

West Calcasieu Port Board Meeting Minutes

September 4, 2012

I. Call to order

President Matt Vincent called to order the regular meeting of the West Calcasieu Port at approximately 3:00 p.m. on September 4, 2012, at the offices of West Calcasieu Port, 311 Gross 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

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

- ✓ Tim Dougherty
- ✓ Dave Aguillard
- ✓ Wilmer Dugas
- ✓ Dick Kennison
- ✓ Matt Vincent

(Others also present at the meeting were: Jay Delafield, Francis Andrepont, Lynn Hohensee, Chuck Stutes, Glen James, Darla Perry and Sheila Burton)

V. Approval of minutes of the August 7, 2012 regular monthly meeting

President Matt Vincent entertains a motion to approve the minutes as printed and presented to the Board. Dick Kennison makes a motion to approve the August 7, 2012 regular monthly meeting minutes, 2nd by Wilmer Dugas. No opposition. Motion carries.

VI. Amendments, additions and deletions to the proposed agenda

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

VII. Board action on referendum to initiate bond funding for port infrastructure repairs/upgrades

Lynn Hohensee explained the reason for the funding supports specifically the bulkheading on the east and south sides of the Devall building where the board meetings are held as well as a replacement for the loading ramp. In addition, the Port is looking for funding support for improvements on the waterfront on the east end of the property and for possible acquisition of nearby land to expand the Port's footprint. There was a meeting held last week between Jay Delafield, Lynn Hohensee, Darla Perry, Glen James and Chuck Stutes to discuss these issues. (Lynn turns the discussion over to Jay Delafield for further explanation.)

Jay Delafield stated the topics from last week's discussion included the financing needs for improvements and repairs to the Port's infrastructure facilities. As a result, Mr. Delafield prepared and handed out a resolution that the Board may adopt that would permit the Port to finance up to \$3.5 million either in tax-exempt or taxable bonds for a period not to exceed 20 years, at an interest rate not to exceed 4%. Mr. Delafield said the resolution does not obligate the Port to do anything. The Board can adopt the resolution but does not need to send it to the Bond Commission until such time as the Board has quantified the amount that needs to be borrowed. Mr. Delafield further explained to the Board how the bond works and answered questions from the Board.

Dick Kennison makes a motion to adopt the resolution, 2nd by Wilmer Dugas.

Glen James reads a portion of the Resolution, as follows: "RESOLUTION: A RESOLUTION AUTHORIZING THE WEST CALCASIEU PORT TO PROCEED WITH DEVELOPMENT OF A PROJECT FOR ACQUISITION AND ESTABLISHMENT OF ADDITIONS TO AND IMPROVEMENTS OF THE DOCK AND WHARF FACILITIES WITHIN AND FOR THE ISSUER, INVOLVING ISSUANCE OF NOT EXCEEDING \$3,500,000 REVENUE BONDS, TO BE ISSUED AS TAXABLE OR TAX-EXEMPT BONDS IN A SINGLE OR MULTIPLE SERIES, AND AUTHORIZING APPLICATION TO THE LOUISIANA STATE BOND COMMISSION IN CONNECTION THEREWITH."

There was no opposition of the motion. Motion carries. Mr. Delafield requested Tim Dougherty to sign the Resolution papers.

VIII. Board to authorize Tenant Lease Sub-committee to proceed with new agreement development with port tenant

Lynn explained Act 388 that was signed into law frees up tenant lease agreement development efforts for shallow-water ports. This will allow the Port to work with potentially new tenants or existing tenants seeking to renew and extend their leases.

Lynn said the Sub-committee can move forward in working with an existing tenant that is interested in extending their lease and prepare material to bring back to the Board. Dave Aguillard makes a motion to authorize the Tenant Lease Subcommittee to proceed with the new agreement, 2nd by Dick Kennison. No opposition. Motion carries.

IX. Board to authorize port staff to develop lease agreement with new potential tenant

Lynn stated Item IX on the Agenda should read “tenants.” There is a company that is seeking to off-load 50,000 tons of stone for a construction project. They would off-load from a barge onto trucks. Lynn said they are trying to set up a meeting to further discuss their needs and what the Port can provide. The Board asked questions and further discussed the off-loading onto trucks and how that will affect the Port.

Lynn said the 2nd potential tenant is a nationally-known environmental company that has recently opened up a local operation. Their business consists of stripping barges, where they will strip product out of barges and set them up so they can be used for a different type product. They would like to set up an office and parking area for trucks and trailers on the Port site. Lynn said they are bonded and have a very good reputation. The Board asked questions and further discussed the type of business this would generate at the Port.

Dick Kennison makes a motion to authorize the Port staff to proceed and develop lease agreements with new potential tenants, 2nd by Wilmer Dugas. No opposition. Motion carries.

X. Committee Reports

There were no Committee Reports at this time.

XI. Southland Airfield Report

Tim Dougherty reported the Airfield entered into a lease with Omega Protein. There are concerns of grounds maintenance with all of the rain. The Board would like to get with the Police Jury to see if they can schedule some spraying of ditches to help with maintenance. Mr. Andrepont said to just let him know what they need, and he will help out where he can. Matt Vincent announced that Tim Dougherty was made President of the Airfield Board. Mr. Andrepont asked Tim to check when he gets to the next meeting to see whether the situation of the helicopter buzzing over people’s homes has been rectified.

XII. Port Director Report

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

Marketing/Business Development –

- Met with Devall Enterprise officials to discuss development of a barge basin ribbon cutting activity with the annual Devall steak night. The West Cal Port dinner night is Oct. 2. Further planning is underway for the ribbon-cutting.
- Communication is underway with a new prospect re: offloading of 50,000 tons of stone for a construction project.
- A prospect is interested in establishing an office and a place to park equipment. The company strip barges and clean tanks.
- Exchanged information with a long-time prospect. Information received noted that an agreement has been reached for its Blue Heron project to upgrade and add another 25,000 bpd for a total of 50,000 bpd. The prospect will place a \$1,000,000 deposit in about two weeks. The first part of the loan of \$55,000,000 will be issued in 45 days or less. The balance will be issued to start construction in about 100 days. Once this project is in place, the prospect will finalize activities associated with its project near the port.

Port Operations –

- Met with local bond attorney to discuss potential bonding effort to fund needed port infrastructure work.
- Louisiana Governor Jindal has signed into law Act 388, which was authored by Rep. Mike Danahay and streamlines the tenant contracting process for the port.
- A board sub-committee continues to review tenant lease agreements.
- Construction activities associated with the west barge basin expansion project continue on schedule.
- A relocation effort for River Barge Works within the port's west barge basin has been completed, and RBW barge cleaning operations has resumed.
- Engineering/design work continues for the installation of bulkhead infrastructure along the GIWW waterfront currently under lease to F. Miller Construction.
- Construction of the new security gate has been delayed. Work by Entergy must be completed prior to installation. That has not happened, despite repeated efforts by the port and its engineering staff to move the project along. It will include a remote controlled gate opening/closing system that will be operated from the Devall Towing security tower as well as a keycard system. The gate will be closed from 6 p.m. to 6 a.m.
- Repair work to replace worn cables on the port ramp has been completed.
- FEMA continues to require historical data associated with construction work performed to repair the port entrance road following Hurricane Rita.
- Agreement is in place with Tender Lawn Care to maintain the port's wetlands strip of property north of the F. Miller Construction site.

Professional Organizations & Networking –

6. The WCP director represented the port at:
 - a. Chamber/SWLA economic development alliance meeting
 - b. Chamber/SWLA gov't affairs/infrastructure meeting
 - c. Chamber/SWLA membership campaign meeting
 - d. Ports Assn. of Louisiana board meeting
 - e. West Calcasieu Assn. of Commerce monthly meeting
 - f. Chamber/SWLA business after hours session
 - g. WIB executive board meeting
 - h. Propeller Club meeting

- i. PetroChem meeting
- j. BV board meeting
- k. United Way Kickoff
- l. C-SP's community advisory council meeting

News Media & Community Relations–

- KPLC-TV aired a positive report on the West Calcasieu Port serving as a safe haven location for barges/push boats impacted by Hurricane Isaac.
- Photo of WCP barge operations appeared in the American Press. Photo taken by Devall Towing was provided to the newspaper by the port.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

[NOTE: Lynn reported that his surgery went well at M.D. Anderson last week, and all of the pathology reports came back negative.]

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

LEGAL: There was no legal report.

FINANCIAL: Darla Perry reported the Financials show the Port expended \$31,000 more than they took in due to the Apollo funds. Darla stated Devall went up on their fleeting rate beginning September 1st, which means the Port gets 20% of the increase. Barge days for July were 2,713. Ramp usage for July was \$6500. Dick Kennison makes a motion to accept the Financial Report as presented, 2nd by Wilmer Dugas. No opposition. Motion carries.

ENGINEER: Chuck Stutes reported that the West Barge Basin project is a little behind schedule due to weather. The new scheduled completion date will be toward the end of October or beginning of November. The planting of the beneficial use area may be delayed a few months until other work is completed.

Chuck said he received an email pertaining to a new issue that has come up that needs to be addressed with the Devalls. The guy in the doghouse is telling the contractor of the Basin project that there are shallow spots in the existing basin that they would like to have cleaned up. Chuck said this needs to be investigated, and a meeting needs to be scheduled with the Devalls.

Regarding the gate project, Entergy came out to the Port and dropped a new transformer pole; however, they dropped it in the wrong spot. Chuck said, driving up today, he sees where Entergy has come back within the last couple days and ran electricity from the transformer pole to a short meter pole placed in the correct place. There was further discussion regarding the problems the Port has had with Entergy on this project. Chuck said the next step is getting a written confirmation from Entergy that they have completed their work. After that, the contractor will be able to finish in a few weeks. Dick Kennison asked Chuck if he can get a letter from the contractor stating how long they were held up due to Entergy's delay. Chuck said he could get that for him.

XIV. Public Comments

President Matt Vincent thanked Francis Andrepont and Jay Delafield for attending the meeting. Mr. Andrepont complimented Lynn Hohensee on the work he has done at the Port and how much the Port has grown in the years he has worked with the Port.

XV. Executive Session

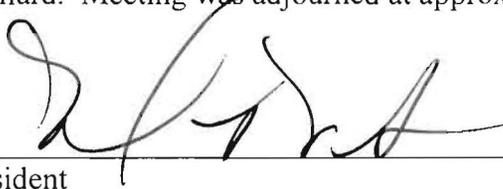
President Matt Vincent entertains a motion to go into Executive Session. Wilmer Dugas makes a motion to go into Executive Session, 2nd by Dick Kennison. No opposition. Motion carries.

[At this time, Sheila Burton, Lynn Hohensee, Chuck Stutes, Jay Delafield and Francis Andrepont leave the board room while the Board goes into Executive Session.]

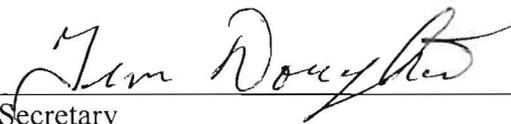
Tim Dougherty makes a motion to adjourn from Executive Session, 2nd by Dave Aguillard.

XVI. Adjournment

President Matt Vincent entertains a motion to adjourn. Wilmer Dugas makes a motion to adjourn, 2nd by Dave Aguillard. Meeting was adjourned at approximately 4:00 p.m.



President



Secretary