

West Calcasieu Port Board Meeting Minutes

July 7, 2020

I. Call to order

In accordance with JBE 2020-30, the West Calcasieu Port's meeting was held at 7000 Southland Field (Southland Airport), Sulphur, Louisiana, via video/telephone conference and in a manner that will allow for observation and input by members of the public, as set forth in the notice posted on July 3, 2020. All other Open Meetings Law requirements have been met.

President Dick Kennison, called to order the regular meeting of the West Calcasieu Port at approximately 3:00 p.m. on July 7, 2020.

II. Invocation

Invocation was suspended at this time.

III. Pledge of Allegiance

Pledge of Allegiance was suspended at this time.

IV. Roll call

Tim Dougherty conducted a roll call. The following persons were present either via conference call or in person at 7000 Southland Field (Southland Airport), Sulphur, Louisiana:

- ✓ Dick Kennison (via conference call)
 - ✓ Wilmer Dugas
 - ✓ Buddy Reams (via conference call)
 - ✓ Tim Dougherty (via conference call)
- (Scott Foreman was absent.)

Also present at the meeting via video conference were Lynn Hohensee and Glen James.

Also present in person at 7000 Southland Field (Southland Airport) were Darla Perry and Chuck Stutes.

V. Approval of minutes of the June 2, 2020 regular monthly

President Dick Kennison entertained a motion to approve the minutes of the June 2, 2020 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes

of the June 2, 2020 regular monthly meeting, 2nd by Tim Dougherty. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Darla Perry stated she would like to add item VI(a) to discuss and approve the IMCAL dues for the upcoming year. Tim Dougherty made a motion to add item VI(a) to discuss and approve the IMCAL dues for the upcoming year to the agenda, 2nd by Wilmer Dugas. No opposition. Motion carried.

VI(a). Discuss and approve the IMCAL dues for the upcoming year

Darla explained to the Board the reason the dues were not paid previously was because they did not provide assistance with the EDA grant. Darla stated IMCAL would like for West Cal Port to retain their membership. Port Director Lynn Hohensee recommended paying the \$3,000 for the dues and said he feels it is not out of line for membership fees, plus the other members are other public entities in the region. Chuck Stutes agreed that most of the other public entities in the region do work out of agreement with IMCAL. Lynn said in order for the Port to receive future Federal grants, he feels they need to be a member of IMCAL.

Wilmer Dugas made a motion to approve paying the IMCAL dues for the upcoming year, 2nd by Tim Dougherty. No opposition. Motion carried.

VII. Discuss and approve appointment of auditor for fiscal year 6/30/2020

Darla Perry told the Board she has the bid for the audit for the June 2020 fiscal year. Steve Derouen, who was the auditor last year, has given Darla an engagement for \$10,000 with an additional 750 if the Port has to go to a single audit. Darla stated it is slightly less than last year's price since the SAUP (State Agreed-Upon Procedures) has been waived for the fiscal year. Darla said she recommends accepting the appointment of Steve Derouen for the auditor for fiscal year 6/30/20.

Wilmer Dugas made a motion to accept the appointment of Steve Derouen for the auditor for fiscal year 6/30/20, 2nd by Tim Dougherty. No opposition. Motion carried.

VIII. Discuss and approve buy/sell agreement for purchase of real estate for Port

Darla Perry told the Board an opportunity has come up to purchase 25 acres of land adjacent to the port owned by 2 different parties. Darla said the Port had it appraised by Jack Bass, and it appraised for what the owners are willing to take. Attorney Glen James has prepared an offer to purchase the 25 acres of land for \$8,500 per acre. Darla said the Port has the reserves to pay it, and her recommendation would be to buy any parcel of land that is located next to the port. Wilmer Dugas asked where the land is located. Darla answered it is on the north end of the port, north of the levee. Buddy Reams asked if there are any ethical concerns, any relationship between the land owners and anyone on the board. Darla answered there are no relations to any of the board members or the port. Darla said there has been a market value appraisal done on it.

Attorney Glen James told the Board the owners of the land are as follows:

Dorothy Lee Royer Bares (Judd Bares' grandmother), Brett Layne Bares and Susan Guidry Bares own a 10-acre tract.

ABO Properties, LLC, (LLC owned by Derrick Trahan) owns a 15-acre tract.

President Dick Kennison asked Glen James if he sees any kind of conflict of interest. Mr. James stated he is not aware of any. There was a brief discussion regarding the land. Wilmer Dugas made a motion to approve buy/sell agreement to purchase 25 acres of land for \$8,500 per acre; 2nd by Tim Dougherty. No opposition. Motion carried.

IX. Discuss and appoint committee to review and allocate investment reserves

Darla explained to the Board how the Port's investments funds are located in a LAMP account. Darla said she feels a committee should be appointed to review and decide whether the funds need to be kept in that account or moved elsewhere. Darla stated the LAMP account still has the best interest rate, but she feels with COVID there needs to be diversification. There was a brief discussion regarding appointing a committee. President Dick Kennison recommended Buddy Reams and Darla Perry to be appointed to the committee.

Darla announced Iberia Bank is merging with First Horizons. With this development, the Board may want to look into possibly moving the Port's checking account or keeping it with the new bank. There was a brief discussion regarding First Horizons.

Port Director Lynn Hohensee volunteered to be the third person on the committee. President Kennison recommended placing Lynn Hohensee on the committee.

X. Discuss and take action on approval of Change Order No. 2 for the West Barge Basin Improvements, New Entrance Road, State Project No. H.012471(322), MA # CA-17048-DA

Chuck Stutes explained to the Board how several months ago the contractor requested a change order so that they could construct the road with no significant interruption to existing port traffic. Chuck stated since that time they have been looking at several alternatives. The contractor's first price to do the work was \$65,000. There were revisions made to the plan that brought the price down to \$59,000. The road length and width were decreased. July 1st the contractor sent a new proposal for \$44,000. Chuck explained that even though it is being called a "road," it is actually a temporary bypass driveway that will allow all port traffic to continue to operate at all times with no interruption. It will be a one-way driveway to save money. Chuck said the width will be 14 feet since the Port is accommodating 18-wheeler traffic, and the length is approximately 450 feet. Chuck explained the primary cost is for dirt work and a 6-inch aggregate surface. Chuck stated the contractor feels the work can be done in 1 to 2 weeks. Chuck recommended to the Board to approve the \$44,000 for Change Order No. 2 based upon their review and evaluation.

Darla Perry commented that she felt \$44,000 seemed too much money for a temporary road. Darla said she suggested to Chuck that vehicles park in the area formerly leased by Cemex, but she knows that is not a feasible solution. Port Director Lynn Hohensee commented that he and Chuck discussed the pros and cons; and even though he understands Darla's concern regarding the price, he feels it is a critical component of the road construction and also a critical component of continuous operation of the port for the tenants. There was a brief discussion regarding the temporary road. Tim Dougherty brought up the point that they need to make sure there is a road available for any emergency vehicles that would need to get in the port. Buddy Reams asked for clarification: If the "side road" is not put in, is it true there will be no access to the port? Chuck answered that's correct, for a temporary time period of 1 to 2 weeks, there would be no access into the port.

Tim Dougherty made a motion to approve the \$44,000 for Change Order No. 2 for the West Barge Basin improvements, new entrance road, State Project No. H.012471(322), MA # CA-17048-DA, 2nd by Buddy Reams. No opposition. Motion carried.

XI. Authorize Joseph R. Kennison, President of West Calcasieu Port board to execute an Agreement between the West Calcasieu Port and Meyer & Associates, Inc. for engineering services associated with the West Calcasieu Port Bulkhead and Crane Project, EDA Award No. 08-79-05294, MA # C4-17065-DA upon approval by EDA

Darla Perry explained that this will authorize President Dick Kennison to sign the engineering contract once approval is given from EDA. Wilmer Dugas made a motion to authorize Joseph R. Kennison, President of West Calcasieu Port board, to execute an agreement between the West Calcasieu Port and Meyer & Associates, Inc. for engineering services associated with the West Calcasieu Port Bulkhead and Crane Project, EDA Award No. 08-79-05294, MA # C4-17065-DA upon approval by EDA, 2nd by Tim Dougherty. No opposition. Motion carried.

XII. Committee Reports

There were no committee reports given at this time.

XIII. Port Director Report

Port Director Lynn Hohensee announced that he is now officially the Ports Association of Louisiana (PAL) president. Lynn told the Board that he and Darla were made aware that Mike Hooks will be wrapping up the need to be at the port soon. Lynn stated that he has been meeting with a prospective tenant, Gates Fuel Services out of Bolivar, Texas, that wants to do marine fueling at the port. Gates has been in contact with CGBM. Lynn said he feels like this is a strong possibility for a good tenant, and they are supported by Devall Towing. Lynn told the Board that based on steps that need to happen for EDA grant projects, he anticipates the dredging in front of the green house will likely go into 2021 before it is completed. Due to this delay, Lynn said he feels like CGBM will not be at the port past their lease agreement. President Kennison asked Lynn if CGBM is currently dispensing any fuel, and Lynn answered no. There was a brief discussion regarding CGBM and Gates Fuel Services.

Darla told the Board the Port signed an original contract with Mike Hooks for 6 months, and it doesn't end until September. Mike Hooks thought their lease was on a month-to-month basis, and they moved out on June 30th. Darla asked the Board if she should invoice them and force them to pay the few months they have left on their 6-month lease. Attorney Glen James told the Board that since Mike Hooks signed the lease, they have a right to make them accountable to pay for the months remaining on the lease. Lynn agreed.

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

Marketing/Business Development/Retention –

- During the months of April/May/June and despite the COVID-19 pandemic, West Calcasieu Port tenants have continued with their respective operations with a priority for health/safety.
- Devall Fleeting operations continue to record record-high or near record-high daily fleeting numbers (as high as 157) in June.
- General Equipment (South Carolina) has leased two additional acres of the former CEMEX lease area on a month-to-month basis, which follows GE's lease of an original two acres earlier this spring for a year. GE is relocating materials from a portion of the Orion lease area to the newly leased area. GE also has leased a warehouse in Lake Charles as they further establish their business operation in SWLA.
- Atlantic Equipment continues to relocate scaffolding and support materials from the acre that it has leased east of the port entrance road to within its two-acre fenced leased area. AE also has accepted a one-year option extension of its lease agreement with the port.
- Although CGBM discontinued temporarily marine fueling service to clients on the GIWW, it has continued with other company operations using the green house and the small warehouse. CGBM personnel are continuing to be quartered in the green house. The company will continue to be a port tenant and lease the green house, the 2 acres it sits on and the storage building north of the green house at a temporary negotiated reduced rate. The full lease rate will resume once the waterfront is fully dredged and revetment installed.
- 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. SLS also is interested in leasing the yellow house near the shoreline. Tellurian also is interested in possibly establishing a staging site at the port for pipe during installation of the pipeline. Interest for the site of the pump station remains focused on a two port locations..
- Entergy has contacted the port to offer a digital communications effort to assist the port with marketing activity. A presentation on the offering is tentatively planned for an upcoming WCP board meeting.
- The port director participated in a series of tele-meetings and webinars designed to share information re: state and national maritime issues during the current COVID-19 pandemic.

Port Operations –

- The port staff (led by our CPA) continues to work with the Economic Development Administration, the EDA project administrator firm and an engineering firm to facilitate project development for the construction of new bulkhead and heavy-duty crane pad. CSRS serves as administrator, and Meyer & Associates serves as project engineer.
- McManus Construction of Lake Charles continues to make impressive progress with the construction on the port's new entrance roadway.
- Carlyss Water District #9 contractor is working on water line/meter improvements – a step necessary prior to detour roadway can be installed as part of the entrance road project.
- Met with W. Fincher to adjust the amount of port property that needs to be maintained. Adjustments accommodate the loss of one tenant and the pending loss of a second.
- Arranged for Devall Towing to coordinate with third-party contractor to maintain the levee between the west barge basin and the spoils reception area to include mowing 3-4 times annually. Cost to be borne by the port.

- Coordination of repairs to the barge loading ramp are currently in legal development between the port and the responsible party re: projected repair costs. A King Fabrication team visited the site in March and prepared an estimate of repair cost.
- Calcasieu Parish drainage district (western) informed the port that the remaining piles of brush/debris will be removed during the week of July 5.

Professional Organizations & Networking –

- In June, the WCP director (and/or board members) represented the port at:
 - a. PAL executive committee meetings via Go to Meeting online and the PAL monthly board meeting.

News Media & Community Relations–

- A Ports Assn. of La. news release was issued announcing the election of new officers for two-year terms, including the West Calcasieu Port director who will serve as president. American Press published related news article on June 29.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

FINANCIAL: Darla Perry reported the barge days are still running significantly ahead of last year. Cash for May totaled \$259,639.28; however, the majority of that amount was from the grant funds for the new entrance road. Expenditures for May totaled \$214,149.17 with the majority of that amount also being for the new entrance road. Darla stated the Port will be running an ad in the Chamber of Commerce. The ad will cost \$350. Darla said she is still working with FEMA from 2005 and still working on EDA.

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

LEGAL: Attorney Glen James told President Kennison he has the buy-sell agreements on the offers to purchase the 2 tracts of land for him to sign, and he will get those to him soon.

Lynn asked Glen if he has anything to report regarding the letters to Genesis Marine. Lynn answered no, nothing more than what he has already communicated. There was a brief discussion regarding Genesis Marine. Glen explained service was withheld, and the suit has been filed. Glen stated the filing of the suit interrupts prescription, so the Port is safe there. Lynn further explained he feels Genesis is not putting up a strong opposition, and they understand their liability. At this point they are trying to determine the amount of damage and amount of compensation owed to the Port. Glen agreed. Glen said he suspects Genesis will turn this over to their insurance company given the size of the claim. There was continued discussion regarding Genesis Marine. Lynn stated he will continue to work with the outside attorney to make sure there is progress to get a quick resolution so that the Port can initiate the repairs on the ramp.

ENGINEER: Chuck Stutes reported they are progressing very well on the road construction. Chuck announced the embankment construction should be finished in July and hopefully placing asphalt in July or August, weather permitting. Chuck estimates they are approximately 60% complete with the project.

Lynn asked Chuck if the EDA project was beginning with preliminary engineering, and Chuck answered yes. Lynn explained once that is done, it will be turned over to the outside environmental consultant to proceed to get the Army Corps permit application. Chuck agreed and added once they have the layout set in stone, they will let them do the permit and proceed with submitting it before the final engineering is completed. Chuck explained the engineering process will take 6 to 8 months with the Corps permitting process about the same time. Chuck stated that Coastal Management will also get involved. Chuck said it will need to be publicly bid and advertised for 30 days. Lynn asked if there was any way to shorten the engineering process time. Chuck answered it may be possible, but the problem will be with the Corps permit. Chuck explained the EDA probably will not allow the bidding process until there is a Corps permit.

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

Attorney Glen James said he would like to add one thing regarding Genesis. Glen explained the claim should include lost revenue for the Port. Lynn said he feels the only revenue that was lost would be day rates of fleeting when the barges got over 130 per day. Glen asked Lynn to discuss it with Mr. Mize, the outside attorney for the Port. Lynn stated he would.

XV. Public Comments

There were no public comments given at this time.

XVI. Adjournment

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

✓ 

President

✓ 

Secretary