

West Calcasieu Port Board Meeting Minutes

December 4, 2018

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 December 4, 2018, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Dave Aguillard 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
- ✓ Dave Aguillard
- ✓ Tim Dougherty
- ✓ Wilmer Dugas
- ✓ Scott Foreman

(Others also present at the meeting were: Lynn Hohensee, Glen James, Chuck Stutes, David Devall of Devall Towing, Michael Brehm and Mike Boies of River Barge Works, Gus Fontenot from SEED Center and Sheila Burton.)

V. Approval of minutes of the November 6, 2018 regular monthly

President Dick Kennison entertained a motion to approve the minutes of the November 6, 2018 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the November 6, 2018 regular monthly meeting, 2nd by Tim Dougherty. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

President Dick Kennison announced that the original Item VII. Discuss and take action: Appointment of West Calcasieu Airport Board Member was deleted and Chuck Stutes had a Resolution that would be put in its place. Chuck Stutes explained the Resolution is a formal project acceptance in DOTD format for the West Barge Basin Dredging project.

Wilmer Dugas made a motion to delete the original Item VII and replace it with the Resolution for West Barge Basin Dredging project, 2nd by Dave Aguillard. No opposition. Motion carried.

VII. Discuss and take action: Resolution for Acceptance of West Barge Basin Dredging Project H.012471(321)

Chuck Stutes explained further that the document is a formal resolution that's required by the DOTD as one of the close-out documents for the dredging project. Chuck said he would read the document quickly for the Board:

“STATE PROJECT NO. H.012471 (321)
PARISH OF Calcasieu

“RESOLUTION

“WHEREAS, the West Calcasieu Port contracted with Coastal Dredging Co. Inc. to complete State Project No. H.012471 (321)_____ in accordance with the current bid laws of the State of Louisiana, including, but not limited to R.S. 38:2211, et seq; and

“WHEREAS, the contract between the West Calcasieu Port and Coastal Dredging Co. Inc. has been successfully completed.

“NOW, THEREFORE, BE IT RESOLVED by the West Calcasieu Port in regular session, assembled on this 4th day of December 2018, the contract is hereby accepted by the West Calcasieu Port effective December 4, 2018.”

Chuck told President Kennison he would need his signature along with Tim Dougherty's on the certification. Wilmer Dugas made a motion to accept the Resolution as presented by Chuck Stutes, 2nd by Scott Foreman. No opposition. Motion carried.

VIII. Committee Reports

There were no Committee Reports given at this time.

IX. Port Director Report

{Port Director Lynn Hohensee introduced the guests and welcomed them to the meeting. Lynn told the Board that David Devall will give them an update on one of the items on his report; namely, the installation of equipment west of the barge basin to add on more barge capacity parallel to the shoreline. Lynn stated that Mr. Fontenot will explain to the Board where they are in the process on getting part of the port property certified through Economic Development in marketing the land in the future. Lynn reminded the Board that it was Mr. Fontenot that put together the 2.5-minute drone video that is on the Port's website and commended Mr. Fontenot on a job well done. Lynn announced that

Mr. Boies and Mr. Brehm with River Barge Works will be speaking to the Board about their work operations.

Lynn reminded the Board to RSVP for the gumbo that will be held at Devall Towing headquarters on Monday, December 10th. Lynn stated that the Commander of the Port out of Port Arthur will be one of the guests, and it will be a good opportunity to exchange information with mariners and the Coast Guard. Lynn announced that December 14th Meyer & Associates will be hosting their annual Christmas gathering, and the Board should have received their invitations for that.

Lynn told the Board he has been speaking with Stream Land Services for some time and reminded them of the tour that was done a couple months ago with Stream Land Services and Great Lakes Dredging. Lynn explained that he had been speaking with Stream Land Services about locating their pump station to the southwest corner of the spoils area; however, one of the challenges will be that their pump is of a magnitude that requires three-phase electricity. Lynn said they are now looking at a location on the east side of the northeast corner of the spoils area. Lynn explained the benefits of placing them on the east side.

Lynn asked Gus Fontenot to come forward and speak to the Board about the status of certification for the port. Mr. Fontenot explained what site certification is and that under the site certification program run by the State there are 2 types of certified sites: business certified and industrial certified. Mr. Fontenot went into detail about the differences between the 2 types of site certifications and the benefits of the Port having site certification. Mr. Fontenot estimates the process should take about a year. Mr. Fontenot thanked the Board for considering getting certified because it is an investment in the future. Lynn asked Mr. Fontenot if the Port already had some of the engineering and geotechnical work completed, would the State accept that as opposed to duplicating the work. Mr. Fontenot answered yes, and it will save money. Lynn asked what the estimated cost would be to the Port for the site certification. Mr. Fontenot stated he looked at the last few large industrial sites, and it was approximately \$200 per acre. The business certified sites were nearly \$1,000 per acre. Mr. Fontenot estimates the Port would pay between \$7,000-\$10,000; but he will not know until it is determined to be a business site or industrial site. There was further discussion regarding the benefits of site certification and being “shovel ready.” Mr. Fontenot said he will be keeping in touch with Lynn during the process. Lynn and the Board thanked Mr. Fontenot for his time.

Lynn asked David Devall to give the Board an update on the infrastructure improvement on the west end. Mr. Devall reported that they are in the process of installing 6 dead men, 150 feet apart, on the west end. Mr. Devall said they have the permitting, and the digging is complete. Installing cables and ropes will be the next thing to do. Mr. Devall told the Board the plan is to stage barges on this side of the canal, and 2 barges wide is as wide as they want to go. Lynn asked if the Coast Guard is okay with it. Mr. Devall answered yes, and submitted approved permitting for it. Mr. Devall stated the capital improvements they invested in on the west side totaled \$285,000. There was a brief discussion about the infrastructure improvement on the west end. Mr. Devall said they will also be installing a 4’x8’ sign that says, “Property of Devall West Fleet – West Cal Port,” so people that come tie in will have to monitor Channel 63 and will be billed. Mr. Devall said the sign will go up sometime next week. There was a brief discussion about the fleeting prices and dredging maintenance. Mr. Devall suggested doing some maintenance from where the levee starts to where River Barge Works is located by

getting a long reach with a bucket and scrape what you can every so often just to keep it from feeding back in the basin. There was further discussion about the mud/sludge issue and dredging maintenance.

Lynn asked Mr. Devall what George is saying about the weir that is allowing water to drain outside, out of the spoils area, into the basin. Mr. Devall said he thinks it is starting to build up around there. There was further discussion about the weir. Lynn asked what percentage of the barges brought in and out of the Port's fleet are done by Devall vessels versus other vessels. Mr. Devall answered about 85% are Devall's. There was continued discussion about getting a long reach to scrape build-up to help with the dredging maintenance. Lynn thanked David Devall for his update.

Lynn asked Mike Boies of River Barge Works to share with the Board what has worked well and challenges they are experiencing since they have moved locations. Mr. Boies explained there is an area, approximately a quarter acre, where, as they clean Portland cement barges, they would like to pump the cement in water through a 3" hose and would go across the road but will have a protection to be able to drive over it. Mr. Boies said he would like to separate an area into 2 spoils area with one area being on the northwest and one area being on the southeast with a berm to bisect it and leave the back open so that water can flow in and flow out and be contained in that area. Mr. Boies stated their intention is to capture the cement and sell it or dispose of it. There was a brief discussion about River Barge Works' business at the port. Mr. Boies asked if they could drop one of their lease spots to use the money to go towards leasing the quarter acre. Mr. Boies said he would like to try this for 6 months to see if it is a solution for them.

There was a brief discussion about the quarter-acre property. Chuck Stutes stated that Blaine Johnson went out to look at the property, and it is not considered wetlands. Chuck requested that before River Barge Works begins construction, they need to allow Mr. Johnson to check the area out and make sure that's the area he had checked before. There was continued discussion about the quarter-acre property. President Kennison told Mr. Boies that if Chuck Stutes didn't have a problem with it, he felt it would be okay with the Board. Attorney Glen James confirmed the barge slips that River Barge Works is leasing. President Kennison asked Mr. James if any changes needed to be made to the lease. Mr. James explained River Barge Works is now on a month-to-month lease, and they will just need to do an addendum to the month-to-month lease.

There was a brief discussion about the lease and River Barge Works potentially building a platform to place their equipment on and the wetlands in the area. President Kennison asked Mr. Boies if the implementations were put in place within the next month, how much would it help his business to grow. Mr. Boies answered he's not sure because it's hard to depend on the barge lines, but it is imperative whether they stay at the port or close shop. There was a brief discussion about the business of River Barge Works. Glen James commented that he would need to verify River Barge Works' liability insurance for longshore activity. Mr. Boies said he would provide that. Mr. Stutes told Mr. Boies that if Blaine Johnson already reviewed the area and verified it is not wetlands, he doesn't see a problem with them moving forward with their plans.

President Kennison announced that he conferred with the Port's counsel and he has agreed that nothing needs to be changed and no Board action needs to be taken, that a gentleman's agreement (handshake) will be sufficient and is binding in the state of Louisiana. Mr. Kennison recommended allowing Port Director Lynn Hohensee, Chuck

Stutes and Mike Boies handle the details. Mr. Boies said he would keep the Board informed. The Board thanked Mr. Boies for attending the meeting.}

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

Marketing/Business Development/Retention –

- Port tour was conducted for Stream Land Services and Great Lakes Dredging in support of interest in establishing an auxiliary dredge spoil pump station 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. Interest for the site of the pump station has moved from the SW corner of the port spoils area to a location east of the NE corner of the spoils area. The facility will need 3 Phase electricity support, and the new location will position the station considerably closer to the 3 Phase that is being set up for Tubal-Cain.
- Met w/Texas-based J.M. Davidson Construction Company re: lease at West Calcasieu Port.
- S.T.A.R. Concrete Pumping lease of their port building continues on a month-to-month basis for approximately 6-months or until 30-day notice is provided.
- Orion Marine Group continues to show interest in possibly leasing additional property at the port, including the STAR Concrete Pumping building. Early discussions also continue with Orion Marine Group re: renewing five-year option on lease agreement.
- Coordination continues with IMCAL in applying for and securing a \$4 million federal EDA grant to assist with infrastructure improvements at the port. Nine letters of support have been requested and received from valued public and private partners. It is expected that the application packet should be completed in December for presentation to the EDA.
- 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.
- Coordination continues with SWLA Economic Development Alliance and Entergy to seek certification for a parcel of property at the port that will be supported by proposed new waterfront improvements. Port is providing an aerial map of the target acreage and this will initiate the activity. The east port property purchased in 2015 is being added to the total acreage that is proposed for the certification.
- Copies of the SWLA Port Network brochure and the West Calcasieu Port brochure were provided to the La. Dept. of Economic Development for display at the LED booth at the International Workboat Tradeshow. An electronic version of the SWLA Port Network brochure is available for viewing on the WCP website. Ports include: West Calcasieu Port, Port of Lake Charles, Port of Vinton, Cameron Parish Port and the Port of Mermentau.
- Communications with Mike Boies, River Barge Works. RBW continues to work out an agreeable business arrangement with the new location at west end of west barge basin. RBW is seeking port permission to place waste Portland cement recovered from client barges on a specific spot within the spoils area for later collection and removal. He has met with port director and port engineer. Further details are being developed with assistance of Blaine Johnson, the port's environmental consultant.
- Business development trip with Devall Towing was conducted.

Port Operations –

- Devall Towing is moving forward with installation of dead men on port property west of the west barge basin.
- Tubal-Cain continues with its site improvements and infrastructure development.
- Discussions continue with T-C and Entergy officials re: 3 Phase electricity support to the port.
- The port director and port engineer remain in communication with the new point-of-contact at Louisiana State Office of Facility Planning and Control re: funding for engineering/design for new port bulkheading project.
- Multiple state and federal regulatory efforts are underway to address concerns about the loss of soil into the Gulf Intracoastal Waterway from recent civil work on the south shore of the waterway directly across from the West Cal Port. Currently, soil runoff is occurring. Long-term concern focuses on potential for weight of dirt causing sliding of GIWW shoreline into the channel, especially during extended wet weather.

Professional Organizations & Networking –

- In November, the WCP director (and/or board members) represented the port at:
 - a. PAL board meeting
 - b. Gulf Ports Assn. of the Americas fall conference
 - c. Chamber/SWLA Foundation annual luncheon
 - d. Chamber/SWLA business after hours
 - e. National Philanthropic Day awards luncheon
 - f. PetroChem meetings
 - g. Boys Village board meeting and Thanksgiving dinner with BV residents/staff/community business leaders
 - h. FERC public comment session re: Driftwood LNG terminal project

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)

FINANCIAL: President Kennison stated he spoke with Darla Perry earlier today, and she said that the reason for the negative cash flow amount is due to 2 payments to the dredging contractor.

LEGAL: There was no legal report given at this time.

ENGINEER: Chuck Stutes told Lynn he needs to sign some change-orders on the close-out of the dredging project before he leaves today. Chuck reported that he and Darla Perry had a phone conference with Nikia from IMCAL in regards to the application to EDA. Chuck said that after Nikia did some research, she found that there were several projects involving bulkheads in Texas similar to the Port's; and EDA funded those projects up to a participation level of \$5 million. Chuck said Nikia had previously told them that the maximum EDA would contribute would be around \$3–3.2 million. Now she is saying they are willing to contribute more. President Kennison asked if it was a grant, and Chuck answered yes. Chuck said the Port will have to have a match of 20%. Chuck said they will submit a formal application to IMCAL and EDA.


Lynn asked about the status on the road entrance project. Chuck stated it is about 50% through with plans, and he just needs to get it finished. Chuck said they can go out for bids at any time, but they do not want to start the project until around May due to the weather. Lynn asked Chuck if the door is closed on capital outlay funding from the Legislature, or is there an opportunity to build on more than the \$200,000 that the Port received. Chuck explained that the State now apparently has a surplus of over \$300 million, so it's looking better than it did last year to get funding. Chuck said they submitted a capital outlay application in the amount of \$6 million, so there is plenty negotiating room now that EDA is going to contribute money through a grant.

XI. Public Comments

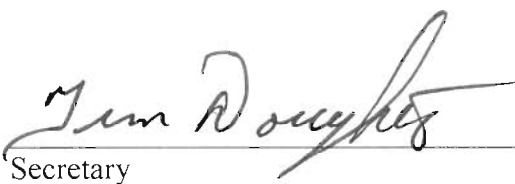
There were no public comments at this time.

XII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:56 p.m.



President



Secretary