

West Calcasieu Port Board Meeting Minutes

February 4, 2020

I. Call to order

Vice President Wilmer Dugas called to order the regular meeting of the West Calcasieu Port at approximately 3:00 p.m. on February 4, 2020, at 7000 Southland Field (Southland Airport), Sulphur, Louisiana.

II. Invocation

Tim Dougherty led the invocation.

III. Pledge of Allegiance

Pledge led by Scott Foreman and recited by all board members and guests.

IV. Roll call

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

- ✓ Wilmer Dugas
 - ✓ Tim Dougherty
 - ✓ Scott Foreman
- (Dick Kennison and Dave Aguillard were not present.)

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Buddy Reams, Donald Brinkman of CSRS and Sheila Burton.)

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

Vice President Wilmer Dugas entertained a motion to approve the minutes of the January 7, 2020 regular monthly meeting. A motion was made by Tim Dougherty to approve the minutes of the January 7, 2020 regular monthly meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Vice President Wilmer Dugas explained there will be an amendment to the agenda that will be added as Item VI(a) to discuss grant administration contract and authorize one signature approved by EDA. Tim Dougherty made a motion to add to the agenda Item VI(a) to discuss grant administration contract and authorize one signature approved by EDA, 2nd by Scott Foreman. No opposition. Motion carried.

VI(a). Discuss Grant Administration Contract and Authorize One Signature Approved by EDA

Darla Perry explained she would like to get a resolution to authorize a representative, being herself or an officer for the port board, to sign an agreement once approved by EDA. Tim Dougherty made a motion to accept a resolution authorizing a representative, being Darla Perry or an officer for the port board, to sign an agreement once approved by EDA, 2nd by Scott Foreman. No opposition. Motion carried.

VII. Discuss and take action on potential tenant lease addendum

Port Director Lynn Hohensee explained the Port is going to be using the slip at Orion to support CGBM's marine fueling activities. Lynn reported the Port just received approval from the Corps for the dredging in front of the green house. Chuck Stutes stated that the Port just received approval from the State, Coastal Management. The Corps has not given its approval yet but has acknowledged that they are going to make this a general permit, which is a much quicker process. Blaine (Johnson) estimates the Corps will send approval within the month.

Lynn stated one of the issues with the barge slip is that it is shallow. So, CGBM is working with Devall to bring their fueling barge across the peninsula to do their fueling without needing to use the slip. Glen James told the Board that the barge slip has already been released from the Orion lease. Darla Perry asked if a resolution needed to be made to allow President Dick Kennison or Port Director Lynn Hohensee to sign the addendum. Glen specified the terms of the addendum as being a month-to-month lease at \$500 per month. Lynn further explained that the \$500 per month is the fee the Port will be charging for use of the slip. There was a brief discussion regarding the Orion lease.

Lynn told the Board that CGBM is interested in leasing the metal building where the new road starts to come in at Gross Road for \$500 per month. There was a brief discussion regarding the metal building. Glen told the Board he's not sure whether it should be done as an addendum to the existing lease or do it as a separate lease; but, either way, authorization can be given.

Lynn reported to the Board that CGBM is asking permission to enclose the carport area at the green house, at their expense. They want to use it as an enclosed storage area. Darla told the Board the lease states that any improvements revert back to the Port. Glen said he would only request that it be done in conformity with the existing structure. Lynn assured the Board that CGBM told him that it would look very similar to the exterior of the building. Darla asked if any action needed to be taken. Glen said he will need to check the lease, but it probably will just need to have the Board's approval. Tim Dougherty reminded the Board that any improvements need to be done using proper permits and specs. Glen told the Board he feels like that could be accomplished by just writing a letter from the Port authorizing them to do that.

Vice President Wilmer Dugas entertained a motion to approve an addendum to the tenant lease with the terms being a month-to-month lease at \$500 per month. Tim Dougherty made a motion to approve an addendum to the tenant lease with the terms being a month-to-month lease at \$500 per month, 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Discuss and take action on changing waterlines for entrance road

Chuck Stutes passed out the latest document he received from the Water District to the Board. Chuck explained how he has been communicating with Waterworks District 9 since September 2019. In the last 3 weeks, the District has been investigating their waterlines and found some active lines around the port that they were unaware of. One line is active and feeds the green house off Gross Road. Because of that, the line needs to be relocated outside the footprint of the new road. Chuck has received a quote of \$23,870 from McManus Construction to relocate the waterline. Chuck said they will also install a new water meter at the new location on Gross Road. Chuck told the Board they have not received a formal quote yet for the new water meter, but he was told it should not exceed \$5,000 for a 2-inch water meter tap and a 2-inch water meter. There was a brief discussion regarding the relocation of the waterline.

Chuck says he recommends accepting the change order proposal from McManus Construction to install a 4-inch waterline in the amount of \$23,870. Port Director Lynn Hohensee asked Chuck if they would need to put in another water meter for the yellow house if at some point in the future it was leased out. Chuck answered, if it is a different tenant and you want to monitor the water usage, yes, you will need to put in another water meter. Lynn asked once the new line is connected, will it feed to the yellow house and green house; and Chuck answered yes, it's all connected. There was continued discussion regarding the waterlines.

Chuck said he doesn't think any board action is needed to get a tap from the Waterworks District because it is an administrative item. There will need to be a resolution for a change order to the existing construction contract with McManus Construction to relocate the waterline and install a 4-inch waterline at a cost of \$23,870.

Tim Dougherty made a motion for a resolution to accept the change order to the existing construction contract with McManus Construction to relocate the waterline and install a 4-inch waterline at a cost of \$23,870, 2nd by Scott Foreman. No opposition. Motion carried.

Chuck told the Board that it has been verified that there are two waterlines along the road in this area. Chuck explained back in 1984 there was a 4-inch line installed, and then around the year 2000 there was a 6-inch line installed. This is from records from the Water District. Chuck said the Waterworks District has given an estimate on the cost to lower the lines running underneath the Port's road, but there is not a formal document in writing. Lynn asked if both lines are still active. Chuck said yes, the lines are both still active; but they do not know which line ties to which meter. Chuck stated the Water District's estimate is \$28,000; however, he and Lynn will be meeting with the president of the Water District at Meyer & Associates in the morning to try to work through it and will report back to the Board at the next meeting. There was a brief discussion regarding the Water District and the waterline issue.

Tim Dougherty told Chuck and the Board that he remembers about 20 years ago the Water District wanted to charge \$26,000 to install a waterline to the old Devall building. Tim stated the Board didn't want to spend the money at the time. So, the Devalls offered to pay for the line. Tim said he believes it is the 6-inch line located between the boat slip and the east side of the building. Darla said she did ask Mike if they had any drawings, but she doesn't think they have any records for that. There was continued discussion regarding the waterlines.

IX. Committee Reports

There were no Committee Reports given at this time.

X. Port Director Report

Port Director Lynn Hohensee told the Board the land certification announcement at the Intracoastal Park today went very well. There was a very good turnout. KPLC, *American Press* and Police Jury representatives were present. Lynn assured the Board he will continue to market the property to Fleur, Bechtel, McDermott and any other large companies as well as their subs. Lynn showed the Board the 32 acres that were certified on a map.

Lynn reported that an Entergy rep was at the announcement this morning and told him that Entergy Corporate is coming up with some funds for a "visual story board" for public entities, and West Cal Port is being nominated to receive some of the funds. Lynn said he will follow up on that and share it with the Board at a later date.

Lynn said he visited with Joe Andrepont this morning. Mr. Andrepont sent his apologies that he couldn't attend the meeting. Lynn stated he will begin forwarding a copy of his Director's Report each month to Mr. Andrepont. Mr. Andrepont said he will try to make as many meetings as he can, but he is actively engaged in his career with Westlake Chemical. He said he is committed to helping the port any way he can.

Tim Dougherty asked if the Driftwood Project will have any affect on the waterlines that will be installed. Lynn explained that Stream Land Services plans to go above ground to run their pipe for the dredge spoils and come down to an area where Tubal Cain was wanting to develop the area a couple years ago to place a booster station and then take it out to beneficial use spoils areas north and south of the Intracoastal. Lynn assured the Board that Stream Land Services' plans should not impact the plans at the Old Ferry Road area of the port. Lynn reported that he has been speaking with a dredging company that could possibly replace Orion as a tenant and could maybe be there 2 or 3 years.

Lynn introduced Donald Brinkman with CSRS and asked him to speak to the Board about the U. S. Army Corps of Engineers' grant program to help the port with some long-term planning. Mr. Brinkman told the Board that he has used this grant program working with the City of Lake Charles, and it is under-utilized in Southwest Louisiana. It's called "Planning Assistance to States" and it pays 50% of a master plan or any planning activity. Mr. Brinkman said he has spoken with Lynn regarding the need for a dredge material management plan for the port. Mr. Brinkman stated the management plan could include an inventory of all of the utilities, an inventory of infrastructure, along with future plans.

Mr. Brinkman explained that a scope is worked out with the Corps of Engineers; then you sign a letter of agreement and move forward. Mr. Brinkman told the Board that the 50% that the port would be responsible for could be offset by in-kind services. That would mean items that Chuck Stutes could provide, like old drawings, Lynn's involvement, hosting a meeting with commissioners, those would all be in-kind services and the port would get credit for it. Lynn asked Mr. Brinkman if the Corps goes out and seeks a party to facilitate an actual master plan. Mr. Brinkman answered that the Corps does it through one of their professional services contracts. Currently a local company out of Jennings, Jesco, has the contract. Lynn reminded the Board that back about 10 years ago the port received a \$50,000 grant from LED to do a master plan. Lynn briefly explained the process that the port went through for the grant.

Lynn stated that since that master plan was developed over 10 years ago, he feels the port is now taking a different course as a port with the tenants being much more marine services oriented. Lynn said he thinks a new master plan would be very beneficial in operating the port in the next 10-20 years. Chuck Stutes asked Mr. Brinkman what the process would be for the Port to file an application for the grant. Mr. Brinkman explained the Port would submit a letter of intent. There is no application that needs to be filled out. Mr. Brinkman stated that if the Port would submit a letter of intent now, the funds could be earmarked for the next fiscal year, which would be July 1. Chuck asked if the Port would need to give them a detailed scope of work at this point. Mr. Brinkman answered no, they would negotiate that with the Port. There was a brief discussion regarding things that could be done at the port with the grant money. Lynn briefly explained how the Port had received a master plan grant in the past from LED.

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

Marketing/Business Development/Retention –

- Marketing efforts at the port were boosted with the certification of 16 percent (32+) acres of port property by the La. Dept. of Economic Development. The SWLA Economic Development Alliance held a public announcement at the Intracoastal Park Pavilion in support of the recognition that the certified property is deemed "shovel ready" for development. Funding for the certification was provided by LED (75 percent) and a 25-percent match by the port.
- Agreement between Orion Marine Group and the port have been finalized and signed to implement a reduction of monthly lease fee that gives the port access to use of one of the two barge slips and support dockside land.
- CGBM has completed its move into the green house and has brought a two-person team onboard that will operate out of the facility as well as establish quarters there. CGBM is bringing its fuel barge into the port this week and will set up temporarily at the Orion east slip until dredging is completed at the green house waterfront.
- The port continues to actively market the Orion lease property. Meetings were held with two state engineering firms that have agreed to aid in marketing WCP property to firm clients.
- Average daily barge count for the month of December continued to remain in the high range we've enjoyed for the past 12 months 118-125, frequently exceeding 125.
- A recent USACE ruling re: permitting will likely hasten the dredging in front of the green house. Negotiations on behalf of new tenant CGBM, a division of AccuTRANS, continue while firming up temporary operational location while awaiting dredging in front of the green house. The Channelview, Texas-based company is working on obtaining federal permits to facilitate the dredging along the port's waterfront. The project has received state approval.
- 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. The facility may need 3 Phase electricity support.

- 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.

Port Operations –

- A pre-construction meeting was held in advance of McManus Construction of Lake Charles starting construction of the port's new entrance roadway. Right of way agreement is expected from Cameron Communications related to the road construction. Coordination with Carlyss Water District #4 continues and may hold up construction pending an agreement for movement of a water line.
- Coordination of repairs to the barge loading ramp are ongoing.

Professional Organizations & Networking –

- In January, the WCP director (and/or board members) represented the port at:
 - a. PAL executive committee meeting and monthly meeting of the PAL board
 - b. Chamber/SWLA annual banquet
 - c. Propeller Club with port engineer and CGBM representatives as guests
 - d. BV board meeting

News Media & Community Relations–

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

A motion was made by Scott Foreman to approve the Port Director's Report as presented, 2nd 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 on the cash flow for December 2019. Deposits for December 2019 totaled \$109,362.46; and disbursements were \$43,491.42. The only extraordinary item was under the account 150 building/improvements of \$27,340 for a payment to Angelico for the S.T.A.R. canopy that had been damaged. Lynn reminded the Board that that money was covered by insurance money. Net change in cash for December 2019 was \$65,871.04.

Barge days for the last six months total 24,627. Darla explained to Buddy Reams how the barge days are calculated. Darla said she is continuing to work with EDA and would like to have the kickoff conference with the project director of EDA. Darla said she is going to pursue the master plan through the Corps grant program with Don Brinkman. She said she feels the Port really needs to do that.

Tim Dougherty made a motion to accept the Financial Report as presented, 2nd by Scott Foreman. No opposition. Motion carried.

ENGINEER: Chuck Stutes reported that the road is under construction. Three cross drains have been installed under the proposed road, and they are going to continue to install the drainage tile because they want to establish good drainage before they get into the project. The second thing they are going to work on is start clearing some of the large oak trees. Chuck said he went to the site after the press conference at the Intracoastal Park and walked the area with the contractor to further define, tree by tree, exactly which

trees need to be removed outside the right-of-way lines but near the right-of-way lines. Chuck stated there were several pieces of equipment at the site and 4 or 5 guys out there working today. The weather is a challenge. Chuck explained this is the worst time of year for construction because you don't get much sunlight; you get a lot of rain that takes a long time to dry out.

Chuck reminded the Board of the incident that happened with the barge hitting the ramp. Chuck stated that Genesis has advised the Port that they would like the Port to give them an estimate of damages. Based on that, they will determine whether they will file it on their insurance or pay it out of pocket. Chuck said they contacted King Fabricators, the company that built the ramp; and they will come out next week to provide an estimate. By the next board meeting, Chuck stated they should have the estimate.

Tim Dougherty asked Chuck what the contractor is going to do with the excess dirt from the road project. Chuck explained that they were actually out there speaking with Mr. Dronette today because he advised them that he would like some dirt. Tim recommended using some to place in low spots around the property. Chuck said he could get them to stockpile some of it for low spots, and the Port should really get a credit back for anything they do not haul off. Chuck stated that Mr. Dronette also spoke with them about taking some of the limbs off the trees. If that happens, the contractor will sign an agreement with Mr. Dronette to be protected legally. There was continued discussion regarding the excess dirt.

Mr. Reams asked if the barge ramp was associated with any services the Port provides to the tenants and whether revenue is generated from the ramp. Lynn briefly explained the issues with the old ramp, the construction of the new ramp, and the decline of usage due to the fuel economy. Lynn said he feels optimistic that the ramp can be a valuable tool to the incoming industry to move vehicles through the waterways instead of using the roadways. Mr. Reams asked if the Port is losing contracts because of the damage to the ramp presently. Darla explained there are no current needs for the ramp, and there is not been a demand for ramp usage since March of 2019. There was continued discussion regarding the barge ramp.

Vice President Wilmer Dugas entertained a motion to accept the Engineer's Report as presented. Tim Dougherty made a motion to accept the Engineer's Report as presented, 2nd by Scott Foreman. No opposition. Motion carried.


XII. Public Comments

Vice President Wilmer Dugas explained to the Board that they have been meeting at the Southland Field Airport for the past few months, but they need to be reminded to go out and visit the port at least once a month to be aware of what's going on. Lynn suggested stopping by the port when they are in the area for other business. Wilmer welcomed Buddy Reams to the Board and thanked Tim Dougherty for his input during the meeting today.

XIII. Adjournment

Vice President Wilmer Dugas adjourned the meeting at approximately 4:10 p.m.


President


Secretary