

West Calcasieu Port Board Meeting Minutes

November 4, 2014

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 November 4, 2014, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Wilmer Dugas led the invocation.

III. Pledge of Allegiance

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

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Chris Funk of McMullen & Mancuso, Will Guinn and Stuart Guinn of USA Ready Mix-LA and Sheila Burton.)

V. Approval of minutes of the October 7, 2014 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the October 7, 2014 regular monthly meeting. Tim Dougherty made a motion to approve the minutes of the October 7, 2014 regular monthly meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

There were no other amendments, additions nor deletions to the proposed agenda.

VII. Discuss and take action on potential new tenant lease option

Port Director Lynn Hohensee introduced Will Guinn and Stuart Guinn of USA Ready Mix-LA. Will Guinn thanked the Board for allowing them to come and speak at the meeting. Mr. Guinn explained to the Board that they have a letter of intent to supply ready mix concrete for a certain portion of the LNG job in Cameron. Mr. Guinn said they are looking for a location to set up 2 mobile dry concrete batch plants. Mr. Guinn stated their initial part of the work will last 12 to 15 months, which is only about 15% of the total ready mix concrete going on the project. Mr. Guinn said he had spoken with Lynn about leasing a 4.6-acre tract at the Port and that Lynn gave him the base rates per acre. Mr. Guinn explained they will be using a considerable amount of water, approximately 6 million gallons of water throughout the whole project. Mr. Guinn said he has some rates from various other water departments and would like the Port Board to review those and take it into consideration. Mr. Guinn said he would like to move on this as quickly as possible with a potential letter of intent from the Port. The hours of operation for USA Ready Mix-La would probably be five days a week, working 2 Saturdays per month. There will be 13 to 15 employees on site. Start-up date is January 2015. Mr. Guinn further explained to the Board how their business would work and their desire to be set up at the port. Mr. Guinn said they have a good working relationship with Orion and would entertain the idea of working with Orion at the port to do some off-loading of some aggregates and also work with Devall Towing to do the fleeting of any aggregates coming in by water barn. Mr. Guinn also told the Board they will have leftover product coming off the job that they will be willing to donate to the port.

There was further discussion between Mr. Guinn and the Board about the water rates and the Port putting together a sliding scale rate on water usage. The Board asked questions about the business operations of the ready mix company. Lynn Hohensee brought up the issue of the port road conditions and told Mr. Guinn they would like to have an agreement where USA Ready Mix-LA would bring the roads back to prior lease agreement conditions once they left the port. Chuck Stutes stated the road in the port is pretty good and designed for 40-ton trucks. Tim Dougherty asked about the dust hitting the residential neighborhood. Mr. Guinn explained the plants come with full-service bag houses and dust control systems. There was further discussion about the business operations of USA Ready Mix-LA at the port. The Board continued to ask questions about the water usage and possible rates USA Ready Mix-LA would be willing to pay, along with lease options. Dave Aguillard suggested that USA Ready Mix-LA give the Port a proposal for the lease and the water, and then the Board can review it and vote on it. Darla said the Board could have a special meeting to vote on it to expedite the process for USA Ready Mix-LA. The Board thanked Will Guinn and Stuart Guinn for coming to the meeting. At this time Will Guinn and Stuart Guinn thanked the Board for their time and exited the meeting.

VIII. Discuss and consider action on wind damages to building canopy

President Dick Kennison entertained a motion for the Board to table the issue of the wind damage to the building canopy because no one has an amount on what this will cost. Wilmer Dugas makes a motion to table the issue of the wind damage to the building canopy, 2nd by Dave Aguillard. No opposition. Motion carries.

IX. Discuss and take action on Port Priority funding request for expansion of West Barge Basin and Maintenance Dredging

Chuck Stutes stated he passed out copies of the Resolution before the meeting for the Board's review. Chuck explained the reason for the Resolution and said he, along with Darla Perry and Glen James, will put the application together to submit by December 1, 2014. Wilmer Dugas makes a motion to accept the Resolution, 2nd by Tim Dougherty. No opposition. Motion carries.

X. Discuss and take action on approval of basin measurement survey recommended by Chuck Stutes

Chuck Stutes explained the reason for the survey is because right now there is no baseline data on the existing barge basin. Chuck said the cost is \$3500 for the preliminary survey. If the Port Priority Program approves the project, then a detailed survey will be done. Wilmer Dugas makes a motion to approve the basin measurement survey recommended by Chuck Stutes, 2nd by Dave Aguillard. No opposition. Motion carries.

XI. Discuss and take action on required port maintenance

Lynn Hohensee stated that Tauber Oil has come to him and asked if the Port could create a walkway across some of the monopiles to get to their vessel because it is so far off the water. Lynn said he, along with Chuck Stutes, met with representatives from Tauber Oil, Devall and Orion to discuss the issue. It was suggested that the area be dredged out using a long-reach backhoe so Tauber Oil can park their barge right up to the shore line and then make a walkway from the shore line directly to the barge. Lynn said the estimate is \$15,000 for the dredging and \$9,000 for the ramp. Lynn said that Tauber Oil is willing to pick up half of the cost of the dredging. President Dick Kennison asked Lynn if Tauber Oil wants the Port to spend \$16,500 for their portion of the maintenance, and Lynn stated yes. Wilmer Dugas makes a motion to approve the required port maintenance for the cost discussed, 2nd by Tim Dougherty. No opposition. Motion carries.

XII. Committee Reports

There were no committee reports at this time.

XIII. Port Director Report

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

Marketing/Business Development –

- Efforts are underway to attract a new prospect that is interested in leasing up to five acres of land through a series of one-year agreements. The tenant activities support the construction activity associated with the regional economic development growth.
- The port continues to actively market the Devall Diesel Building to local prospects. A meeting was held with a major contractor for a nearby project.
- 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.
- Meetings with CDM Smith, HGA Engineering and Voyager Pipeline Company.

Port Operations –

- Tauber Oil, the port's newest tenant started marine fueling operations from its barge in the port's west barge basin in October. Additional dredging support is needed to allow the barge to be moved next to the shoreline revetment.
- The port's main gate has been repaired, but additional repairs are needed to bring the card-reader equipment and call box back online.
- A strong storm damaged the awning on the USES building beyond repair. The damaged awning has been removed. Work continues to develop a path forward for its replacement.

Professional Organizations & Networking –

- In October, the WCP director (and/or board members) represented the port at:
 - a. Conference call with Sen. Mary Landrieu staffers re: federal funding for maintenance dredging on the Gulf Intracoastal Waterway
 - b. Gulf Ports Association of the Americas conference
 - c. PAL board meeting
 - d. PAL Coastal Workshop at Port Fourchon
 - e. CRW Harbor Safety Committee Navigation Sub-committee meeting
 - f. Chamber/SWLA One-on-One breakfast meeting w/Sen. David Vitter
 - g. West Cal Chamber lunch meeting
 - h. WIB executive board meeting
 - i. Propeller Club meeting
 - j. PetroChem meetings
 - k. USCG emergency response exercise
 - l. Christus St. Pat's reception
 - m. MSU 75th Jubilee
 - n. Chamber/SWLA-hosted Loren Scott state of economy presentation
 - o. PetroChem, Chamber/SWLA, WCCH Mac Burns golf tourneys

News Media & Community Relations–

- Special salute to Devall Towing for hosting its annual West Cal Port Steak Cookout.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

{NOTE: Lynn once again thanked the Devall Towing team for hosting their annual steak dinner. Lynn told the Board the Port has a table for the annual West Cal Chamber of Commerce Banquet next week. Lynn offered tickets to board members and guests for the banquet.

Lynn said he received a call from the guys in Devall Tower saying there are some issues around the operation of the cameras. Lynn suggested getting the vendor out to see if they can do some

maintenance on the cameras. There are also issues with the card reader and the squawk box at the front entrance. Lynn said there has also been a request to put a sign for truckers to pull up closer to the gate for it to work. Lynn said he will get these issues resolved so the Board doesn't have to worry with it.

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

LEGAL: Glen James announced that Tauber Oil has signed the lease.

FINANCIAL: Darla Perry said Tauber Oil has also been invoiced. Darla introduced Chris Funk with McMullen and Mancuso to review the audit with the Board. Chris Funk announced to the Board it was a good audit and they issued an unmodified opinion, which is the highest level of opinion. The financial statements are fairly presented, no material misstatements. Chris reviewed and explained portions of the audit. Chris said the Port is in strong financial position. Chris said there were no audit findings, but they did have to mention as a management letter comment that any cash balance held with a financial institution that exceed \$250,000 FDIC insurance limit have to be secured by the bank with a pledge. Chris said the bank set it up incorrectly by setting it up as a commercial account instead of a governmental account. Darla Perry contacted the bank and had it fixed. Chris said it had to be recorded as a comment, but action was taken as soon as the bank was notified. Darla said it went over the \$250,000 limit by \$4,000 due to interest on the account. President Dick Kennison asked Darla Perry if she recommended acceptance of the audit, and Darla said yes. President Kennison entertained a motion to accept the audit as presented to the Board. Dave Aguillard made a motion to accept the audit as presented to the Board, 2nd by Tim Dougherty. No opposition. Motion carried. Chris asked for signatures on the audit so it can be sent to the Legislative Auditor. The audit was signed and given to Chris.

ENGINEER: No engineering report given at this time.

XV. Executive Session

There was no executive session.

XVI. Public Comments

There were no public comments.

XVII. Adjournment

President Dick Kennison adjourned the meeting at approximately 4:05 p.m.

Donald K...

President

Jim Douglas

Secretary