

## West Calcasieu Port Board Meeting Minutes

March 5, 2019

### **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 March 5, 2019, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

### **II. Invocation**

Tim Dougherty led the invocation.

### **III. Pledge of Allegiance**

Pledge led by Dave Aguillard and recited by all board members and guests.

### **IV. Roll call**

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, Mrs. Marion Aguillard and Sheila Burton.)

### **V. Approval of minutes of the February 5, 2019 regular monthly meeting and February 22, 2019 special meeting**

President Dick Kennison entertained a motion to approve the minutes of the February 5, 2019 regular monthly meeting and February 22, 2019 special meeting. A motion was made by Dave Aguillard to approve the minutes of the February 5, 2019 regular monthly meeting and February 22, 2019 special meeting, 2<sup>nd</sup> 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 proposed agenda.

**VII. Consideration and approval of Change Order No. 3 for additional dredging quantity and time on West Barge Basin Improvements, Basin Dredging, S. P. No. H.012471(321)**

Chuck Stutes handed out a summary of the Change Order to the board members. Chuck explained they are in the close-out phase on the West Barge Basin Improvements, Basin Dredging; and there was one item in the project that ran over the estimated quantity, which was the cubic yards of dredging. Chuck stated it was estimated at 138,000 cubic yards; and the actual amount dredged, based on the after-dredge survey, was 141,997 cubic yards. President Kennison asked Chuck if there was any way to verify the amount. Chuck explained there was a survey done before the dredging; and then there was another survey done after the dredging that verified it. Chuck reported the total increase in cost is \$23,982. Chuck told the Board that DOTD will still pay the 90% of the increase in cost. Tim Dougherty made a motion to approve the Change Order No. 3 for additional dredging quantity and time on West Barge Basin Improvements, Basin Dredging, S. P. No. H.012471(321), 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

**VIII. Discuss and authorize preliminary permitting services (prior to EDA Grant finalization) for Southland Environmental Services on the New Bulkhead along the Intracoastal Canal project**

Chuck Stutes stated that Darla is working on final approval for the grant, but the longest item on the entire schedule of the project is permitting. Chuck explained that because there is dredging and bulkheading involved, the Port has to have a Corpse of Engineer permit and Coastal Use permit from DNR. Chuck told the Board that once they feel comfortable that EDA is going to give the final grant application, they would like to move forward with the permitting and file the permit with the Corpse and DNR. Chuck estimates the Port will be spending \$5,000 of port funding; and it should save many months in the process by doing this.

Wilmer Dugas made a motion to authorize preliminary permitting services (prior to EDA Grant finalization) for Southland Environmental Services on the New Bulkhead along the Intracoastal Canal project, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

**IX. Committee Reports**

There were no Committee Reports given at this time.

**X. Port Director Report**

{Port Director Lynn Hohensee told the Board it has been a very busy, short February. Lynn reported that he met with Tubal-Cain earlier this week, and they are extremely happy being a tenant of the port. The rain has held up some of their construction activity, but they are moving along as best as they can. Lynn told the Board that Tubal-Cain

received an Exemption 105 from the Coast Guard, which means they may not be in a TWIC area in their facility. Lynn said the gates on both ends of their property, in all likelihood, will remain open. Lynn reported that Tubal-Cain will be completing the installation of their thermal combustor soon, which they purchased for \$5 million and brought to the port. Lynn said they expect it to be completed by the end of the month, and it will renovate a lot of the services that they will be able to provide to their customers. Lynn said Tubal-Cain may provide the Board a tour of their facility once it's constructed.

Lynn told the Board that Tubal-Cain is also partnering with Devall to do some steaming of barges at the slip on the west side of the barge loading ramp. Lynn reassured the Board that they will pay a full day rate as if there was just any normal barge there. Lynn said Tubal-Cain is asking permission to place a hard-rock pad on the west side of the barge loading ramp where they have a trailer with a mobile boiler on it. Lynn told the Board that this is a service they will be providing that no one else in the area is providing. There was a brief discussion about the pad that Tubal-Cain is asking permission to place near the loading ramp.

Lynn reported he just spoke with Orion's realtor. They are still deliberating on the use of the Old Ferry Road building. Lynn explained that Orion's contract is up in August, and they may do a 1-year lease just to wait to see what projects they may have coming up in the future. Lynn said he knows that Orion has the contract to dredge the areas right now over by Cameron LNG, but they are still unsure of what competitors they may have on other large projects coming to this area. Tim Dougherty asked if the road construction along the Old Ferry Road property would be an issue that would affect their decision, and Lynn answered any road work done will need to keep tenants in mind.

Lynn said he met with Bart Riley from S.T.A.R. Concrete Pumping last month when they were recognized as Company of the Month by the West Cal Chamber. Lynn reassured the Board that S.T.A.R. is still interested in staying at the port and would like to hold on to their building, because they are bidding on a lot of large projects in the area and are hopeful they will be competitive on their pricing to get some more work.

Lynn told the Board that he and David Devall gave a potential tenant a tour around the port. Lynn explained that LPR Construction is out of Colorado, and they are primarily a steel structural company. LPR Construction is bidding on the Venture Global project, and the work would entail bringing materials by truck to the port and assembling large modules. Lynn said they are interested in a piece of port property that is being certified right now. Lynn briefly continued to explain LPR's potential business in the area and possibly becoming a tenant at the port. Lynn said he feels this is just a taste of what the economy will be bringing to our area.

Tim Dougherty asked another question about the road project and whether the infrastructure will hold up to support possible tenants. Lynn answered yes and reminded the Board about the issue of Entergy's 3-Phase project. Lynn said Entergy is now ready to connect with Tubal-Cain, and they are working on that now. Lynn told the Board that if Stream Land Services decides to use 3-Phase electricity, it may be a great benefit in several different areas around the port. There was a brief discussion about the port's infrastructure and possibly getting financial support or grants.

Darla Perry told the Board if LPR decided to rent the 13 acres at the port, the rent would be \$26,000 - \$30,000 per month. Lynn said they have given LPR a quote of around \$2500 per acre; but if they were to use the waterfront/finished bulkhead improvements area, it would be approximately \$3000 per acre per month.

Lynn reported that he met yesterday with Gus Fontenot at the Seed Center regarding the certification of the port property. Lynn briefly reviewed the areas they are looking to get certified. Lynn said it looks like the Port will fall into the small business certification category. The Seed Center had questions about the new road and how it affects tenants. Lynn gave the Board the explanation that was given to the Seed Center and stated they are satisfied with the information they were given.

Lynn told the Board he met a couple weeks ago with William Fincher to take over the property maintenance at the port. Lynn said he is a local young man that works for the Devalls, and he has the flexibility in his work schedule to do the job. Lynn briefly reviewed the areas Mr. Fincher would be providing lawn maintenance around the port. Lynn said it may be a little more a year than the previous guy, but he will be doing more work. There was a brief discussion regarding the previous maintenance worker. President Kennison told the Board that they need to go ahead and get a bid from Mr. Fincher.

Tim Dougherty told the Board that he would like to see everything around the port cleaned and the drainage issues fixed. President Kennison said he feels like a lot of this will be fixed with the new road project. Lynn also reminded the Board that due to the weather, the ditches that normally stay dry have been full but will eventually go back to normal when the weather gets better. There was a brief discussion about drainage in the area.

Wilmer Dugas asked if anyone found out what all of the Entergy poles were for. Chuck Stutes answered that out of a dozen poles, it looks like there may be 2 that will be an issue. Chuck stated it looks like they are between the proposed roadway and the ditch. Chuck briefly spoke about the Entergy poles and said he will be working with Entergy to relocate a few of the poles.

Wilmer Dugas asked about the property between Johnny and the Old Ferry Road property, whether that belonged to the Port. President Kennison explained that the property all the way up to the front belongs to the Port.

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

**Marketing/Business Development/Retention –**

- Port tour was provided to LPR Construction, a Colorado-based steel fabrication company interested in setting up a module assembly location at the West Calcasieu Port in support of the Calcasieu Pass LNG export terminal project.
- Port remains in contact with Stream Land Services. Stream escorted a five-person Tellurian team from Houston to tour the port. 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. 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 location east of the NE corner of the spoils area or in the 2-acre fenced area returned to the port by STAR Concrete Pumping. The facility may need 3 Phase electricity support.

- While S.T.A.R. Concrete Pumping lease of their port building continues on a month-to-month basis into 2019 or until 30-day notice is provided, STAR management has informed the port that it is aggressively bidding on projects in SWLA, which would enable the company to remain a port tenant.
- Orion Marine Group continues to show interest in possibly leasing additional property at the port. Orion interest is now focused on the green house. An Orion team toured the green house. Discussions also continue with Orion Marine Group re: renewing five-year option on lease agreement.
- The port director is coordinating with Devall Towing to create interest in the port facilities with ongoing communications efforts with select LNG export terminal projects.
- Partnering with Devall Enterprises, the port director continues to work with a prospect interested in setting up marine fueling operations at the port in 2019.
- Coordination continues with SWLA Economic Development Alliance and Entergy to seek certification for a parcel of property at the port that will be supported by proposed new waterfront improvements.
- River Barge Works continues to develop a site inside the port's spoils levee to hold recovered Portland cement that was obtained from client barges and earmarked for recycling.

#### **Port Operations –**

- The port has received written notification that it has been approved for a \$4.2 million EDA federal grant for port infrastructure improvements. The port board unanimously voted to accept the grant in a special port board meeting in February. The port has been notified that the port's key contacts at the IMCAL regional planning office that assisted with the grant application have been terminated. The port's director, CPA and engineer have been in communications with EDA staff in Austin, Texas, to identify a path forward for completion of the grant process.
- Tubal-Cain continues with its site improvements and infrastructure development.
- Discussions continue with T-C and Entergy officials re: 3 Phase electricity support to the port.
- The port director and port engineer remain in communication with the new point-of-contact at Louisiana State Office of Facility Planning and Control re: funding for engineering/design for new port bulkheading project.
- Multiple state and federal regulatory efforts are underway to address concerns about the loss of soil into the Gulf Intracoastal Waterway from recent civil work on the south shore of the waterway directly across from the West Cal Port. Currently, soil runoff is occurring. Long-term concern focuses on potential for weight of dirt causing sliding of GIWW shoreline into the channel, especially during extended wet weather.
- Discussions are in progress with a new contractor to perform yard maintenance at the port.
- Three contractors have been contacted to submit bids to repair the north awning on the STAR Concrete Bld., which was damaged by wind.

#### **Professional Organizations & Networking –**

- In February, the WCP director (and/or board members) represented the port at:
  - a. PAL board meeting and executive committee meeting
  - b. La. Statewide Business Summit/Governor's Mansion reception
  - c. LCIA quarterly regional lunch meeting
  - d. Chamber/SWLA business after hours
  - e. Cal/Cam Maritime Taxing District committee meeting
  - f. SWLA Legislative Breakfast
  - g. PetroChem board meeting
  - h. Chamber/SWLA gov't affairs/infrastructure committee meeting
  - i. West Calcasieu Chamber monthly business luncheon – where STAR Concrete Pumping was selected as Business of the Month
  - j. Chamber/SWLA luncheon w/Sen. John Kennedy
  - k. Propeller Club meeting

#### **News Media & Community Relations–**

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

Wilmer Dugas made a motion to accept the Director's Report as presented, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

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

**LEGAL:** There was no legal report given at this time.

**FINANCIAL:** Darla Perry reported the net cash flow for January was \$74,160.28. The lease from Devall for December came through in January. Darla reviewed the various expenses with the Board. Darla told the Board that the unit that you call from at the gate up to the guard shack was damaged and will need to be replaced. Cost will be approximately \$1,000 since it is no longer under warranty. Barge days for January were 3,394. There was no ramp usage for January. Darla explained that they are still working on the EDA grant for the bulkheading out front. It is a 5.3 million-dollar project; and Darla told the Board that if they are successful, they will receive \$4.2 million from the EDA. Darla and Lynn explained some of the information that they are needing to gather for the grant and how they are trying to get support from IMCAL. Lynn said he applauds Darla, Chuck and Blaine for all of their hard work on the grant and further explained some of the issues they are having on gathering the information for the grant without IMCAL's help.

Chuck Stutes explained to the Board that right now all the Port has is preliminary approval. They are working on final approval. Once final approval is given, the Port will then receive the grant and money. However, once you have the grant, you have to have a grant administrator who will make sure you do everything in accordance with all of the Federal rules all the way through, from procurement of engineering services to bidding to spending the money to the contractor and making sure they are paying the correct wages. There was a brief discussion regarding the grant process and IMCAL. President Kennison suggested allowing Darla to proceed with this, he said, he feels she has done more work than anyone else that they could have hired to do the job. Darla said she will know more tomorrow and will let the Board know.

Wilmer Dugas made a motion to accept the Financial Report as presented, 2<sup>nd</sup> by Tim Dougherty. No opposition. Motion carried.

### **ENGINEER:**

Chuck Stutes reported that they are in the process of closing out several projects. Chuck said he has helped Darla in the past on the EDA grant; but on the final approval, Darla has done 99.9 percent of the work. Chuck explained that the guy he and Darla will be meeting with tomorrow is J. D. Allen; and he is a former director of IMCAL.

Lynn asked Chuck about the timing for the bids on the road. Chuck answered that they are still working on it and should have a set of plans next month.


Wilmer Dugas made a motion to accept the Financial Report as presented, 2<sup>nd</sup> by Dave Aguillard. No opposition. Motion carried.

**XII. Public Comments**

There were no public comments at this time.

**XIII. Adjournment**

President Kennison adjourned the meeting at approximately 3:51 p.m.

  
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President

  
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Secretary