

West Calcasieu Port Board Meeting Minutes

May 2, 2017

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 May 2, 2017, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Scott Foreman led the invocation.

III. Pledge of Allegiance

Pledge led by Wilmer Dugas and recited by all board members and guests.

IV. Roll call

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

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

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

V. Approval of minutes of the April 4, 2017 regular monthly and the April 18, 2017 special meeting

President Dick Kennison entertained a motion to approve the minutes of the April 4, 2017 regular monthly meeting and the April 18, 2017 special meeting. A motion was made by Wilmer Dugas to approve the minutes of the April 4, 2017 regular monthly meeting and April 18, 2017 special meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Darla Perry asked to withdraw Item VII since the Port is within budget. Darla said they do not need to be within 5%. President Dick Kennison noted that Item VII is removed from the agenda.

Darla Perry stated that she received a call from Wes Crain's office on the zoning of the property at 189 Old Ferry Road, and it is R2. Darla asked the Board if they wanted to add to the agenda if they want to make an offer contingent upon getting it rezoned to heavy industrial. President Dick Kennison asked Darla what the asking price was for the property. Darla answered \$72,000. There was a brief discussion about the property in question. Wilmer Dugas made a motion to add to the agenda to discuss and take action on the land proposal, 2nd by Scott Foreman. No opposition. Motion carried. President Kennison added the item as VII(a).

VII. Discuss and take action on proposed amendments to Fiscal Budget

Item VII was removed from the agenda upon the request of Darla Perry as stated in Item VI.

VII(a). Discuss and take action on the land proposal

President Dick Kennison voiced his concern about whether the cash flow position is such that it can continue to take on the debt and still service any debt that may come along the way. Darla Perry answered that they could. There was a brief discussion about what to do with the trailer that is on the property. Wilmer Dugas made a motion to make an offer on the property at 189 Old Ferry Road contingent upon getting it rezoned to heavy industrial, 2nd by Scott Foreman. Darla stated she will get with Glen James and the Realtor to take care of it. No opposition. Motion carried.

VIII. Committee Reports

Port Director Lynn Hohensee reported that the Tenant Committee met with Mike Boies of River Barge Works to discuss the possible relocation of his operations from the west barge basin to 400 linear feet of waterfront property on the east side of Orion. Lynn said they had a special meeting to discuss it and tell Mr. Boies he had the support of the Board to relocate; but after thinking more about the additional costs involved, Mr. Boies decided he might just want to stay where he is and make some infrastructure improvements. Lynn said since that meeting he has not heard from Mike Boies or River Barge Works, but he has seen there has been enough water in the basin that they have been operational. Chuck Stutes said he received a call from Mike Boies about 2 weeks ago saying he wanted to visit the site with a business partner; but he has not heard back from him, either. Lynn stated that Mr. Boies also asked if the Board would allow him to remove some scrub trees to help him do his geotechnical work on the soil to see if it would support a concrete slab, and Lynn said he told him that would be fine.

IX. Port Director Report

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

{Port Director Lynn Hohensee told the Board that he went to the port today to see the progress on the Devall building. Lynn said it is framed and skinned but does not have electricity or plumbing yet. Lynn stated they will have cameras that will be able to see all the way down the barge basin. There isn't a date yet when the project will be finished.

Lynn reported that he is waiting for a transition within the Coast Guard before offering the Ferry Road property again as a possible lease space. Lynn explained the different Coast Guard units and with whom they report. Lynn said he is going to try to set up a meeting with the new captain as soon as the transition takes place.

Lynn announced that he will be attending the Port Association of Louisiana's annual legislators reception along with their monthly board meeting on May 9th in Baton Rouge. Lynn told the Board that he sent them an email regarding the current economic development report for Southwest Louisiana. Lynn said he feels they will continue to see some pretty active interest in the Port for companies supporting the industries already located at the Port along with new businesses coming into the area.

Lynn told the Board it's been several years since they have had a new Southwest Louisiana port network brochure. Lynn said that the Chamber/Economic Development Alliance has once again offered to fund the cost of the reprint of the brochure. Lynn said he met with the lady that produced it last time, and she will begin working on adding updated information to the port brochure. Lynn stated this will be a welcoming addition to the port's marketing effort. Tim Dougherty asked if it would be beneficial to advertise the land at the port for satellite offices of businesses working in the area. Lynn answered that the Port is always open to any businesses that are interested in becoming a tenant of the Port and that the Port would help and support them any way they could. There was a brief discussion about new businesses coming into the area and potentially becoming a port tenant.

Wilmer Dugas asked if things have been finalized with Cemex. Lynn explained that the Port's attorney Glen James has sent them a letter. Lynn said it sounds like Cemex has filed for bankruptcy. Darla Perry told the Board that Cemex has requested a list of all outstanding invoices and all invoices that have ever been paid. President Kennison said the Port will need to see it in writing. There was a brief discussion regarding Cemex. Tim Dougherty asked if Cemex was caught up on their lease payments. Darla answered yes, except for the 6 months to the end of December.

Marketing/Business Development/Retention –

- Chicago-based Celtic Marine contacted the West Calcasieu Port re: transloading of fracking sand using barge and truck – approximately two barges/month. The company was put in touch with Orion Marine Construction. Orion is interested in assisting, provided arrangements can be made that would not conflict with Orion's ongoing mission and work.

- The port has been contacted by a Texas-based prospect re: 5-year lease of 10-acres plus waterfront access. Discussions continue.
- The port director continues to coordinate with Devall Towing and the Port of Vinton re: ongoing discussions for possible movement of construction soil by barge from western Calcasieu and Cameron Parishes to industrial sites planned or under construction on the Calcasieu River Waterway. The WCP would play an instrumental role in the movement of dirt by barge.
- Communications are ongoing with River Barge Works re: the tenant's interest in relocating to port waterfront property east of Orion Marine Group.
- Efforts continue to encourage the US Coast Guard to consider the West Calcasieu Port as a location for a new USCG facility in Southwest Louisiana.
- Communications from Tubal-Cain officials indicates that they anticipate securing regulatory permits for expansion of the 10-acre property west of the port's barge basin in early summer of 2017.

Port Operations –

- WCP engineer continues with pre-construction engineering and permitting steps for the maintenance dredging of the west barge basin and the installation of the port's new entrance road. The grant covers 90 percent of the construction costs associated with the work.
- S.T.A.R. Concrete Pumping continues with site improvements.. They will lay concrete down in front of the building with drainage to the west and they are adding a culvert and driveway capacity to the existing driveway that extends to the north from the building's north side.
- Bulkhead replacement work nears completion. All that remains is the installation of walking surface by Orion Marine Group, the main contractor for the project which was funded in large part by Capital Outlay grant monies.
- Port Director continues to work with consultants who are developing an effort to capture Homeland Security grant funding for several south Louisiana ports, including the West Calcasieu Port
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.
- Tubal-Cain continues to make limited site improvements west of the west barge basin.

Professional Organizations & Networking –

- In April, the WCP director (and/or board members) represented the port at:
 - a. Chamber/SWLA gov't affairs/infrastructure meeting
 - b. BV board meeting
 - c. Christus St. Patrick's Foundation reception
 - d. Workforce Investment Board special committee meeting
 - e. Moran Shipping reception
 - f. Entergy reception
 - g. Chennault Industrial Park event

News Media & Community Relations–

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

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

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

FINANCIAL: Darla Perry reported that the Port had 2,887 fleeting barge days for March compared to 3,624 in March 2016. Darla said year to date barge days are 4,272 less than this time last year. Darla stated that the ramp usage for March was \$3,600 with year to date ramp revenue being ahead by \$12,200. Cash flow for March was \$90,410 for leases, utility revenue and interest. Expenses for March included 2 down payments

on insurance, gate repairs and payments to King Fabricator for ramp design revisions. President Kennison asked what the \$95,000 payment was for. Darla explained that once a year the principal is paid on the revenue bonds. Port Director Lynn Hohensee asked Darla if she felt they should begin using contractor Chad Thornton instead of Nash for any gate repairs in the future. Darla answered the Port is no longer under contract with Nash but they still have the ability to use them; however, their fees are so high it would be better to use Mr. Thornton. Lynn asked if he would have the availability to make new key cards, and Darla answered yes but that it would come through Mr. Thornton's affiliation with U.S. Fence & Gate. Darla said the cards can be left at Nash for now. There was a brief discussion about using Nash.

Darla reminded the Board that they had asked what the monopiles cost at the Tenant Committee meeting. Darla reported the 42" monopile put in April of 2014 was \$45,700. In February 2014 there was a 24" monopile put in at the end of the Devall Building for \$19,883. Lynn asked Chuck Stutes what size monopiles River Barge Works would need. Chuck answered probably three of the 42" monopiles. There was a brief discussion about River Barge Works.

Darla said she received a call from FEMA saying they will be giving the Port some money but the amount is unknown. Darla stated she has the memorandum of understanding from FEMA that President Kennison will need to sign. Darla said she feels the amount will be somewhere around \$30,000. Dave Aguillard made a motion to accept the financial report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

ENGINEER: Chuck Stutes reported on the dredging project. The DNR acknowledged that the application is administratively complete, which means they will officially start their process to provide permits. Chuck briefly explained the permit process and said it should take approximately 4 months. Lynn asked if it would be in the Port's best interest to set up a meeting in New Orleans between Lynn, Chuck, Darla and the Corps of Engineers' rep to expedite the process. Chuck answered that that would be a good idea. Tim Dougherty asked about Tubal-Cain's progress on their permitting. Lynn answered that they are a couple months away from getting their Corps permit. There was a brief discussion about the Coast Guard possibly being a customer of Tubal-Cain and the growing activity and traffic in the intracoastal. Wilmer Dugas made a motion to accept the engineer's report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

Port Director Lynn Hohensee asked Chuck Stutes to give an update on the bulkhead and the work being done at the machine shop. Chuck said he spoke with Jerry with Orion last week, and Jerry told him he spoke with the machine shop and was advised that they would start delivering the material the middle of this week. Chuck said by the time the Board meets next month they should be done with the project. Lynn said he had a rep from the State follow up on the project, which is unusual. Chuck said he spoke with a representative from Orion out of Houston, and he advised Chuck that they will be putting a permanent person in Lake Charles this month to take Jennifer's place. Chuck said Orion will keep their office here at the port for their project manager. Darla suggested asking Orion if their new permanent person would need a room and office to rent.

XI. Executive Session

There was no Executive Session at this time.

XII. Public Comments

Wilmer Dugas asked if there has been any news on the property across the street from 200 Old Ferry Road. Darla said she has called twice and has not heard a response back. There was a brief discussion about the property.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:32 p.m.



President



Secretary