

West Calcasieu Port Board Meeting Minutes

August 6, 2019

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 August 6, 2019, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Dick Kennison led the invocation.

III. Pledge of Allegiance

Pledge led by Tim Dougherty and recited by all board members and guests.

IV. Roll call

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

- ✓ Dick Kennison
 - ✓ Tim Dougherty
 - ✓ Wilmer Dugas
 - ✓ Dave Aguillard
- (Scott Foreman was absent.)

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, David Devall, Marion Aguillard and Sheila Burton.)

V. Approval of minutes of the July 2, 2019 regular monthly meeting and July 15, 2019 special meeting

President Dick Kennison entertained a motion to approve the minutes of the July 2, 2019 regular monthly meeting and the July 15, 2019 special meeting. A motion was made by Wilmer Dugas to approve the minutes of the July 2, 2019 regular monthly meeting and the July 15, 2019 special 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 proposed new tenant lease

Attorney Glen James explained that there are a few little fine points that need to be worked out, but he feels there is a general consensus on the lease. Glen told the Board the lease is basically for 2 acres of land with 200 feet of water frontage, plus the main house at 200 Old Ferry Road along with frontage along the new entrance road for the Port. Glen stated the term for the lease is one year with three 5-year options, which means it could be extended for 16 years under this lease if they exercise the options. The lease amount is \$8500 per month with CPI included. There was a brief discussion regarding the 5-year options and the CPI. Glen quoted the language that was requested from the tenant to be in the proposed new lease: “the monthly rental shall be adjusted based on the Consumer Price Index at the beginning of each extension period.” There was continued discussion regarding the 5-year options.

Glen told the Board the tenant’s name is actually CGBM 100, LLC. They are a substantial company that was incorporated in Louisiana in 2005 and are in good standing. Gary Osorno, the managing partner, will be signing the lease. Port Director Lynn Hohensee stated they do a lot of work with Devall. David Devall briefly explained the working relationship Devall has with Accu-TRANS – CGBM 100, LLC’s parent company. David said he feels they have done their homework by doing surveys and monitoring how much traffic is coming through, which is more than any of the others have done in the past. David told the Board he will be meeting with them Thursday, if anyone has any questions they would like him to ask. Darla Perry said she has been trying to get a firm commitment on the rent date. Darla stated if they are not ready, then perhaps she can hold the lease open for them. Darla said she feels that the rent should begin when they move out to the Port. There was a brief discussion regarding the rent date.

Darla Perry asked if there is language in the lease for liability on the hazardous fuels, and Glen James answered yes. Tim Dougherty made a motion to accept the proposed new tenant lease subject to getting a date confirmed and signing the lease, 2nd by Dave Aguillard. No opposition. Motion carried.

VIII. Committee Reports

There were no committee reports given at this time.

IX. Port Director Report

Port Director Lynn Hohensee reported the board meeting/Devall Steak Dinner will be held October 1, 2019. Lynn praised William Fincher and his team for doing an excellent job maintaining the property at the port. Lynn said William had a problem with his bush hog, but it will be fixed to mow this week.

Lynn announced he, along with David Devall, will be attending the Gulf Intercoastal Canal Association Annual Conference later this week in New Orleans. Lynn stated the new tenants will also be there to market the Port.

Lynn announced the apron is off of the ramp, and there is already a barge parked in there. Lynn said demand for space is very strong. Lynn received an estimate from the appraiser, and the cost will be somewhere between \$35,000 to \$40,000 to repair and/or replace the apron on the ramp. There was a brief discussion regarding the apron and the ramp. Lynn explained once the decision is made whether to repair or replace the apron, it will need to be retrieved out of the water. David Devall said it is secured for now. Tim Dougherty asked if funds needed to be set aside to repair the ramp. Lynn explained that the responsible party, Genesis Marine, will be responsible for repairing or replacing the apron on the ramp. Chuck Stutes stated they need to get Genesis's working plan on how they plan to remove the apron and whether they will be delivering it to the manufacturer in Houston. Chuck agreed that the estimate seems sufficient to make the repairs.

Lynn explained he is continuing to work with DOTD Port Priority program. The Port Priority program has offered to help West Cal Port offset their 20% match for the \$4.2 million EDA grant.

Lynn said he will now turn the meeting over to David Devall to discuss some of the issues they are seeing on the very west end of the west barge basin. David Devall explained he feels there are several reasons why there are issues with the west barge basin. David said he thinks some sediment is coming up when the barges are moving from the dredge spoil area into the Channel. Another reason may be due to some of the older Devall barges that are taking on water due to all of the rain. Chuck Stutes stated during a normal tide there should be 11 to 12 feet of water in the basin. David explained they had a barge that got stuck last week, and they had to hire 2 large boats to pull it off. There was a brief discussion about doing some maintenance dredging. David suggested doing a depth survey to see where they are and to figure out what is causing the issue. Chuck asked David if he thought they were having problems beyond 200 feet. David proposed doing a small section of it on the very west end moving eastward to see how far it goes. There was continued discussion regarding the west barge basin. David explained he will need about 3 days' notice once the survey is scheduled. There was a brief discussion regarding coke dust issues in the past and whether that would be an issue once again. David said he doesn't feel it will be an issue since the Port has bought most of the land where the issue occurred previously.

Lynn encouraged the Board to watch the feature story John Bridges will be doing on Chase LeBeau tomorrow night at 6 pm on KPLC. Lynn said the Propeller Club sponsored a scholarship for Mr. LeBeau back in 2016, and he is now going into his senior year as Corps Commander at Galveston A&M.

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

Marketing/Business Development/Retention –

- Average daily barge count for the month of June continues to remain in the high range we've enjoyed for the past 12 months 118-125, sometimes exceeding 130.
- Lease agreement development progresses well with an established company interested in setting up marine fueling operations at the West Calcasieu Port.
- 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 location. 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 property certification work continues for a parcel of property at the port that will be supported by proposed new waterfront improvements. Cost to the port is 25 percent of the cost (between \$10k-plus). Site certification will enhance the marketing of the port property to prospective tenants.

Port Operations –

- The port is continuing to work through a number of administrative issues associated with the \$4.2 million EDA federal grant for port infrastructure improvements.
- The lip apron of the barge loading ramp was damaged in June and removed in July. The port awaits the results of an estimate of damages from an adjustment appraiser/estimator.
- Progress is moving forward for the construction of the port's new entrance roadway.

Professional Organizations & Networking –

- In July, the WCP director (and/or board members) represented the port at:
 - a. US Coast Guard (Marine Safety Unit – Lake Charles) change of command ceremony
 - b. Meeting with USRS to discuss facilitation of port property certification and possible administration of EDA grant.
 - c. Met with state senate candidate for district that includes West Calcasieu Port
 - d. Calcasieu River Waterway Harbor Safety Committee
 - e. BV Board meeting
 - f. PAL reception hosted by Port of Lake Charles
 - g. PetroChem board meeting and PetroChem regular meeting

News Media & Community Relations–

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

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

LEGAL: Glen James reminded the Board that the new lease with CGBM 100, LLC includes the property the Board is currently having their meetings. Lynn stated there was a hand-shake deal stating that the Board could still meet in their current location. President Dick Kennison suggested looking at the metal building out in the front of the property to see if it could be used for the board meetings. There was a brief discussion regarding the metal building in the front of the property.

FINANCIAL: Darla Perry reported the total barge days for the fiscal year July 2018 through June 2019 came to 40,505. That total was 1,720 more barge days than the previous year. Darla explained to David Devall that she is working with Devall's dispatchers, and every 6 months or so she does a test comparing what they dispatch to what the revenue billing is. Darla said they are working on some of those numbers now.

Darla reported the ramp revenue for the fiscal year July 2018 through June 2019 was only \$1,350. That is \$4,500 less than the previous year. Darla stated that if the ramp space can be used for barge revenue, that will be great.

Darla reported the cash flow for the month of June was \$70,576.53. The only extraordinary expenditure was mailing Morris-Shea's security deposit back to them. Darla announced she will be leaving Saturday for Europe, returning September 1st. She

will then be attending the capital outlay session in Baton Rouge on September 10th for the Port.

Darla told the Board that she received a copy of the 58-page cultural survey for the site certification with the Southwest Louisiana Economic Alliance. Darla said they had people come out to the port for 3 days to dig, and their findings were: broken bricks, 2 pieces of green glass, 1 metal wire fragment, and 1 aqua container. Darla said that means the Port is not disturbing any culturally-economic designated areas, and the Port can proceed with their certification. Chuck Stutes added that the report said the Port does not have anything on the property that could be included within the National Historical Register.

Darla explained to the Board that Molly Bourgoyne has been sending her information about grants, and she is working on one grant that the Devalls may want to do a joint venture in. Darla said the building shafts will be poured next week on the S.T.A.R. building where there was wind damage. Angelico will be doing the work.

President Kennison entertained a motion to accept the Legal and Financial Reports as presented. Wilmer Dugas made a motion to accept the Legal and Financial Reports as presented, 2nd by Dave Aguillard. No opposition. Motion carried.

ENGINEER: Chuck Stutes reported they have made a lot of progress on the new road in the last few months. He will be sending the plans to DOTD next week. Chuck said by the next board meeting they should be able to pass on a resolution to proceed with advertisement. Chuck said they now have information stating that 68 oak trees will need to be removed from the property for the new road. There was a brief discussion regarding the trees. Chuck explained that anything that falls within a 100-foot-wide strip will be taken out because it will affect either the road or the ditch. There was further discussion regarding the trees. Lynn stated that William Fincher asked if he could be given an opportunity to bid on the tree removal. Chuck said he will connect him with the contractor and will need to have a state contracting license to do it.

Darla Perry said she has applied to the Calcasieu Police Jury for \$80,000 for reimbursement to help with bills on the port entrance road. Darla reminded the Board that the Police Jury had committed \$250,000 for the port entrance road.

Tim Dougherty asked how long it will take for the tree removal to be done. Chuck answered that it will be the contractor's responsibility when they will do the tree removal, but the trees will have to be one of the first things done since they cannot do any earth work or site work until the trees are removed. Wilmer Dugas asked if the trees will be removed or buried. Chuck answered they will be removed.

XI. Public Comments

There were no public comments at this time.

XII. Adjournment

President Kennison adjourned the meeting at approximately 3:40 p.m.



President



Secretary