WEST ST. MARY PARISH PORT, HARBOR AND TERMINAL DISTRICT

MEETING MINUTES

AUGUST 4, 2015

6:00 P.M.

The meeting was called to order by Mr. Ralph Longman, President of the Port Commission. Mr. Willie Peters led in the Pledge of Allegiance. A roll call resulted in the following:

Present: Absent:

Tad Blevins Joseph Tabb

Calvin Deshotel

Ralph Longman

Greg Paul

Willie Peters

Wayne Stevens

Will Terry

Also present at the meeting were Mr. Nick LaRocca, Candidate for 16th Judicial District Judge, Dr. Joseph Bristow, PhD with Kytosan, Ms. Marguerite Robinson - Teche Talk, Mr. Eric Duplantis, Port Attorney, Mr. Reid Miller - Miller Engineers and Associates, Mr. Jude Hebert - Cleco, Mr. Frank Fink, St. Mary Economic Development Office, Mr. Roger Stouff - Franklin Banner, Louisiana State Representative Sam Jones, Mr. David Allain, Executive Director and Ms. Rebecca Pellerin, Office Manager of the Port Commission.

A motion was made by Mr. Stevens to dispense with the reading of the July 7, 2015 meeting minutes and to accept the same. The motion was seconded by Mr. Peters and carried unanimously.

Mr. Nick LaRocca introduced himself to the Commission and gave them a brief history of his background and his qualifications as a candidate for the 16th Judicial District Judge position, vacated recently by the retirement and subsequent death of Judge James McClelland. Mr. LaRocca asked the Commission to consider him as their candidate and thanked them for their time. Mr. Duplantis also added that Mr. LaRocca has represented Hospital Service District No. 2 in St. Mary Parish for thirty years and that he is aware of public bodies like the Port Commission. He has also represented Hospital Service District No. 1 in St. Mary Parish.

Mr. Peters asked that the record show that Mr. Bell joined the meeting at this time.

Mr. Allain introduced Louisiana State Representative Sam Jones. Mr. Jones gave a recap of the past Legislative session. He and Mr. Allain have been in contact throughout the Session. Mr. Jones reported that last year, the Port applied for Capital Outlay funds in the amount of $1.654 million to construct a welding school at the Industrial Park on the Charenton Canal. The request was not originally put into the Bill but with some effort and help, they were able to get it put into the Capital Outlay Bill on the House side. Senator Bret Allain protected it on the Senate side. Mr. Jones told the Commission with the current Governor concluding his term and a new Governor coming in, it would advisable for the Port to try to get some allocation to get a Line of Credit ,a Cooperative Endeavor Agreement signed, and in essence would give the Port a contract for the construction of the welding school. He further reported that it would be very unusual for the next Governor taking office to not honor a Cooperative Endeavor Agreement. Mr. Jones also informed the Commission that in the past Session, he was opposed to getting rid of the Inventory Tax which would have adversely affected the Port Commission's millage. He told the Commission it's never too early to start thinking about next year's projects. He congratulated the Port for taking the mission of developing the Industrial Park.

Mr. Terry asked Mr. Jones asked when the Highway 318 overpass and would begin and when the overlay of Highway 182 from Adeline to Jeanerette would be completed. He responded that a contract has been signed with Gilchrist Corporation for the overpass project at a cost of $53 million and the overlay of Highway 182 from Adeline to Jeanerette is scheduled to be completed before grinding season begins. Discussion followed.

Mr. Jones suggested that Mr. Allain update his letter to the Bond Commission requesting funding for at least $50,000 to begin planning for the welding school to be constructed at the Industrial Park. Mr. Allain said that he would get the letter to Mr. Jones quickly.

Mr. Allain reported that he is in receipt of an invoice from Southern Constructors, LLC for final payment for the construction of the waterline at the Industrial Park in the amount of $15,476.80 - a No Lien Certificate was included with the invoice. There is approximately $7,000 remaining for reimbursement from the Delta Regional Authority grant and a request for reimbursement will be submitted. A motion was made by Mr. Paul to approve the payment request in the amount of $15,476.80, the motion received a second from Mr. Deshotel. The motion carried unanimously.

Mr. Allain reported that he has been contacted by an oilfield company who may be interested in the leasing property in the southern section of the Industrial Park. He further reported that the grass at the Industrial Park needs to be cut. The St. Mary Parish Government maintenance crew has been assisting the Port in cutting some areas of the Industrial Park but there are areas that they are not able to cut because of the growth being too dense. He has been in touch with a contractor with the proper equipment to cut the dense areas and was given an estimate of approximately $4800 - $5000 to cut 30 acres.

A motion was made by Mr. Terry to expand the agenda. The motion was seconded by Mr. Stevens and carried unanimously. A motion was made by Mr. Stevens to hire the contractor he has contacted to cut the grass at the Industrial Park. The motion was seconded by Mr. Terry and carried unanimously. Mr. Allain said plans are to start cutting the grass on the south end and to stop at the point where the Parish could cut the grass.

Mr. Allain reported that he is receipt of an invoice from Bertucci Contracting Company, LLC for final payment for the maintenance dredging at the Port Site in the amount of $38,347.40 - a No Lien Certificate was also included. A motion was made by Mr. Deshotel to pay the invoice as requested. The motion was seconded Mr. Paul and carried unanimously.

Mr. Allain reported that the he and Mr. Duplantis have been working with Kytosan USA, LLC and their legal department for several months on an MOU (Memo of Understanding). Mr. Duplantis explained that for the last several months he and Mr. Allain have been negotiating with Kytosan for an agreement between the Port and the company that if certain conditions are met, mostly for the company to obtain the proper financing, that the Port will enter into an agreement to construct one building to start consisting of approximately 10,000 square feet and perhaps a second building consisting of 35,000 square feet. The terms of the lease agreement would be essentially the same as the Port's normal lease agreements. The company has until the end of November 2015 to provide the Port with the required information. Mr. Duplantis stated that Mr. Allain has worked very hard negotiating with the company with regards to the MOU.

Dr. Joseph Bristow explained the concept of their company, Kytosan. The company plans to take crustacean shell wastes from seafood processors around Louisiana, including shrimp, crawfish and crab, and create a biopolymer from it called, chitosan. He explained that chitosan is a fairly usable polymer, another term for plastic, and in this case is soluble in acidic water. He further explained that one of the key factors of chitosan is its biodegradability which allows it to be used in a variety of different applications. Dr. Bristow gave a slide presentation and explained the numerous benefits of and uses for chitosan.

Dr. Bristow further informed the Port Commission that the company plans to employ 50 people within a five year period and possibly more depending on the demand for the product. The company is interested in a 15 acre site at the Port in Louisa. Dr. Bristow answered several questions from the Commissioners. Mr. Deshotel asked if the company needed to be located on the water and Dr. Bristow answered no they did not need to be on the water, but being close to it is a good idea. He explained that the 15 acre site chosen for them is ideal because what they produce is a salt water waste water discharge and that they do have a permit from the Department of Environmental Quality to discharge the salt water into the Intracoastal Waterway. Mr. Peters asked Dr. Bristow if there was enough product from the processors. Dr. Bristow responded yes there is and that the company has contacted a few processors who have been very enthusiastic about working with them and providing the shell wastes. Mr. Longman asked Dr. Bristow about storage of the crustacean shell at the Port. Dr. Bristow responded that the shell waste will be processed immediately and the process has been designed to be a continual addition of the shell. There will be a specific schedule for delivery of the shell and if some shell does need to be stored, it can be stored in the refrigerated tractor trailers on site. Mr. Terry asked Dr. Bristow about the volume of shells anticipated to be processed at the facility. Dr. Bristow answered that they would start with approximately 5,000 tons per year and this would vary depending on the seafood season. Dr. Bristow said that they built a chitosan plant in Maryland that processed crab shell. Mr. Deshotel asked him how far along they were with the financing of the business. Dr. Bristow replied that they are looking to get a USDA guaranteed loan from First Bank and Trust. They are hoping to get closing by no later than the end of September. Mr. Peters asked once the financing is in place, how long would it take to get the business up and running. Dr. Bristow answered that dependent upon approval for the loan and approval by the Port Commission, plans would be to begin construction of the building in January. Mr. Paul asked Dr. Bristow if the facility in Maryland was up and running. Dr. Bristow answered no, the facility they built was under funded so they ended up building a facility that was not quite what he designed and they ran into problems. He further reported that there were plans to construct plants in other areas, but those plans did not work out for various reasons. Discussion followed. Mr. Allain recommended to the Commission that they enter into an MOU with Kytosan if they can get funding. The Memo of Understanding essentially indicates that if they get their funding and both sides agree upon a lease, the Port will construct an initial 10,000 square foot building .

A motion was made by Mr. Paul to expand the agenda to vote on the MOU between the Port and Kytosan, LLC. The motion was seconded by Mr. Deshotel to expand the Agenda and carried unanimously.

A motion was made by Mr. Peters to authorize the Executive Director to sign an MOU with Kytosan with the condition that necessary financials are in place. The motion was seconded by Mr. Stevens and carried unanimously.

Representative Jones gave a follow-up report from earlier in the meeting regarding overlay of Highway 182 - Jeanerette to Adeline, in two weeks the company will be ready to do asphalt and the asphalt takes four weeks. If the work has not been completed by October 1, the contract does authorize them to stop for cane harvesting season.

A motion was made by Mr. Blevins to issue a letter of no objection to issue a letter of no objection to the Corps of Engineers on behalf of Orion Engineered Carbons - permit No. P2015076. The motion was seconded by Mr. Peters and carried unanimously.

Mr. Reid Miller gave an update on the Industrial Park. The final inspection was held today with a brief punch list consisting of a little more of final grading of the road, trash clean up and little touch up work around the slip. Mr. Peters asked about sheet piles on the waterfront and Mr. Allain said that he is looking into a crane pad. He said that there will possibly be plans to change the design of the bulkhead to accommodate the pads. Mr. Allain said that he spoke with Mr. LaGrange with the St. Mary Parish Government and he agreed with the placement of a crane pad on the waterfront and would be turning in a Change Order to the Office of Facility Planning and Control to accommodate the crane pads. Mr. Miller reported that the crane pads could possibly be in the scope of the original plans but further investigation would be needed.

There being no further business to be reported, a motion was made by Mr. Deshotel to adjourn the meeting. The motion was seconded by Mr. Paul and carried unanimously. The meeting adjourned at 7:05 p.m.

 Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Wayne Stevens, Secretary/Treasurer