

West Calcasieu Port Board Meeting Minutes

March 4, 2014

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:01 p.m. on March 4, 2014, 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 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:

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

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

V. Approval of minutes of the February 4, 2014 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the February 4, 2014 regular monthly meeting. Wilmer Dugas makes a motion to approve the minutes of the February 4, 2014 regular monthly meeting, 2nd by Dave Aguillard. 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 expenditures on change order for electrical and concrete approach slab on new barge ramp

Chuck reminded the Board about the discussion at the last board meeting regarding this topic and how the issue was deferred to a committee. Chuck said the committee met about three weeks ago and received the opinion from the port's attorney, Glen James, that as long as the work was less than \$150,000 in cost, that it was not required to be publically bid. Orion Marine Group's bid of \$55,506 entails the concrete work, reinforcing steel, fence enclosures, guardrails and electrical work. The committee members decided the best method of getting the work done was to authorize Orion Marine Group to do the work directly for the West Cal Port. Chuck recommended making a motion to award Orion Marine Group with the job of concrete approach ramp and electrical work at the new barge ramp in the amount of \$55,506. President Dick Kennison asked when the work would begin, and Chuck answered that it would begin immediately.

Wilmer Dugas makes a motion to accept Orion Marine Group's bid of \$55,506 for work done on the concrete approach ramp and electrical work at the new barge ramp, 2nd by Wilmer Dugas. No opposition. Motion carries.

VIII. Committee Reports

Lynn Hohensee gave an update on the Tenant Committee. Lynn said the talks with a fueling company were put on hold until impending discussion could be held with the Coast Guard. Lynn stated he met with the Coast Guard last month. After checking the regs of remodification, the Coast Guard could not come up with any reasons why the plans of the fueling company could not work. The next step is for the Coast Guard to meet with the fueling company, Tresco, Lynn Hohensee and Alfred Devall to iron out what will be required for safety and security plans and location for barge. The Coast Guard's recommendation for location of the barge is to place it on the west side of the new barge floating ramp. Lynn said he has not received any feedback from the Devalls, but he will set up a meeting to discuss this with them.

Lynn said the Tenant Committee has not met on the other 2 prospects. Lynn toured the port with a pipeline company yesterday. He said the pipeline company has a 7- to 8-month project, starting January 1; and they would like to lease up to 15 acres from the port, along with possibly leasing the Devall Building. Lynn said he also received a call from a lumber company in Washington state that is interested in harvesting forestry products, containerizing the logs and loading the containers on barges or other vessels for exporting to China. The Board asked questions and discussed the lumber company and their intentions with Lynn. Lynn said he will find out more information and report back to the Board.

IX. Port Director Report

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

Marketing/Business Development –

- The West Calcasieu Port Director has meet with a private fueling company interested setting up a fueling operation at the port. Based on the initial meeting proposal, Devall Towing has been involved in the discussions. Additional meetings have been held with US Coast Guard representatives to determine the concerns for safety/security. At this time, there are no “killer” considerations on the part of the USCG. Further communications with the prospect and Devall are expected.
- Negotiations with CBRE Tenant Representation, a Houston-based company representing Orion Marine Group have made considerable strides re: an extension of the OMG lease agreement with the West Calcasieu Port. A verbal agreement was reached. A written proposal by CBRE is being prepared for review by the port tenant committee prior to recommendation to the full port board,
- 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 and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- The port board’s tenant committee has not received any further communications form a local investor group interested in using the WCP as a base to retrofit a barge to accommodate lodging facilities.

Port Operations –

- Construction/installation of the new barge-loading ramp funded by a grant from Devall Towing basically is complete. Support soil/concrete and electrical work remain to be completed.
- Road construction work for the 700-feet of hard-surface roadway to the new barge loading ramp continues, but has been hampered by extensive rainy weather in February. It is likely that the project deadline of the end of March will need to be extended due to the weather-related delay of work.
- Issues are being addressed to assure that U.S. Fence/Gate honor its obligation for post-installation service for the port’s main security gate. Electrical outages which caused problems with the backup battery system have been corrected. Issues with the card readers are being addressed.

Professional Organizations & Networking –

- The WCP director represented the port at:
 - a. Ports Association of Louisiana annual conference and monthly board meeting
 - b. Calcasieu River Waterway Harbor Safety Committee meeting and CRWHSC navigation committee meetings
 - c. Chamber/SWLA Gov’t Affairs/Infrastructure committee
 - d. West Cal Chamber/Commerce monthly meeting
 - e. Go Group meeting
 - f. LABI lunch meeting
 - g. Parish longe-range transportation public hearing
 - h. Chamber/SWLA ribbon cutting event
 - i. Propeller Club meeting
 - j. PetroChem meeting
 - k. Boys Village board meeting
 - l. Funeral of Port of Vinton board president
- Port purchased table at annual Chamber/SWLA banquet.

News Media & Community Relations–

- Lagniappe Magazine featured an article/photo based on a WCP news release announcing the construction of the barge loading ramp.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

{NOTE: Lynn said they are trying to resolve some issues with the fence company in regards to some missing software. Lynn stated the Port may have to pay to replace some of the software.

Lynn also reported there were some plumbing issues on the back end of the building last week. Water is operational on the front end of the building, but Lynn said a decision was made to shut off the water/plumbing on the back side. President Dick Kennison asked if everything was worked out with USES on the water issue. Lynn said they are still working with them on that, along with working with them on how to lay the water line across the road when the new road construction comes in. There was further discussion about the water line. President Dick Kennison asked Chuck Stutes if there was a way for the Port to have different meters for tenants to access the water. Chuck answered yes, but you would need to install separate meters. Lynn added you would need to go to the water district to set it up, and it would cost around a couple thousand dollars per meter. There was continued discussion about monitoring the water line.}

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

LEGAL: Glen James stated there is no legal report for this month.

FINANCIAL: Darla Perry gave the financial report. Barge days are running significantly ahead of last year to date. There are 22,881 barge days through January, while the prior year ran 18,285 days. Ramp revenue is still behind, but Darla said she hopes with the new ramp it will catch up. On the cash flow, Tresco and River Barge Works had checks come in at the first of February, which may show two payments in the month of February. On the expenditure side, the audit fees came in the month of January. Darla said the amount for the ramp road project is the Port's portion that has been paid out. Some of the Port's insurance policies renewed in March, so Darla said she is getting it requoted as of July 1 with a couple of insurance companies. Darla stated she will do a comparison and show the Board the analysis. Darla said she had been trying to get additional revenues from FEMA on the ramp road, but she is no longer going to pursue it since the Police Jury donated some funds for the road project. Darla spoke to the Board about FEMA issues that are still pending regarding Hurricanes Ike and Rita. She said she is working with FEMA to resolve the issues. There was further discussion about insurance issues and what all needs to be insured.

Lynn Hohensee asked Darla if she had any further information from the State Capital on the capital outlay funding. Darla said she does not have an update.

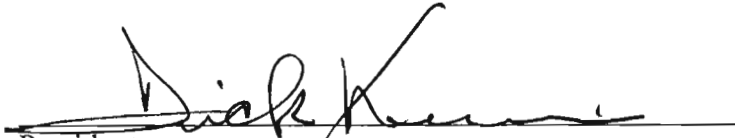
ENGINEER: Chuck reported there has not been much progress on the ramp project due to the weather. Dirt work is being done on the roadway. Chuck said he expects about a month delay.

XI. Public Comments

Mayor Chris Duncan told the Board he had just left the Devall Building, and they were praising Lynn Hohensee and the Board for all they have done for the Port. Mayor Duncan thanked the Board for all of their hard work.

XII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:34 p.m.



President



Secretary