

West Calcasieu Port Board Meeting Minutes

August 4, 2020

I. Call to order

In accordance with JBE 2020-30, the West Calcasieu Port's meeting was held at 7000 Southland Field (Southland Airport), Sulphur, Louisiana, via video/telephone conference and in a manner that will allow for observation and input by members of the public, as set forth in the notice posted on August 3, 2020. All other Open Meetings Law requirements have been met.

President Dick Kennison, called to order the regular meeting of the West Calcasieu Port at approximately 3:02 p.m. on August 4, 2020.

II. Invocation

Invocation was suspended at this time.

III. Pledge of Allegiance

Pledge of Allegiance was suspended at this time.

IV. Roll call

Tim Dougherty conducted a roll call. The following persons were present either via conference call or in person at 7000 Southland Field (Southland Airport), Sulphur, Louisiana:

- ✓ Dick Kennison (via video conference call)
- ✓ Wilmer Dugas
- ✓ Buddy Reams (via video conference call)
- ✓ Tim Dougherty
- ✓ Scott Foreman (via video conference call)

Also present at the meeting via video conference was Lynn Hohensee.

Also present at the meeting via conference call was Glen James.

Also present in person at 7000 Southland Field (Southland Airport) were Darla Perry, Sheila Burton and Chuck Stutes.

V. Approval of minutes of the July 7, 2020 regular monthly

President Dick Kennison entertained a motion to approve the minutes of the July 7, 2020 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the July 7, 2020 regular monthly meeting, 2nd by Tim Dougherty. 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. Discuss and vote on final agreement to purchase real estate for Port

Glen James reminded the Board that the minutes from the previous meeting will reflect that the Board approved the purchase of property (adjacent to the port), and a buy-sell agreement has been signed. Glen explained the next step is the closing, which is being handled by Stephanie Hankins from his office. Glen told the Board the property being purchased is 25 acres at \$8500 per acre. Darla told the Board there is a Phase 1 report from Blaine Johnson. Mr. James agreed and said the sale is conditioned on Phase 1. Wilmer Dugas asked how many acres is being purchased. Mr. James stated 25 acres, with it being split by 2 separate owners with one 10-acre tract and another with a 15-acre tract.

President Dick Kennison entertained a motion to approve the final agreement to purchase 25 acres of land for \$8,500 per acre. Wilmer Dugas made a motion to approve the final agreement to purchase 25 acres of land for \$8,500 per acre, 2nd by Tim Dougherty. No opposition. Motion carried.

VIII. Discuss and vote on execution of Agreement between the West Calcasieu Port and Meyer & Associates, Inc. for engineering services associated with the West Calcasieu Port Bulkhead and Crane Project, EDA Award No. 08-79-05294, MA #C4-17065-DA

Darla Perry explained that this is for the EDA grant. They have approved the agreement and want it signed and sent in so the Port can move ahead with the project. Darla said there needs to be a resolution that will then be signed by President Dick Kennison and Tim Dougherty.

President Dick entertained a motion to execute the Agreement between the West Calcasieu Port and Meyer & Associates, Inc. for engineering services associated with the West Calcasieu Port Bulkhead and Crane Project, EDA Award No. 08-79-05294, MA #C4-17065-DA. Wilmer Dugas made a motion to execute the Agreement between the West Calcasieu Port and Meyer & Associates, Inc. for engineering services associated with the West Calcasieu Port Bulkhead and Crane Project, EDA Award No. 08-79-05294, MA #C4-17065-DA, 2nd by Tim Dougherty. No opposition. Motion carried.

IX. Discuss and take action on any lease agreement needed

Port Director Lynn Hohensee reported to the Board that CGBM has been at the port for a year now and has elected to exercise their first option for 5 years. Lynn told the Board he didn't think it needed Board approval today; but, in principle, he is in agreement with CGBM to extend their lease for 5 years. Lynn explained to the Board that there is now another marine fueling company from Texas (Gates Fueling) that has indicated they are interested in doing business at the port. Lynn said if CGBM decides not to extend their lease, that will give the Port another marine fueling company interested in becoming a tenant.

Lynn reported that Atlantic Equipment is currently trying to get all of their equipment off the property that will be leased by General Equipment. Lynn stated the Port is still receiving revenue on 5 acres of land, and that will change to 6 acres of land when the transition happens later this month. Lynn told Glen James he would get with him on the details later this month and that a Tenant Committee meeting will probably also need to be held later this month.

Lynn also reported that the Orion lease will be up at the end of this month, and he is looking for a tenant replacement for that acreage.

X. Committee Reports

There were no committee reports given at this time.

XI. Port Director Report

Port Director Lynn Hohensee told the Board they have exhausted their avenues with the Army Corps of Engineers regarding the silting on the south shoreline. Lynn stated he had a phone meeting last week with a gentleman that is the head of the enforcement for DNR, and they are going to be looking into the matter regarding silting in the basin on the south shoreline. Lynn said there are 2 dredging activities going on in the West Barge Basin as a result of the silting issue. Lynn told the Board he received an estimate today in the amount of \$148,000 from VLS to dredge their 2 slips. Lynn stated they will be pulling out approximately 400 cubic yards of dirt. Lynn explained in further detail how the silt is getting moved into the basin through all of the marine traffic coming through the area and how serious the matter has become over a 2-year period. Lynn told the Board that VLS will be looking at doing maintenance dredging on the rest of the basin and will be working with Devall on that project.

Lynn reported that Genesis Marine has not responded, and their attorney has told Matt Mize to pursue the line of litigation. Matt told Lynn he hopes they will agree to work with the insurance company before costly litigation is pursued.

Lynn reported the Drainage District has completed draining the ditch between the far east portion of land that was purchased in 2015 and the rest of the port.

Wilmer Dugas asked what the lawsuit is pertaining to. Darla Perry explained it is regarding the ramp that was damaged by Genesis Marine. Lynn further explained that

the Port tried to work with Genesis for over a year and then, on advice of the Port's attorney, it was turned over to Attorney Matt Mize.

Buddy Reams asked Lynn if the Corps has looked into silting in the whole ICW or whether it is just an issue isolated around the area of the port. Lynn explained there has never been any dredging of the Intracoastal in the last half century because even though the authorization has been given, there has been no money appropriated to do so. Lynn further explained the shore line of the Intracoastal throughout Calcasieu Parish is privately-owned land, so the Corps does not get involved. Lynn told Buddy there was soil delivered back in 2018 to the south bank of the Intracoastal across from West Cal Port. The responsible parties put an earthen ramp into the Intracoastal that was in violation, and the Corps made them remove it. However, any silting or huge amounts of dirt that was deposited onto the shore line, the Corps has not held anyone responsible, nor do they intend to. The DNR is willing to send a team out to look into the issue.

Glen James told Lynn depending on the findings of the DNR and Coastal Restoration, the Port might want to consider legal action against the operators on the south side that is causing damages to the Port. There was a brief discussion regarding the silting on the south shore line and who possibly owns the property.

President Dick Kennison expressed his feelings that the Port should move forward with filing a lawsuit against Genesis Marine regarding the ramp damage. Mr. James stated that Mr. Mize has already filed the lawsuit. Lynn explained that a lawsuit needed to be filed due to time restraints with the Pandemic, but no legal action has been pursued. President Kennison said he feels the legal action needs to move forward and asked Lynn to make a call to Mr. Mize to make that happen.

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

Marketing/Business Development/Retention –

- During July and despite the COVID-19 pandemic, West Calcasieu Port tenants have continued with their respective operations with a priority for health/safety.
- Devall Fleeting operations continue to record high numbers of barges fleeted daily.
- CGBM has provided written notice to the port that it will exercise its five-year option on its lease agreement, effective Sept. 1. The company will continue to lease the green house, the 2 acres it sits on and the storage building north of the green house at a temporary negotiated reduced rate. The full lease rate will resume once the waterfront is dredged on a temporary basis. Deeper dredging will be completed and revetment installed as part of the waterfront improvements associated with the new bulkhead construction to the west.
- The port has entertained interest from another marine fueling firm that would like to set up operations at the port.
- General Equipment (South Carolina) has leased two additional acres of the former CEMEX lease area on a month-to-month basis, which follows GE's lease of an original two acres earlier this spring for a year. GE is relocating materials from a portion of the Orion lease area to the newly leased area. GE also has leased a warehouse in Lake Charles as they further establish their business operation in SWLA.
- Atlantic Equipment continues to relocate scaffolding and support materials from the acre that it has leased east of the port entrance road to within its two-acre fenced leased area. AE also has accepted a one-year option extension of its lease agreement with the port.
- Port remains in contact with Stream Land Services. 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. SLS also is interested in leasing the yellow house near the shoreline. 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 two port locations.

- August is the final month that Orion Marine Construction will be a tenant. Marketing efforts continue to find a replacement tenant for their waterfront lease area.
- Entergy has contacted the port to offer a digital communications effort to assist the port with marketing activity. A presentation on the offering is tentatively planned for an upcoming WCP board meeting.
- The port director participated in a series of tele-meetings and webinars designed to share information re: state and national maritime issues during the current COVID-19 pandemic.

Port Operations –

- The port staff (led by our CPA) continues to work with the Economic Development Administration, the EDA project administrator firm and an engineering firm to facilitate project development for the construction of new bulkhead and heavy-duty crane pad. CSRS serves as administrator, and Meyer & Associates serves as project engineer.
- McManus Construction of Lake Charles continues to make impressive progress with the construction on the port's new entrance roadway.
- The port is partnering with CGBM to arrange for dredging of the waterfront of the green house on a short-term basis.
- The port has enlisted Pelican Surveyors to obtain water-depth soundings in the west barge basin as a first step in addressing silting conditions and correcting them prior to the winter months.
- The port is working with VLS Marine Services on a dredging operation plan to alleviate the silting conditions in their slips east of the barge loading ramp.
- While the port has not been successful in securing federal interest in the role that the dirt piles on the south shoreline of the GIWW play in the port's current silting issues, it has received word from the La. Dept. of Natural Resources that their enforcement team will look into the matter.
- William Fincher has added additional port property to maintain, due to the loss of tenants.
- Coordination of repairs to the barge loading ramp are currently in legal development between the port and the responsible party re: projected repair costs. Outside counsel is assisting with the matter.
- Calcasieu Parish drainage district (western) has completed the improvements to the drainage ditch and has removed all piles of brush/debris.

Professional Organizations & Networking –

- In July, the WCP director (and/or board members) represented the port at:
 - a. PAL executive committee meetings via Go to Meeting online and the PAL monthly board meeting.
 - b. USCG Port Coordination Team meeting (virtual) in advance of tropical storm conditions associated with Hurricane Hanna.

News Media & Community Relations–

- The American Press ran an article based on a Ports Assn. of La. news release that announced the West Calcasieu Port director has been elected to a two-year term in July as President of the PAL Board/Directors.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

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

ENGINEER: Chuck Stutes passed around photos of the new entrance road project, and Darla showed the photos to those present via video conference. Chuck reported they have completed all of the site embankment, earthwork, drainage. This past week they installed the soil cement base that goes immediately under the asphalt. The asphalt

subcontractor R. E. Heidt will be mobilizing tomorrow, and they should start laying asphalt this week. If the weather holds out, all of the asphalt should be down by next week. Chuck stated the contractor hopes to be completely through with all of the work by the end of August. Chuck said everything looks good, and he has been very pleased with the contractor.

Chuck reported the Port has hired Pelican Surveying to proceed with the hydrographic survey of the West Barge Basin. Chuck said they were to start today and finish tomorrow and will be getting the information to his office so it can be plotted and evaluated.

Chuck announced that he would be out on vacation next week, so he met with the structural engineer for the EDA project to get things started while he's out of town. Chuck said the goal is to get some preliminary plans so that they can proceed with a Corps permit application. While the Corps permit application is in process, Chuck said they will finish the final engineering.

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

FINANCIAL: Darla Perry reported the Port ended the year with 8,276 more barge days than last year. The total barge days for the year was 48,781. Darla explained some of it is getting fleeted at the east end instead of the west end due to silting. Darla announced that Devall just went up on their red flag barges and reminded the Board that the Port gets 20% of that revenue, which should come out to an extra \$4,000 - \$6,000 more per month. Darla explained that the cash flow for the month of June looks extraordinary because \$258,316.87 was collected for the grant funds for the road project; and \$308,996.66 was expended for the road project. Darla stated she is still waiting for \$169,000 from the Calcasieu Parish Police Jury grant that she filed for the Port.

Darla reported that CGBM did not have a regular lease deposit. Darla said they paid July but did not pay June. CGBM paid the June electricity and water. Darla stated she has been in touch with them and expects to be paid this week.

Darla reported the \$1250 to Mr. Bass was for the appraisal on the 25 acres the Port is buying. Darla said she is working on the audit, and she is also still working with FEMA on the Hurricane Rita. Darla told the Board she doesn't think any funds are owed or will be paid by FEMA, but they have asked for a myriad of information that she has complied with. Darla announced that Louisiana Storage has notified the Port that they will be coming in the area soon regarding the Hackberry Storage project.

Darla said that S.T.A.R. terminated their lease and has a \$3,000 security deposit. Darla told the Board she has not been in the building to see if the deposit can be released. Darla asked Lynn if he had been in the building, and Lynn suggested holding on to the deposit because there is some maintenance needing to be done. Darla said S.T.A.R. has made a request for the deposit. There was a brief discussion regarding the condition of the building.

Darla reminded the Board that she, along with Buddy Reams, is on the Committee to review the LAMP investments. Darla said Buddy did a lot of research, and it appears that the investments are still certified and qualified with the State. They are not FDIC. They are short-term investments, AA rated or AAA rated. Darla said she will be doing more

research with the auditors and some bankers that she has requested, but she commended Buddy on the great job of gathering information needed.

President Dick Kennison entertained a motion to approve the Engineer Report and the Financial Report as presented. Wilmer Dugas made a motion to approve the Engineer Report and the Financial Report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

XIII. Public Comments

There were no public comments given at this time.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:39 p.m.



President



Secretary