

West Calcasieu Port Board Meeting Minutes

September 3, 2013

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 September 3, 2013, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Francis Andrepont led the invocation.

III. Pledge of Allegiance

Pledge led by Chuck Stutes and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Francis Andrepont, Mayor Chris Duncan and Sheila Burton)

V. Approval of minutes of the August 6, 2013 regular monthly meeting

President Dick Kennison entertains a motion to approve the minutes as printed and presented to the Board. Dave Aguillard makes a motion to approve the August 6, 2013 regular monthly meeting minutes, 2nd by Wilmer Dugas. No opposition. Motion carries.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions nor deletions to the proposed agenda.

VII. Discuss and Take Action on Approval of Change Order 6 – Reconciliation on West Barge Basin Project

Chuck Stutes handed out copies of the Final Reconciliation Change Order 6 to all board members. Chuck said since the project was bid on unit quantity basis of cubic yards of dredging, the yardages that were estimated and bid varied from the actual as-built quantities. Due to this, Chuck stated they have to go line item by line item and reconcile the entire project. Chuck directed the board to turn to the last page of the Final Reconciliation. He stated the first number of \$2,267,055 represents the sum of the original contract price awarded plus all 5 change orders approved. The second number of \$2,180,780.26 is the as-built quantity. This means the project came in at \$86,274.74 under the original contract price plus all change orders. Chuck said this form reconciles all of the final quantities and will have to be approved by the Board and then approved by DOTD. Chuck told Darla there will still be 2 payments left: one for the remaining quantities and one for the retainage (which is 5% of the contract amount). Chuck stated that once the Reconciliation is approved by the DOTD and the two pay requests are approved by DOTD, the project will be officially over. Chuck said he needs a resolution from the board to approve the Change Order 6. Tim Dougherty asked Chuck if the State was still picking up the 90% of the project. Chuck answered the State still picks up 90%, and the Port pays the other 10%. Tim Dougherty introduces the resolution to accept the Change Order 6 of the Reconciliation on West Barge Basin Project, 2nd by Wilmer Dugas. No opposition. Motion carries.

VIII. Nomination/Election of Officers for 10/1/13 – 9/30/14

Dave Aguillard nominates Dick Kennison for President, 2nd by Wilmer Dugas. No opposition. Nomination carries.

Dick Kennison nominates Wilmer Dugas for Vice President, 2nd by Dave Aguillard. No opposition. Nomination carries.

Dave Aguillard nominates Tim Dougherty as Secretary, 2nd by Wilmer Dugas. No opposition. Nomination carries.

IX. Committee Reports

Lynn Hohensee spoke about the Tenant Committee. Lynn said he has not heard back from either USES or River Barge Works. At the August port board meeting, both companies said they would get back to Lynn before the next board meeting with some additional information regarding their situations at the port. Lynn suggested that since he has not heard from either company, the port should plan to move forward as is to see

where that goes down the road. Wilmer Dugas asked if both tenants have paid their lease for the month, and Darla Perry confirmed they have.

X. Port Director Report

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

Marketing/Business Development –

- A tour of the West Calcasieu Port was conducted for a Houston-based prospect looking for shallow-water access for a midstream fueling operation.
- The port continues to actively market the Devall Diesel Building to local prospects.
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- West Calcasieu Port participated in a meeting of all ports in Southeast Texas and Southwest Louisiana. The meeting was sponsored by the SWLA Economic Development Alliance.
- The port was represented at the 108th annual conference of the Gulf Intracoastal Canal Association in New Orleans.

Port Operations –

- The port engineer continues to work with Devall Towing and contractors to move forward on the installation of a new barge-loading ramp to replace the old ramp. Original cost of the ramp was estimated at \$450,000, but has increased to \$640,000.
- The port engineer also is in the initial phase of preparing for the bidding out of work to be done in constructing a new hard-surfaced road to the planned loading ramp.
- Work continues on the Tresco leased land. Weather has impacted the completion of the work.
- Century Concrete has installed the port sign. Electrical connections are completed.

[NOTE: Lynn stated he received a call from Harry at Devall Towing. Harry said the gate isn't functioning properly. Lynn said he spoke with Chris Kelly at Chuck Stutes' office, and Chris is contacting the company that installed the gate. Lynn stated the problem with the gate seems to be that the backup battery system isn't working during a power outage. Lynn said Chuck's office has tried to contact the gate company several weeks and seems to be reluctant to come out and check out the problem. Lynn said that Chris is going to try to get the company to come out and honor the contract. President Dick Kennison stated the port does have an attorney, if he needs to get involved.]

Lynn reminded the board that next month's meeting will be held at 4:00 pm at the Devall headquarters on Swisco Road for their annual steak dinner.

There was continued discussion regarding the gate. Lynn also stated that he is planning on meeting with a representative of Orion. Lynn feels that there is a renewed interest in keeping Orion at the port. Lynn will keep the Board updated when he learns more after his meeting.]

Professional Organizations & Networking –

- The WCP director represented the port at:
 1. Ports Assn. of La. board meeting
 2. GO Group Community Relations Sub-committee meeting
 3. Chamber/SWLA Legis-gator luncheon
 4. SWLA Economic Development Alliance dedication of the SEED Center.
 5. PetroChem meetings

6. Administration sub-committee of the Calcasieu River Waterway Harbor Safety Committee
7. Meeting with marine/port security firm
8. Boys Village board meeting
9. West Calcasieu Chamber/Commerce economic development sub-committee meeting
10. United Way campaign kickoff

News Media & Community Relations–

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

Wilmer Dugas makes a motion to accept the Port Director's Report as is, 2nd by Scott Foreman. No opposition. Motion carries.

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

LEGAL: There was no legal report.

ENGINEER: Chuck Stutes reported that they continue to work on the barge ramp, and they have received drawings from F. Miller. Now they are working with the fabricator and doing the engineering drawings for the foundation. Chuck says the latest delivery is expected to be November on the ramp itself.

FINANCIAL: Darla reported for the month of July the port was in a net positive cash flow of \$2,054. Darla went over the ramp report with the board. For July, ramp lease was \$7,050. Barge days are 1,059 over July of last year. Darla said she gets a daily barge report, and it is showing 100 barges per day on a regular basis.

Lynn Hohensee stated he has been serving as an intermediary between Devall Towing and Ivan Johnson. Lynn said Mr. Johnson owns land on the south side right across from the barge basin. Devall Towing is interested in purchasing the land from Mr. Johnson. Lynn said they are planning on meeting Thursday of this week. Lynn said he feels if they purchase the land, the Devalls will start charging day rates for any barges that park on the south side. There was further discussion about the barge rates and how that will affect the port.

Darla stated she sent to Chuck, Glen James and Lynn a potential way for the Devalls to get exempt from paying sales tax on the new ramp. Darla said she does not know if this is legal or not. Chuck said it is a standard form. Chuck explained to the Board how the form works. Chuck said the legal issue that needs to be addressed is: Are the Devalls an agent of the Port? The next issue is: Does the material, once it's purchased, become property of the Port? Those questions both need to be answered by Glen James, the attorney for the Port. There was further discussion about the ramp project and the sales tax issue.

Darla reminded the board that at the October meeting, the consultants' renewal will also be on the agenda. President Dick Kennison entertains a motion to accept the financial report as presented. Wilmer Dugas makes a motion to accept the financial report as presented, 2nd by Tim Dougherty. No opposition. Motion carries.

XII. Public Comments

Francis Andrepont reported that there are no longer funds available in the Gaming Fund for projects; however, there is money available in the Economic Development Fund. So if the Board feels they are in need of funds for any project, Mr. Andrepont said to let him know and the Police Jury will work with the Board on helping them out. Mr. Andrepont assured the Board the shortage of funds is only temporary.

Tim Dougherty thanked the Board and the Police Jury for their donations and support for the Airport Celebration.

Lynn Hohensee asked Mayor Duncan if there are any new developments with the cement plant. Mayor Duncan said to wait for the agenda next month.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:28 p.m.



President



Secretary