

West Calcasieu Port Board Meeting Minutes

April 7, 2015

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:04 p.m. on April 7, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Wilmer Dugas led the invocation.

III. Pledge of Allegiance

Pledge led by Lynn Hohensee 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
- ✓ Scott Foreman
- ✓ Dave Aguillard

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Francis Andrepont, Ken Rodericks on behalf of Citgo, Brent Hoffpauir on behalf of Citgo, Michael Shay on behalf of USES, Tracey Doucet on behalf of USES and Sheila Burton.)

V. Approval of minutes of the March 3, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the March 3, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the March 3, 2015 regular monthly meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Port Director Lynn Hohensee asked the Board if they wanted to do an approval to give him authority to move forward in negotiating with USES and Citgo on their project and then get the approval of the Tenant Committee, who can bring it before the Board at a later time. President Dick Kennison said he would entertain a motion to add to the agenda as item VI(a) to give Port Director Lynn Hohensee authority to negotiate with USES and Citgo on behalf of the Board and then bring it to the Tenant Committee, at which time the Tenant Committee will either approve or disapprove to take it to the Board. Tim Dougherty made a motion to add to the agenda as item VI(a) to give Port Director Lynn Hohensee authority to negotiate with USES and Citgo on behalf of the Board and then bring it to the Tenant Committee, at which time the Tenant Committee will either approve or disapprove to take it to the Board, 2nd by Scott Foreman. No opposition. Motion carried.

VII. Discuss and take action on COE permit to install culverts and catch basins in the ditch area on the Orion lease area (P20140778 Mitigation Plan)

Chuck Stutes said he passed out copies of a handout to the Board that summarized the issue and explained how the Port applied for a permit in May of last year with the Corps of Engineers and the Coastal Management Division of DNR to be able to pipe the ditch behind Orion and out to the river. Chuck stated they were advised to clean the ditch out, put in a pipe culvert and fill over it so that the area doesn't stay wet all of the time and it would give Orion continuous access. Lynn Hohensee asked if by doing that it would take away the definition of being wetlands, and Chuck answered yes. Chuck said as of today it is considered a wet area, and that is the reason why the Port has to submit a request for a permit to the Corps of Engineers and the Coastal Management Division of DNR. Chuck said the Corps of Engineers and the Coastal Management Division of DNR is now requesting that the Port compensate for wetland mitigation in the amount of \$20,672. Lynn asked who the money is paid to. Chuck answered that it is paid to the State of Louisiana's Department of Natural Resources. Darla Perry mentioned the area in question is .45 acres. There was further discussion about the mitigation and Orion's lease. Wilmer Dugas made a motion to take action on the COE permit to install culverts and catch basins in the ditch area on the Orion lease area (P20140778 Mitigation Plan) and to pay the DNR the requested amount of \$20,672. The motion was 2nd by Tim Dougherty. No opposition. Motion carried.

VIII. Committee Reports

No Committee Reports at this time.

IX. Port Director Report

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

Port Director Lynn Hohensee asked everyone to introduce themselves to the guests at the meeting. Introductions were made. Lynn stated that he, along with Chuck, Darla and President Dick Kennison has been working with Citgo the last couple weeks about possibly receiving some spoils at the port. Lynn invited Ken Rodericks and Brent Hoffpauir of Citgo to address the Board.

Brent Hoffpauir explained to the Board how many cubic yards of material they dredge off of their docks each year. Mr. Hoffpauir stated they are running out of space at their disposable sites and are looking at other options. Mr. Hoffpauir told the Board the port has a great disposable site that might be a potentially good location for Citgo to deposit material. Mr. Hoffpauir said there are other aspects such as permitting that Citgo would have to take care of first; but if the Board would enter into an agreement with Citgo, Mr. Hoffpauir said he would like to proceed with the necessary steps that need to be taken to move forward. Lynn explained to the Board how the process of moving the dredge material from Citgo to the Port would take place. There was further discussion between the Board and the representatives from Citgo. Lynn said he has already spoken with Devall Towing and they have agreed to make 3 spaces available for Citgo to use for the approximate 5-week period. Mr. Rodericks stated he estimates the timing for the removal of the dredge material from Citgo to the Port to be around June. Lynn assured the Board that Mr. Hoffpauir, Chuck Stutes and Arabie Environmental's counsel are making sure all of the appropriate permits are in order for the DNR and the Corps of Engineers. Lynn said he will work on getting a proposal ready to bring to the Tenant Committee, and then the Tenant Committee will bring its recommendation to the Board for approval. There was further discussion about the dredging.

Chuck assured the Board that the impact of the Citgo spoils will be minimal on the Port's spoil disposal site. However, if Citgo decides to do this on a long-term basis, the engineers will need to look at the levees and how it will impact the levees. Chuck said there would be some costs incurred by Citgo at that point, but that will be addressed at a later time. There was continued discussion about the spoil disposal site. President Dick Kennison thanked the representatives of Citgo for attending the meeting. Darla reassured the Citgo representatives that if action needed to be taken before the next scheduled board meeting, the Board could call a special meeting before that. Mr. Hoffpauir and Mr. Rodericks exited the meeting.

Lynn stated he would like to next address the possibility of moving USES from their current building at the Port to the larger building at the waterfront. Lynn said they have gone through some basic negotiations, but nothing has been finalized. Lynn explained that USES feels they will not need the whole building, but there is another tenant that could be brought in to lease part of the building. Lynn said that will need to be discussed with attorney Glen James. There was further discussion regarding the potential leases and possible second tenant of the waterfront building. Michael Shay of USES reassured the Board that although the entire waterfront building would be leased by USES, the conference room would still be made available for the Port Board to hold their monthly meetings. There was further discussion about leasing the waterfront building. Lynn told the Board that through

discussions with USES, they have found that there are repairs that need to be done to the building. Lynn suggested the best way to approach this issue is to give USES an allowance to fix the repairs and give them a credit back to their first month's lease payment. Mr. Michael Shay stated that they will also be allowing a certain amount of access to the back end of the building. There was further discussion about the access around the building. President Dick Kennison thanked the USES representatives for attending the meeting. At this time the USES Representatives exited the meeting.

Lynn gave an update on the Ivan Johnson property. Lynn stated that a company named Black Lake Fleeting will be dredging the Johnson property and plan on doing business at that location. Lynn said there will be some tenants of the Port that will benefit from Black Lake Fleeting; however, they will be a direct competitor of Devall Towing. Lynn said representatives of Black Lake Fleeting plan on attending the Port's May meeting. There was further discussion about the Johnson property.

Marketing/Business Development –

- As the result of a presentation made to the Propeller Club of SWLA, the port is working with CITGO to receive 10,000 cubic yards (est.) of spoils into the port's spoils disposal area. The port will be compensated for the assistance to CITGO.
- Port tenant committee has entered into a series of meetings with USES to discuss relocation to the Devall Diesel Building.
- Met with Waskey Services, a Metairie-based engineering firm re: identifying candidates for property leasing at the West Cal Port.
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- Work continues on a script for a video for the port's website.

Port Operations –

- Agreement between Tauber Oil Company and Devall Towing was reached to allow fueling customers to "park" barges in the port's west barge basin for a maximum of three hours during the refueling of the pushboat.
- CEMEX Concrete of La. continues with site preparation in advance of full operation.
- With the assistance of Carlyss Water District, the port engineer and port CPA have identified/mapped all of the port's water meters currently in operation.
- River Barge Works' continues to work out logistical issues as it attempts to position a new crane -- delivered to the port in December.
- Permitting/engineering continues for the replacement of bulkhead along the Devall Diesel Building area. Port engineer estimates that the port will be ready to go out for bids in June/July.
- Efforts continue by our port CPA, port engineer and his staff to address and correct operational issues with the port's main security gate system.

Professional Organizations & Networking –

- In January, the WCP director (and/or board members) represented the port at:
 - a. PAL annual conference and monthly board meeting in New Orleans
 - b. Met with Black Lake Fleeting re: new fleeting enterprise on GIWW
 - c. West Calcasieu Chamber of Commerce monthly meeting
 - d. Attended lunch meeting for Sen. Cassidy
 - e. Attended public hearing sponsored by Congressman Boustany and Sen. Vitter
 - f. Attended CRW Harbor Safety Committee meeting
 - g. Propeller Club meeting (presentation on West Calcasieu Port and Port of Vinton was provided)

- h. Chamber/SWLA Gov't Affairs/Infrastructure Committee meeting
- i. USCG facility security committee meeting (port presentation made)
- j. BV board meeting
- k. WIB executive board meeting
- l. Attended LABI Issues luncheon
- m. Attended receptions for Rep. Danahay and Sen. Johns.

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: Darla Perry gave the financial report. The Port took in \$102,000 in February. Darla stated the Cemex payment listed is for two months, but they still have their water meter to pay. Darla passed out copies of the Revenue Price List to all Board members showing monthly rents for the Port. Barge days are 4,290 up through February. Darla stated ramp lease is 6,150 under last year.

ENGINEER: Chuck Stutes reported that Darla Perry was able to find another fence company, and they are supposed to come out and give the Port a proposal. Darla said she spoke with them Friday, and they said it would be sometime this week. President Dick Kennison asked if the Port was going to pursue any legal action against the original fence company that installed the gate. Attorney Glen James said a letter was sent at some point asking them to correct the issues, but no specific demands were given as far as damages. Mr. James said at this point the warranty has expired, and he feels it's too late to do anything. Chuck suggested pursuing a maintenance contract with the new fence company to make the gate operational.

LEGAL: Glen James stated he's been trying to get an appraisal from Patrick Egan with NAI Latter & Blum, but Mr. Egan will not return phone calls or emails. Mr. James said he has had no response back from Mr. Egan whatsoever. Darla Perry recommended finding someone else to do the appraisal because she received word today that there is an offer on Dr. Rhodes' property. Mr. James asked if any of the board members had any suggestions for an appraiser. Darla said she has two names that she can call.

XI. Executive Session

There was no executive session at this time.

XII. Public Comments

There were no public comments at this time.

XIII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:43 p.m.



President *William A. Sugar*



Secretary *Lynn Douglas*