

West Calcasieu Port Board Meeting Minutes

June 2, 2015

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 June 2, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Francis Andrepont led the invocation.

III. Pledge of Allegiance

Pledge led by Tim Dougherty 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
- ✓ Wilmer Dugas
- ✓ Tim Dougherty
- ✓ Dave Aguilard
- ✓ Scott Foreman

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Francis Andrepont, Sid Lowman of Morris-Shea Bridge Company and Sheila Burton.)

V. Approval of minutes of the May 5, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the May 5, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the May 5, 2015 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 to authorize Port to enter into Cooperative Endeavor Agreement with the State of Louisiana in connection with funding assistance on bulkheading project along Gulf Intracoastal Waterway; including a resolution authorizing Lynn Hohensee, Port Director, as the official contact for the West Calcasieu Port on all matters pertaining to the project

Chuck Stutes explained that this is the 2nd capital outlay project that has been approved by the State and is funded under 2 different priorities. The total State funding amount is \$2 million, but the cash amount available at this time is \$200,000. Chuck stated that this Cooperative Endeavor Agreement would allow the Port to access the \$200,000 that could be used for planning: surveying, geotechnical, engineering, permitting, etc. President Dick Kennison asked Chuck when he thought the rest of the funding (\$1.8 million) would be made available for the Port to access. Chuck answered at this time the \$1.8 million is Priority 5, which means it could possibly be two years before the Port gets all of the money. There was further discussion about the Cooperative Endeavor Agreement.

President Dick Kennison entertained a motion for VII(a) to authorize the signing of whatever paperwork is necessary to take the \$200,000 and VII(b) to name Lynn Hohensee, Port Director, as the official contact for the West Calcasieu Port to work with the State on all matters pertaining to the project. Dave Aguillard made a motion VII(a) to authorize the signing of whatever paperwork is necessary to take the \$200,000; 2nd by Wilmer Dugas. No opposition. Motion carried.

Wilmer Dugas made a motion VII(b) to name Lynn Hohensee, Port Director, as the official contact for the West Calcasieu Port to work with the State on all matters pertaining to the project; 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Discuss and take action on approval of new port tenant for 1 acre of parking space

Lynn Hohensee explained how Morris-Shea Bridge Company out of Birmingham, Alabama plans on doing business with Chicago Bridge & Iron here locally and will need parking spaces for approximately 70 vehicles during the work week for a time frame of up to a year. Lynn told the Board there is 1 acre of land on the Port property that is not in use at this time that could accommodate the parking for Morris-Shea. Lynn recommended doing a month-to-month lease for \$1500 per month for 1 acre. Wilmer Dugas made a motion to accept Port Director Lynn Hohensee's recommendation of doing a month-to-month lease with Morris-Shea Bridge Company for \$1500 per month for 1 acre; 2nd by Tim Dougherty. No discussion. No opposition. Motion carried.

Darla Perry asked for a projected start date. Mr. Lowman answered they are ready when the Port is ready. Darla Perry explained to Mr. Lowman there is a requirement of the Port being an additional insured on Morris-Shea's liability insurance policy for \$1 million and also asked Mr. Lowman to work with the present tenants so there aren't any issues with traffic at the Port. Mr. Lowman agreed. Mr. Lowman explained there will be 3

vans used to take the employees over to the project site. There was further discussion about the parking site. At this time Mr. Sid Lowman exited the meeting.

IX. Discuss and take action on appraisal report on potential capital expenditure

Darla Perry reported that she received an email from Jack Bass. Darla said her estimate of the contributory value of the improvements is 300,000. The appraisal by Mr. Bass of the land only is \$1,250,000. Darla stated Mr. Bass then did an appraisal to include the 1771 square foot residence, 528 square foot guest house, two-car carport/breezeway, wood decking, septic tank, driveway, riprap, site work, which added \$300,000 in value. Darla said she is going to ask Mr. Bass to split the appraisal to just add the 1771 square foot residence. The Board discussed the appraisal and the property in question. Port Director Lynn Hohensee explained what it would mean to the Port and the potential growth of the Port if they purchased the property in question. There was further discussion about purchasing the property in question.

Wilmer Dugas made a motion to allow the Tenant Committee to negotiate up to \$1.5 million on the potential capital expenditure; 2nd by Dave Aguillard. No opposition. Motion carried.

X. Amend the 6.2015 budget for expense categories repairs and utilities. Approve proposed budget for coming fiscal year.

Darla Perry explained that the first amendment is to increase last year's budget that ends this month. Darla said it is just a piece of paper that will go in the audit file. Darla requested increasing the repairs from 25,000 to 78,000 and increasing the utilities from 5,000 to 16,000. President Dick Kennison suggested making this first amendment X(a). Dave Aguillard made a motion on X(a) to increase the repairs from 25,000 to 78,000 and increase the utilities from 5,000 to 16,000 on last year's budget; 2nd by Scott Foreman. No opposition. Motion carried.

President Dick Kennison entertained a motion for X(b) to approve the proposed budget for the coming fiscal year. Darla Perry stated that she projected that the Port should take in a little over \$1 million on the proposed budget for the coming fiscal year. Darla gave a brief explanation of the items listed on the proposed budget. Tim Dougherty made a resolution for X(b) to approve the proposed budget for the coming fiscal year; 2nd by Wilmer Dugas. No opposition. Motion carried.

XI. Committee Reports

No Committee Reports at this time.

Port Director Report

{NOTE: A copy of the Director's Report was not available to attach to the minutes.}

Port Director Lynn Hohensee announced that Tracey Doucet will be leaving USES. Negotiations with USES have come to a halt with regards to leasing the building. Lynn said he is not sure whether USES plans to stay at the port.

Lynn told the Board he had spoken with David Tauber. Mr. Tauber told Lynn their barge is not making a good return for the company. Lynn said Alfred Devall told him that he received a report that during the night someone came to get the Tauber barge. Lynn said he has left a message for Mr. Tauber to call him, and he has not returned his call.

Lynn said he and Darla have been working with Kenny Devall. There is a Devall client that is in need of 20 million gallons of water. Lynn said Darla has been in touch with Carlyss Water District. Lynn said they are planning a meeting at the Devall headquarters to negotiate the abilities for the Port to support the water demand. Lynn said Devall's client has barges that need to be pressure tested. In order to do this, they have to fill the barge up with fresh water. Lynn said they will be looking at needing this service for about 65 days. Lynn suggested placing them where Tauber was located. President Dick Kennison asked if they would be using approximately 240,000 gallons per day; and Lynn answered yes. Lynn said they have to work with Carlyss Water District to see if they will be able to support that much water coming in on the 6-inch line without depleting supply to the rest of the tenants.

Lynn said he received an email from Mike Boies of River Barge Works explaining the crane contractor has been delayed due to weather. Lynn said the barge is still at the port. Lynn said other options are being discussed but nothing has been finalized.

Black Lake Fleeting was supposed to attend the board meeting today, but Lynn said they have decided to hold off on their operations.

Lynn asked the Board for their approval to switch web masters. Lynn stated that Michelle Woodyear, the original person that helped set up the website, has since moved away and has continued to help service the website. However, the last 3 months Lynn said he has not been able to get any response from her. Lynn said he would like to use Peter O'Carroll, who set up the website for the Port of Lake Charles. Lynn said he could give the Port a maintenance price that's 33% less than what Ms. Woodyear was charging. The Board discussed the approval process. President Dick Kennison said the Port Director did not need approval because he is authorized to make such decisions within the scope of his work.

Lynn reported that Citgo is pursuing permitting opportunities to get everything in place. Citgo could possibly get the permits done in time this year to possibly move some dredge spoils over to the port's spoil reception area.

With regards to the Senate bill to increase the fee for the board members, it passed the Senate; but Representative Franklin has some reservations about it. As a result, the amount has been modified to \$200 for regular meetings. Lynn reported that over half of the port boards in the state do not get financial compensation.

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

FINANCIAL: Darla Perry reminded the Board that she sent the April financial report to them via email. Darla stated the only thing out of the ordinary for expenditures was under repair and maintenance for the awning, \$28,000. Darla said she may need a special meeting for the audit.

ENGINEER: Chuck Stutes said the check for approximately \$20,000 has been cut for the mitigation costs. Arabie has routed the check to the Department of Natural Resources. Chuck said they are now waiting on the official approved permit to come back from the Department of Natural Resources and the Corps of Engineers.

Chuck said the Port is still in the capital outlay bill; however, he doesn't think it has formally passed both Houses yet. Chuck said he probably won't know the outcome until July.

Port Director Lynn Hohensee stated the blank cards were delivered for the front gate, but they are not working yet.

Chuck asked Darla and Lynn to stay after the meeting to sign documents for the Resolution. Chuck announced that everyone will be receiving an invitation to the Meyer & Associates' 50th Anniversary party on June 12th.

Chuck reported that the bulkheading is moving forward, and the temporary piling has been installed. Lynn stated there have been dump trucks of rock coming through the port on a temporary project and he plans on talking with them when the job is done to work with the Port to somehow clean the road. Lynn asked Darla to have a plumber visit the building.

LEGAL: There was no legal report at this time.

XIII. Executive Session

There was no executive session at this time.

XIV. Public Comments

There were no public comments at this time. Darla reminded Board members to be present at the Police Jury zoning meetings on June 16 and June 18 at 5:30 pm.

XV. Adjournment

President Dick Kennison adjourned the meeting at approximately 4:03 p.m.



President



Secretary