoint about the maintenance so Darla wouldn't have to. There was further discussion about the lawn maintenance.

ENGINEER: Chuck Stutes reported that Vernon is working on the capital outlay request. There is an outstanding \$1.8 million on the 2nd capital outlay request that is Priority 5 that needs to get moved up to Priority 2 or Priority 1 for this legislative session. Chuck said they will not know if it will get moved up until June.

Lynn stated that in speaking with the Devalls, they told Lynn that they have spoken with Ivan Johnson and his representative to see about leasing the waterfront on Mr. Johnson's property. If this happens, the Devalls will be able to park barges along that waterfront. There was further discussion about the waterfront property.

XI. Executive Session

There was no executive session at this time.

XII. Public Comments

There were no public comments at this time.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:40 p.m.



President



Secretary