

West Calcasieu Port Board Meeting Minutes

February 5, 2013

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:02 p.m. on February 5, 2013, at the offices of West Calcasieu Port, 311 Gross 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

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

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

Board Member Dave Aguiard was not present at the meeting.

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Glen James, Darla Perry, Mayor Chris Duncan and Sheila Burton)

V. Approval of minutes of the January 8, 2013 regular monthly meeting

President Dick Kennison entertains a motion to approve the minutes as printed and presented to the Board. Wilmer Dugas makes a motion to approve the January 8, 2013 regular monthly meeting minutes, 2nd by Tim Dougherty. No opposition. Motion carries.

VI. Amendments, additions and deletions to the proposed agenda

There was discussion with Chuck Stutes, Darla Perry and the Board about adding to the agenda the item of discussing and accepting the Substantial Completion of Monopiles by Orion Marine Group. Tim Dougherty makes a motion to add to the agenda as VI(a) the discussion and acceptance of the Substantial Completion of Monopiles by Orion Marine Group, 2nd by Wilmer Dugas. No opposition. Motion carries.

VI(a). Discuss and Accept the Substantial Completion of Monopiles by Orion Marine Group

Chuck Stutes explained how Orion Marine Group was contracted to install 3 monopiles on the west side of the retaining wall at a cost of approximately \$30,000. The work has been completed. Orion has submitted their first pay estimate. Chuck said they are holding a retainage until the formal acceptance process is complete. Chuck stated the Board needs to formally accept the project so it can be closed out in approximately 45 days.

Wilmer Dugas makes a motion to accept the Substantial Completion of Monopiles by Orion Marine Group, 2nd by Tim Dougherty. No opposition. Motion carries.

VII. Discussion of leases – Glen James

Mr. James stated he has a pending lease proposal with Tresco for the 2 acres. The lease proposal is for 3 years at \$2,000 per month. Lynn Hohensee stated that Steve Knight with Tresco requested a copy of the plat for the 2 acres, and it was forwarded to him several weeks ago. Lynn said Mr. Knight has not contacted him, but he will try to touch base with Mr. Knight after the meeting. The Board further discussed the lease proposal.

Mr. James stated he also has a pending lease agreement with USES. The lease hasn't been executed because it needs to be done at the same time as the lease extension with Devall Enterprises. Lynn said that in speaking with Jeff LeBlanc's boss at USES, he was going to review the lease again of \$3500 per month for 3 years; but he didn't feel it was going to be a problem. Mr. James reviewed the terms of the Devall lease extension, that being giving up the lease on the warehouse and providing, as drafted, consideration for the lease of the main property, which would be nonexclusive use of the barge storage facility with \$13 per day for regulation-size barges and \$17 per day for larger barges being stored on the banks of the Port property. Darla Perry asked Mr. James to make sure the lease says "east and west fleets." Mr. James said the ramp usage would be \$50 per use. Darla explained there are 2 sets of ramps. There is a \$150 charge and a \$500 charge. For the bulk head usage, Devall shall retain \$50; and the Port shall retain \$100 per day.

Mr. James said if Devall institutes a rate increase of the charges just discussed, the consideration shall increase by 20% of the increased amount charged the lessee. Conversely, if lessee reduces the amount charged, lessee may decrease consideration paid to lessor by 20% of the amount of the fee.

Mr. James stated he understands there is concern about the decrease of charges, and he will ask Joey Devall to take that out of the lease. Darla explained more about how the decrease in pay would work and how it would affect the Port. Darla proposed that, if the Board would like, they could put a clause in the lease that if Devall's business goes down by a certain percentage that they could come back for negotiations. Mr. James and Lynn Hohensee agreed that would be a good idea. President Dick Kennison asked Mr. James to make that change in the lease to Article III(d).

There was discussion about USES's truck/bulkhead fee. Lynn explained Devall would get \$50 and the Port would get \$100 per day/use. Lynn suggested stipulating in the USES lease that the truck/bulkhead fee is per use and not per day. This pertains to actually servicing the barges versus just parking them at the Port. There was further discussion with the Board about the Devall lease extension. Lynn Hohensee thanked Glen James for all of his hard work on all of the lease agreements he has been working on with the various tenants.

Wilmer Dugas makes a motion to give Glen James permission to move forward with completing the lease agreements providing that he, Lynn Hohensee, Darla Perry and President Dick Kennison review all of the wording in the lease agreements before they are negotiated, 2nd by Tim Dougherty. No opposition. Motion carries.

VIII. Discuss and take action on bonding request

Lynn Hohensee said he emailed the Board and Port staff in mid January a copy of an email from Jay Delafield where Mr. Delafield makes suggestions on how to move forward with the bonding. Lynn discussed with the Board the topic of land appraisals and the Port's requirements on buying property. Mayor Chris Duncan shared some information on how to negotiate in pricing on buying property. Chuck Stutes went over the steps of the Capital Outlay plan. Chuck recommended meeting with Mr. Delafield to discuss a strategy on how to proceed with project planning. The Board further discussed the bonding issue with Chuck. President Dick Kennison proposed having a meeting between Jay Delafield, himself, Glen James, Chuck Stutes and Darla Perry to get Mr. Delafield's opinion on how to proceed with the bonding and then take action after the meeting. Chuck Stutes suggested inviting Mr. Delafield to the next board meeting. There was discussion about when to schedule the meeting. The Board agreed with President Kennison's meeting proposal.

Wilmer Dugas suggested sending a thank-you note to the Police Jury for their financial support on the new roadway project.

IX. Committee Reports

There were no committee reports at this time. However, Tim Dougherty gave an update on the Airport Board Meeting from last month.

X. Port Director Report

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

Marketing/Business Development –

- Provided guided tours of the port to three business-related prospects
- Communications continue with Tresco, which is partially owned by ChemStar, Houston, Texas. A plat survey of its proposed location at the port was provided to the company and currently is under review by Tresco executives.
- Work continues on the development of a lease agreement extension for Devall Towing.
- A lease agreement with United States Environmental Services (USES), located in the Devall Warehouse, will be drawn up simultaneously with the completion of the Devall lease agreement extension.
- Met with Frank Meyer, Windstar Energy.

Port Operations –

- Construction activities associated with the west barge basin expansion project are completed. Only vegetation planting in the newly created marshland is the only step that remains and will be addressed in the first quarter of 2013.
- Orion Marine Group completed the installation of three mono pilings along the stressed bulkhead near the existing loading ramp. The infrastructure improvements have brought positive response from tenants using the site for wet barge stripping operations.
- The port engineer is working with Devall Towing to identify a contractor for the installation of a new barge-loading ramp (est. \$450,000) to replace the old ramp.
- The port's bonding effort has moved forward with the assistance of Bonding Attorney Jay Delafield. Funding is needed to upgrade critical infrastructure at the port.
- A grant for \$250,000 was received from the Calcasieu Parish Police Jury for funding support (\$248,700) for the construction of 700 feet of new roadway at the port to support a new barge-loading ramp.
- Orion Marine Group continues to make excellent progress on the waterfront upgrades (including bulkheading) along the GIWW at the port.
- The new security gate remains out of operation pending the installation of a warranty part. The gate's card reader system suffered damages on Jan. 30 when it was struck by a marsh buggy being transported to the port. A damage report was taken by Devall Security Team.
- An agreement was reached with Contractor Stormy Martin and his plumbing subcontractor for the installation of plumbing fixtures to the Devall Warehouse building. Necessary permits have been received, and construction is underway.
- The port's loading ramp is back in operation following a Saturday, Jan. 5, electrical failure.
- Design/production work for the installation of new port signage remains on hold pending acquisition of appropriate permits.

Professional Organizations & Networking –

- WCP Commissioner Scott Foreman's nomination was formally approved by the Calcasieu Parish Police Jury on Jan. 10.
- The West Calcasieu Port hosted a table at the Chamber/SWLA annual banquet. Guests included Mark Boudreaux (and wife), Orion Marine Group, and Michael McDougall, new Southland Airfield director.
- The WCP director represented the port at:
 - a. Ports Assn. of La. Board meetings
 - b. West Calcasieu Chamber of Commerce monthly meeting, board retreat
 - c. Propeller Club
 - d. PetroChem meeting

- e. Workforce Investment Board – Exec. Committee meeting
- f. WIB quarterly board meeting
- g. BV board meeting
- h. Ad/Press Club
- i. Christus/St. Pat’s Community Advisory Board meeting

News Media & Community Relations–

- Made PowerPoint presentation re: the West Calcasieu Port to the Sulphur Rotary
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

Wilmer Dugas makes a motion to accept the Port Director Report as printed and presented to the Board, 2nd by Tim Dougherty. No opposition. Motion carries.

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

LEGAL: There was no legal report.

FINANCIAL: Darla Perry reported taking in \$200,000 for the month of December. This was due to money from the DOTD on the CIP on the West Barge Basin. \$203,000 was spent on the project paying miscellaneous expenses. \$7,800 was paid for the audit fee. Net cash flow for December was -\$20,802. However, 2 checks were received from Devall in January.

Tim Dougherty asked about the water issue with River Barge Works. Darla said she’s asked the Water Board and River Barge Works to give her a reading every Friday so she could verify the usage, and River Barge Works has not done that. Darla said she has addressed the issue, but she has not received any response.

The barge days for December were 2,222. Darla said that in looking at the barge daily report, it looks like they are running 70 barges per day. \$5,150 was billed for ramp usage for December. Darla said at the 6-month ramp bill-out, the Port is nearly where they were for the whole year last year. The ramp is doing really well.

Wilmer Dugas makes a motion to accept the financial report as presented to the Board, 2nd by Tim Dougherty. No opposition. Motion carries.

ENGINEER: Chuck Stutes gave an update on the West Barge Basin expansion project. Dredging is complete. All that is left is cleanup work, hydro seeding the levees and improvements to the roadway. Once that work is completed, Chuck said they have to set up a substantial completion inspection with the State to do the official inspection. An official punch list will be made after the inspection.

Chuck stated he doesn’t have an update on the East Barge Basin project. Lynn said he would send an email to see if he can get a status update.

Chuck reported there will be a meeting tomorrow with Orion Marine Group and the structural engineer to discuss the ramp project. Chuck said he would also invite Mike Devall. Chuck said he has located a fabrication company in Houston that is interested in doing the ramp project. President Kennison asked about the plans for the old ramp when it is taken out. Chuck and Lynn agreed it will be decommissioned. Lynn suggested giving any scrap iron to Devall, if they could use it, since they financed the barge project. The Board agreed.

XII. Public Comments

President Dick Kennison welcomed Mayor Chris Duncan and thanked him for attending the meeting.

XIII. Adjournment

President Dick Kennison entertains a motion to adjourn. Wilmer Dugas makes a motion to adjourn, 2nd by Tim Dougherty. Meeting was adjourned at approximately 3:52 p.m.



President



Secretary