

West Calcasieu Port Board Meeting Minutes

October 4, 2016

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 October 4, 2016, at Devall Enterprises, 2244 Swisco Road, Sulphur, Louisiana.

II. Invocation

Glen James led the invocation.

III. Pledge of Allegiance

Pledge led by Lynn Hohensee and recited by all board members and guests.

IV. Roll call

Darla Perry conducted a roll call. The following persons were present:

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

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

V. Approval of minutes of the September 6, 2016 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the September 6, 2016 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the September 6, 2016 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 take action on proceeding with engineering on the approved Port Priority Project – West Barge Basin Improvements/Port Entrance Road. Resolution to proceed if approved.

Chuck Stutes gave the Board a brief history on the project. Chuck told the Board the total probable construction cost with contingency on the project is \$1,150,000. Chuck said that Lynn had spoken with DOTD earlier in the year, and they advised Lynn that the money is available to fund the combined project. Chuck referred the Board to page D-7 of the Probable Construction Cost Estimate for MA Project No. C4-14046-B01 showing the summary of both projects, all costs, including construction, contingencies, surveying, permitting, geotechnical, engineering and administrative. Chuck stated the total probable project cost is \$2,744,000; and the West Calcasieu Port share of the project cost is \$665,000. Chuck told the Board that the way DOTD does this is that they will pay 90% of the construction cost, and the Port will have to pay everything else. Chuck says to summarize it, on the overall project cost, the Port is paying 24 cents on the dollar and the State is paying 76 cents on the dollar.

Chuck says what he is asking of the Board today is to consider moving forward with the project and approve \$338,000 to pay for upfront technical items like surveying, hydro survey, geotechnical, corps permitting, engineering and all of the things necessary to be able to bid the projects. There was a brief discussion regarding the project costs.

Chuck told the Board it was their intent to focus on the dredging of the West Barge Basin first and get the plans and specs ready so they can bid as soon as possible. Chuck estimated they will be working on the dredging project for the next few months, and then it probably wouldn't be until the end of the year before the roadway work would begin. Chuck said they will finish the plans and specs and submit them to DOTD for their approval, but they may be waiting on the Corps permit. There was a brief discussion regarding the permitting.

Police Juror Francis Andrepont suggested writing a letter to the Calcasieu Parish Police Jury requesting 50% of the \$665,000 to get help with the project. Wilmer Dugas made a motion for a resolution to approve \$338,000 (B. and C. on Table No. 3 on page D-7 of the Project Cost Summary) and to authorize the engineer to proceed with technical and engineering work, 2nd by Dave Aguillard. No opposition. Motion carried.

VIII. Discuss and take action on tenant lease

Port Director Lynn Hohensee told the Board he received a call last week from Will Guinn of Cemex Concrete asking if the Port would consider a modification or reduction on their lease agreement during the months when their revenue stream decreases. Lynn said the Tenant Committee exchanged communications and agreed to recommend to the Board that it would not be in the Port's best interest to make any reduction in the lease

agreement. Lynn said they are requesting Cemex to go out and market their surplus during the months when they have a reduction in revenue to try to get other business in the area. There was further discussion regarding Cemex's request. The Board agreed to take no action regarding Cemex Concrete's request to modify or reduce their lease agreement during months when their revenue stream decreases.

IX. Committee Reports

There were no Committee Reports at this time.

X. Port Director Report

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

{NOTE: Port Director Lynn Hohensee briefly reviewed his report with the Board. Darla Perry asked Lynn if there was any assistance the Port could give to Tubal-Cain regarding their regulatory permits. Lynn said he spoke with Randy of Tubal-Cain, and he said he would certainly be willing to take any additional help from Meyer & Associates or Arabie Environmental. Lynn said they may have to draw upon some assistance from Senator Vitter's office to help with the delay from the Corps office in New Orleans regarding the permitting. There was a brief discussion regarding the permitting for dredging.}

Lynn said, in speaking with Senator Johns, he expressed how happy he was that the Port was far along in the process of the Capital Outlay projects that they were able to get the funds needed to start immediately. Senator Johns told Lynn that if the Port had not been so far along in the process, the funds probably would have been cut. Lynn stated that Senator Johns told him that at least the next 2 years there will probably be no capital outlay dollars for anyone in the state.}

Marketing/Business Development/Retention –

- Planning was completed in partnership with Devall Towing officials for the annual steak cookout scheduled for Oct. 4 at Devall Headquarters. Port tenants, other port officials/board members, local elected officials and other maritime leadership officials have been invited.
- The port director continues to coordinate with Devall Towing and the Port of Vinton re: early 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
- 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 continue with Driftwood LNG about the potential assistance the West Cal Port could provide to the project development. Attended Driftwood LNG safety risk assessment workshop at SEED Center.
- Meetings continue with GHD and representatives of other ports in Calcasieu and Cameron Parishes re: port security funding opportunities and the path forward.
- Received business update from CEMEX Concrete of La. that included concerns about potential business interruptions related to their support of the Cameron LNG project. Request was made by CEMEX officials for the port to consider modifications to the existing lease agreement.

- Met with Tubal-Cain official who explained that the company's effort to secure regulatory permits for expansion of the 10-acre property west of the port's barge basin continues but at a slow pace.

Port Operations –

- Having received the DOTD's go-ahead to use Port Priority Fund grant monies, the port engineer is seeking port board approval to move forward 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.
- Bulkhead replacement work continues ahead of schedule along the Tubal-Cain Building. Orion Marine Group is conducting the installation of the new bulkhead and pilings.
- 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
- S.T.A.R. Concrete Pumping Company continues to work on plans for improving exterior driveways.
- 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 making site improvements west of the west barge basin, including laying a water line and installation of rock for site driveway.
- Local rancher has been informed that the port will not allow cattle grazing on its property, noting concern for liability.

Professional Organizations & Networking –

- In September, the WCP director (and/or board members) represented the port at:
 - a. PAL monthly board meeting
 - b. As member of PAL executive committee, port director participated in PAL review of potential sites for 2017 annual conference
 - c. PetroChem meetings, golf tourney
 - d. West Cal Chamber/Commerce monthly meeting
 - e. Coastal Restorization Meeting @ SEED Center
 - f. Chamber/SWLA Government Affairs/Infrastructure committee meeting
 - g. Propeller Club meeting
 - h. Calcasieu River Waterway Harbor Safety Committee meeting
 - i. Annual State of the Economy presentation by Dr. Loren Scott at the SEED Center.

News Media & Community Relations–

- Southwest Daily News provided positive media coverage to waterfront construction work at the West Cal Port.
- Met with Joe Cironi at kickoff of his return to morning talk show host on KAOK-AM
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

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

FINANCIAL: Darla told the Board the Port had a really good month for August on cash receipts with \$97,407. Darla said the only out-of-ordinary expenditure was \$1885 under Repair & Maintenance (\$900 for Mark's mowing and \$885 for carpeting in the upstairs at 200 Old Ferry Road where the air conditioner had leaked and then \$100 for cleaning). Darla reported there were 2,734 barge days for August, which is a little bit less than last year for August. Ramp revenue was \$2,700. Darla said that makes \$3,600 for the year, which is \$1150 more than last year at this time. Darla said she is still working with FEMA. Darla told the Board the timing has been perfect on the capital outlay projects since November 1st is the deadline to put in for capital outlay money.

Dave Aguillard made a motion to accept the financial report as presented, 2nd by Wilmer Dugas. No opposition. Motion carried.

ENGINEER: Chuck said they plan on putting a package in by the November 1st deadline for Capital Outlay and will use the same application from last year on the bulkheading. Chuck explained they did not receive a cash line of credit last year, so they have to re-apply as if it is a brand-new project. There was a brief discussion regarding the Capital Outlay process in the future.

Chuck reported on the rehab project of the bulkhead that's underway at the Port. Chuck said Orion is about 80% complete and have made excellent progress. Chuck said it's been very impressive seeing the work that they have done. Chuck encouraged the Board to go to the Port to look at the progress. Tim Dougherty asked about the ramp. Chuck said they have looked at as many loading possibilities as they could and have had meetings with the ramp manufacturer. Chuck said they were supposed to meet with Mike and Joe Devall and George Landry today, but they were unable to have the meeting. There was a brief discussion regarding the ramp.

Police Juror Francis Andrepont expressed his concerns regarding the Capital Outlay funding. Mr. Andrepont told the Board that if the State does away with all Capital Outlay projects, the parishes up north that rely on Capital Outlay for infrastructure will be dead in the water and they are very concerned about it. Mr. Andrepont said Calcasieu Parish is very fortunate with the economic development moving forward.

XII. Executive Session


There was no Executive Session at this time.

XIII. Public Comments

There were no public comments at this time.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:43 p.m.



President



Secretary