

West Calcasieu Port Board Meeting Minutes

December 2, 2014
(REVISED)

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:04 p.m. on December 2, 2014, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Wilmer Dugas led the invocation.

III. Pledge of Allegiance

Pledge led by Lynn Hohensee 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

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

V. Approval of minutes of the November 4, 2014 regular monthly meeting and the November 17, 2014 special meeting

President Dick Kennison entertained a motion to approve the minutes of the November 4, 2014 regular monthly meeting and the November 17, 2014 special meeting. Wilmer Dugas made a motion to approve the minutes of the November 4, 2014 regular monthly meeting and the November 17, 2014 special meeting, 2nd by Tim Dougherty. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Chuck Stutes stated he needed to add one item to the agenda. Chuck said Port Director Lynn Hohensee received by mail a Cooperative Endeavor Agreement from Division of Administration Office – Facility Planning for the capital outlay project that was approved this year. Chuck said the State’s total contribution is \$2 million, and the Port’s share is also \$2 million. Chuck reported that only \$200,000 has been approved; and the other \$1.8 million has been pledged with the Priority 2, which will have to go before the Legislature next year. President Dick Kennison asked if the \$200,000 would come immediately. Chuck responded the \$200,000 is cash available now. Chuck recommended using the \$200,000 for surveying, geotechnical and engineering work and then next year, after approval, use the \$1.8 million for construction. There was further discussion about the Cooperative Endeavor Agreement.

Tim Dougherty makes a motion to add to the proposed agenda as VI(a) consideration of the Cooperative Endeavor Agreement, 2nd by Wilmer Dugas. No opposition. Motion carries.

VI(a). Consideration of the Cooperative Endeavor Agreement

Chuck Stutes explained he needs a board resolution that authorizes Port Director Lynn Hohensee to execute the Cooperative Endeavor Agreement with the State of Louisiana at this time for \$200,000 for the construction of the new bulkhead. Wilmer Dugas makes a motion to approve a board resolution that will authorize Port Director Lynn Hohensee to execute the Cooperative Endeavor Agreement with the State of Louisiana at this time for \$200,000 for the construction of the new bulkhead, 2nd by Tim Dougherty. No opposition. Motion carries.

VII. Discuss and take action on proposed potential new tenant lease option

Port Director Lynn Hohensee announced that the company formerly known as “USA Ready Mix-LA” is now known as “Cemex Cement of LA, Inc.” The Board asked questions whether the name change was going to change the lease. Lynn explained there is only a letter of intent right now. President Kennison asked Glen James if he knew about the name change. Glen responded yes and that he had already drafted a lease with the new name. Lynn assured the Board it is the same people running the company. President Kennison asked if rent is collected at the beginning of the month. Darla Perry answered all tenants’ rents are collected at the beginning of the month, plus deposits.

Glen James discussed the terms of the drafted lease with the Board. Glen outlined some of the terms of the lease as follows: \$1500 per acre per month (Glen told Chuck Stutes he needed a legal description for the lease. Chuck stated they would need to get it surveyed. Chuck asked Glen to give him a rough description, and he would handle getting it surveyed.) Another term of the lease included access for Orion or other tenants to cross the leased property. Glen asked the Board how the maintenance and liability

would be covered under the lease. There was discussion regarding the terms of the lease with Cemex Cement of LA, Inc. and the property in question.

Questions were raised by the Board regarding containment of the cement dust. Glen James read over part of the lease where it talks about the tenant abiding by all State, Federal and local laws, along with removing hazardous materials. Lynn asked if the term "dust" could be added to the wording of the lease. Glen said the term "dust" can be added to the wording of the lease. Darla Perry stated the revenue stream from the lease will run approximately \$8,000 to \$9,000 per month. Tim Dougherty volunteered to do some research and visit some sites that do the same type of work to see how the cement companies contain the dust.

Lynn encouraged the Board not to vote on the lease agreement at the present time. Lynn offered to speak with the Guinns and express the concerns of the Board, which were: name change, situation with Orion regarding use of the road, concerns regarding containment of dust, considering a different location at the port to alleviate some of the issues in question.

President Kennison recommended taking Lynn's advice and allowing him to speak with the Guinns and allowing the Board to do some research before voting on the potential lease. Wilmer Dugas makes a motion to table the potential lease with the understanding that Port Director Lynn Hohensee will speak with the Guinns to express the concerns of the Board; Lynn and Tim Dougherty will have the opportunity to visit sites similar to what will be placed at the port to see how cement companies contain the dust; and also try to work out a new location at the port. The motion was 2nd by Dave Aguillard. No opposition. Motion carries.

VIII. Discuss and consider action on wind damages to building canopy

Darla Perry stated she had 3 proposals: H&H Metal, \$28,850; Ave Maria General Contractors, \$28,600; Sade Construction, \$11,450. Darla said remedy measures need to be taken because it is leaking in the building. There was discussion about the three proposals. Chuck Stutes brought it to the Board's attention that the proposals of H&H Metal and Ave Maria are very comparable as far as their descriptions. Chuck said the proposal by Sade is not comparable to the other two. There was further discussion about the leaking in the building. Chuck said legally it doesn't have to be a bid unless it's above \$150,000. Darla said insurance will cover around \$23,000 plus an extra \$5,000 if the Port spends it. President Kennison told the Board a decision needed to be made so the tenant won't be losing out on use of the building. Wilmer Dugas makes a motion to accept the proposal of H&H Metal for \$28,850. The motion was 2nd by Tim Dougherty. No opposition. Motion carries.

IX. Committee Reports

Tim Dougherty told the Board he spoke with Mike Devall about issues with the new ramp and Mike would like Chuck to call him. Chuck said to tell Mike to set up a meeting with Lynn Hohensee, and he will come meet them.

Lynn Hohensee reported that the Tenant Committee met with Tracey Doucette and his new boss from USES. Lynn said they are interested in moving from the leased building they are in now to the Devall Building that the Port has taken over. There was discussion regarding the Devall Building and getting an appraisal of its value. Lynn said he will work with Darla in gathering more information to bring to the Board. President Kennison entertained a motion to authorize Port Director Lynn Hohensee to negotiate with Taylor Cain of Flavin Realty to get estimations on the property's value. President Kennison told Lynn that Taylor Cain's estimation does not need to be what the Port asks. Darla said to make sure whoever does it needs to be certified on commercial appraisals. Dave Aguillard makes a motion to authorize Port Director Lynn Hohensee to negotiate with Taylor Cain of Flavin Realty or some other certified commercial appraiser to get estimations on the property's value, 2nd by Tim Dougherty. No opposition. Motion carries.

X. Port Director Report

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

Marketing/Business Development –

- A letter of intent was approved for a new tenant that will provide concrete support to a nearby construction site. A lease agreement (draft) is being prepared.
- Discussions are underway with an existing tenant to transfer the lease with the port to the Devall Diesel Building.
- 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.

Port Operations –

- Application has been made to the Department of Transportation & Development's Port Priority Fund Program for a grant to assist with the maintenance dredging of the west barge basin. It has been five years since maintenance dredging was completed.
- Tauber Oil, the port's newest tenant has temporarily halted marine fueling operations from its barge in the port's west barge basin due to replacement of barge equipment.
- The port and Tauber Oil is splitting the cost of dredging the slip that the Tauber Oil barge occupies. This action will allow the barge to be positioned next to the revetment. Orion Marine Group is performing the dredging. Work is permitted under an existing ACE permit. Spoils are being trucked to the port's approved spoils area.
- Additional dredging support also is being done by Orion Marine in front of the port's barge loading ramp.
- The port is continuing to work with River Fence Co. to complete repairs to the port's front gate operations.
- The port has received three proposals from local contractors for the repair work on the USES Building. A strong storm damaged the awning on the beyond repair. The damaged awning has been removed. The roof also was damaged and has resulted in minor rain water entry into the building. Repairs will begin as soon as a contractor is selected.
- River Barge Works is upgrading its operations with a new work barge. They also replacing the old crane with a new one. Orion Marine Group is assisting with the placement of the crane on the barge.

- Meeting with Media Post was held to discuss editing of drone video of port operations into a two-minute segment for the port website.

Professional Organizations & Networking –

- In November, the WCP director (and/or board members) represented the port at:
 - a. West Calcasieu Chamber of Commerce annual banquet
 - b. PAL board meeting
 - c. West Cal Chamber quarterly board/directors meeting
 - d. Go Group strategic plan announcement
 - e. WIB executive board meeting
 - f. PetroChem meetings
 - g. USCG Safety/security meeting
 - h. Family & Youth awards ceremony
 - i. BV board meeting and holiday dinner meeting

News Media & Community Relations–

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

{NOTE: Lynn said he spoke with David Tauber of Tauber Oil. The dredging work Orion was supposed to do in November was not able to get done due to barge issues. Lynn said he spoke with Jerry at Orion, and Jerry told him as soon as they can get a barge in that they will do the work. Lynn said David Tauber asked if he can get water to their location so he can use it as a marketing tool. Lynn told the Board Tauber could run a water line across the road and put a 2-inch meter with the water being purchased from the Port at the rates set up by the Port. Lynn said the cost of setting up the water line along with the flow-back device will all be incurred by Tauber Oil.

Lynn said he met yesterday with Tyler Roy of Wilco Marsh Buggies. They are interested in a one-year lease where they can store 5 or 6 marsh buggies on 2 acres at the Port. Lynn suggested the best location would be inside the spoils area so they can easily get to their barge. Chuck Stutes stated that would not be a problem, as long as they did not put any fill in the spoils area. Lynn said he told them the Port's rate is \$1500 per acre. Chuck told Lynn the spoil disposal area needed to be used for maintenance dredging. Lynn reassured Chuck and the Board they will only be using one small area for parking and possibly light maintenance on marsh buggies. Lynn said no action needs to be taken at this time.}

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

FINANCIAL: Darla Perry gave the financial report. Darla said the barge count is doing great with 813 barges more this year than at this time last year. Ramp is \$1,050 more than at this time last year. Darla said the Port's share of ramp revenue for October was over \$6,000 for the month. Devall had 2 payments come in for October. The Port will have 2 payments in November from Orion. Darla said Tresco lost one of their invoices, so they will have 2 payments in December. Darla told the Board she met with Ken from the Waterworks District to look at the meters at the Port. There are 3 meters at the Port that tenants are getting billed for. Darla said she would like to see all of the water meters put into the Port's name. There was further discussion about the water meters.

Lynn asked Chuck if someone from his staff could take on the project of identifying where the water lines and meters are and find out who they are servicing. Chuck said they can work with the Water District in doing that. Darla said she will work with Chuck in getting that resolved. Darla also stated she will need President Kennison and Glen James to notarize the insurance so she can accept the insurance payment on the building.

Darla also announced that all of the hours have been used up with Matrix New World, the company that had been working with her and Chuck on the FEMA issues. Darla said they are at the point of doing a version to present for additional funding. Darla stated she is hoping they will walk her through and help her with the rest of what needs to be done to get it filed. Darla said she does not feel comfortable in recommending any more time with Matrix New World. President Kennison asked if there is an idea of what the Port may gain from the findings. Darla reported around \$400,000.

ENGINEER: Chuck Stutes said there is a meeting Monday in Baton Rouge with DOTD regarding the maintenance dredging on the West Barge Basin. Chuck said he is waiting to hear back from DOTD to see if the Port made the cut.

GAL: Glen James stated he is going to hold off on the lease with Cemex Cement of LA, Inc. until Lynn gets the issues resolved with the Guinns.

Darla made a comment regarding the port priority funding. She stated there are 44 employees at the Port on a regular basis, not counting Orion/F. Miller. Darla said that is quite an increase since the last application.

XII. Executive Session

There was no executive session at this time.

XIII. Public Comments

Tim Dougherty invited the Board and guests to the Southwest Louisiana Central Trades & Labor Council Fish Fry next Thursday, 6-8 pm. Tim stated it will be held at the same time as Meyer & Associates' Christmas Party.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 4:11 p.m.


President

Jim Dougherty
Secretary
