

West Calcasieu Port Board Meeting Minutes

June 7, 2016

[Please note: these minutes were taken by digital recording and transcribed in brief form by Sheila Burton at a later date. Sheila Burton was absent from this meeting held on June 7, 2016.]

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:01 p.m. on June 7, 2016, at Devall Offices, 2244 Swisco Road, Sulphur, Louisiana.

II. Invocation

Wilmer Dugas led the invocation.

III. Pledge of Allegiance

Pledge led by Scott Foreman and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Darla Perry, Glen James, Chuck Stutes, Jeannie Weise, Mark Kibodeaux and Jay Delafield.)

V. Approval of minutes of the May 3, 2016 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the May 3, 2016 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the May 3, 2016 regular monthly meeting. Motion was 2nd. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

Wilmer Dugas asked about discussing the ramp. President Kennison said it will be taken up under the Engineering Report.

VII. Discuss and take action on new bonding issuance

Jay Delafield explained to the Board that 20-year bonds are no longer issued. Jay told the Board the best he could do would be a 12-year bond. Jay said that in speaking with Darla Perry, she explained that the Port needs cash flow relief by doing a 20-year transaction on \$5 million. Mr. Delafield explained the only way that is possible would be to place it in the public market place, which will mean employing an investment banker instead of a commercial banker. Mr. Delafield said that the Port will also need to employ a financial adviser because he will not be able to do the work; reason being that he is not a registered financial adviser with the SCC.

Mr. Delafield said the recommendations he would give would be Charlie Sides and Whitney Usry at Stifel, Nicolaus out of Baton Rouge for an investment banker. Mr. Delafield said they have done work for the Calcasieu Parish School Board and other water districts and recreation districts in the area, and he feels they would do a good job for the Port. As a financial adviser, Mr. Delafield said he would recommend John Holt of Government Consultants also out of Baton Rouge. Darla Perry said she doesn't feel comfortable even doing a 20-year transaction on \$5 million due to the depressed months the Port has had on fleeting lately and not knowing what fleeting will be in the future for the next 20 years. Darla said they may want to scale down on the money amount or re-think the project. President Kennison agreed and feels they need to take it under advisement. President Kennison said he doesn't see how they can do \$5 million and doesn't feel comfortable committing to that amount. Mr. Delafield explained that the Bond Commission approved "not to exceed \$5 million," which means the Port could do less money. President Kennison suggested reviewing the projects and costs for the projects and then decide how much money exactly they will need. Wilmer Dugas asked how much time they have to decide. Mr. Delafield answered the Port has 3 years from the issuance in April to decide. So the Port is under no pressure to decide anything soon. There was further discussion about the bond issue. Attorney Glen James suggested asking Darla how much debt service the Port could support. Darla answered she would feel comfortable with no more than \$15,000 per month debt service. Darla reminded the Board there is some in capital reserve that has been set aside for infrastructure projects. President Kennison suggested discussing the issue further with Chuck Stutes and waiting to make a decision. President Kennison thanked Jay Delafield for his input. Port Director Lynn Hohensee briefly explained the purpose of the bonding money to Jeannie Weise. Wilmer Dugas thanked Jay Delafield for the work he has done for the Port.

President Kennison entertained a motion to table the discussion regarding new bonding issuance until relevant information is gathered. Wilmer Dugas made a motion to table the discussion regarding new bonding issuance until relevant information is gathered. The motion was 2nd. No opposition. Motion carried.

VIII. Discuss and take action on Capital Outlay requests

Chuck Stutes explained there is no action needed on this issue. Chuck told the Board that House Bill 2 was voted on by the House. They made a lot of cuts to the original capital outlay projects, including one of the Port's projects. Chuck said the Senate amended it and sent it back to the House, and now anything can happen. Chuck explained the project can be approved as is or they can not pass it or it can go to a Committee. Chuck said it will be several weeks before he finds out. Port Director Lynn Hohensee explained this is the money that would be used for future waterfront improvements.

IX. Discuss and take action on budget amendment for 6/30/16 and budget approval for 6/30/2017

Darla Perry explained to the Board that if you fall short or go over 5% of your budget, you have to amend it. Darla reported that the revenues were more than 5% over budget, so the budget needs to be amended. Darla requested a motion to amend the budget for July 2015 to June 2016 prior to the year end. Wilmer Dugas made a motion to amend the budget for July 2015 to June 2016 prior to year end. The motion was 2nd. No opposition. Motion carried.

Darla reviewed the projected budget for June 2016 to July 2017 with the Board. Darla said she would like to bring the Devall lease down to \$432,000 since the fleeting has only been running about 60 barges per day. The Board briefly discussed the projected budget with Darla. Darla stated based on the budget, the Port will have a bottom line of \$284,000. Darla requested a motion to approve the budget for July 2016 to June 2017 prior to July 1, 2016. Dave Aguillard made a motion to approve the budget for July 2016 to June 2017 prior to July 1, 2016, 2nd by Wilmer Dugas. No opposition. Motion carried.

X. Discuss and take action on mowing proposals

President Kennison introduced Mr. Kibodeaux. Mr. Kibodeaux gave the Board his mowing proposal. Mr. Kibodeaux stated he would charge \$50 per acre for 20 acres of bush hogging and \$300 every 2 weeks to mow around the camp, mowing approximately 5 acres. Darla Perry explained that they did not take any formal bids since they did not have a clearly-defined area; they just asked for requests for proposals. Darla requested someone to give her today a mapped-out, defined area that needs to be mowed. Darla stated she had Ed Hudson from the Summit Group come out to mow a couple weeks ago, and his total pricing is \$1200 on 28 acres, which includes mobilization of equipment, mowing and herbicide treatment. Darla said Mr. Hudson told her that the herbicide treatment isn't necessary every mowing but maybe every 2 or 3 times. Mr. Kibodeaux told the Board that during the summer they can get by every 2 months spraying the herbicide. Darla said they had Mr. Dronnette, but he is not bonded. Darla said she was given a written proposal from Tender Lawn Care of a flat rate of \$2500 for 32.7 acres. Mr. Kibodeaux said he rode out there on a 4-wheeler, and he can use his lawn care software where he can draw an outline showing how many acres he would actually be mowing. There was further discussion regarding the lawn maintenance. Port Director

Lynn Hohensee stated that S.T.A.R. Concrete is attempting to find someone to maintain the loop area for them. Lynn said he was out there speaking with S.T.A.R. this morning and told them the Board would be meeting and talking to lawn contractors and said this could possibly be something the lawn contractor could work with them to maintain, also. There was further discussion regarding lawn maintenance at the Port. Wilmer Dugas made a motion to continue the discussion until next month. President Kennison stated that in the meantime something needs to be drawn up to give to the lawn contractors for them to be able to bid on the same thing.

Mr. Kibodeaux marked on the map the areas where herbicide is needed, where mowing is needed and where bush hogging is needed. There was discussion regarding the various areas needing lawn maintenance. Dave Aguillard asked Mr. Kibodeaux if he would be interested in doing the lawn maintenance one time at his rate to allow the Board to see what is done and then go from there. Mr. Kibodeaux asked if they wanted herbicide. President Kennison told Mr. Kibodeaux to do everything he proposed at the meeting. Then the Board will have an idea of what needs to be done and make a decision from there. Mr. Kibodeaux agreed to do the one-time lawn maintenance. Dave Aguillard made a motion to have Mr. Mark Kibodeaux do a one-time lawn maintenance doing the work he proposed and at the rates given earlier in the meeting, 2nd by Scott Foreman. No opposition. Motion carried. President Kennison thanked Mr. Kibodeaux for his time and explaining everything to the Board.

XI. Committee Reports

There were no Committee Reports at this time.

XII. Port Director Report

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

{Port Director Lynn Hohensee told the Board he met with Tubal Cain this morning, and they are in the process of putting their water line in. Lynn said their meter has been installed. Lynn stated that Eddie Van Huis would like the project finished in June. Darla asked if the Port is going to cover the meter. Lynn said that the Port has paid for all of the other meters on the property. Tubal Cain will be paying for the line installation, and the Port will pay for the meter.

Lynn told the Board that Black Lake is now fleeting their barges all the way almost to Sheron Faulks' property. Lynn said he met with a gentleman that works for Dr. Rhodes. Dr. Rhodes is in the process of taking his casino boat and incorporating it with approximately 20 barges that will house decking modules 3 stories high on each barge to make it a floating worker village inside the loop in Cameron Parish to house workers. Dr. Rhodes' barge will strictly be for recreational use and messing facilities. Lynn said one of the issues they are discussing is that they have to come up with a contingency for inclement weather and for safe harbor. Lynn said they are working with Mike Devall to see about fleeting barges in our port basin. Lynn said they are just in the meeting stages currently.

Lynn announced that Thursday American Waterways, working with the Devalls, will be having a luncheon at the Devalls' offices for the Captain of the Port who oversees the Coast Guard for Southeast Texas/Southwest Louisiana. Lynn said that Turner Industries will be having an open house from 4:00 pm to 7:00 pm tonight. Lynn also announced the U. S. Coast Guard change of command will be held July 13 at the Lake Charles Civic Center.}

Marketing/Business Development/Retention –

- The port director continues to meet with Devall Towing and the Port of Vinton re: early discussions for possible movement of construction soil by barge from western Calcasieu and Cameron Parishes to industrial sites planned or under construction on the Calcasieu River Waterway. The WCP would play an instrumental role in the movement of dirt by barge.
- Communications continue with Peetey Wade, GHD Consultants re: progress of funding efforts for the port to receive federal Homeland Security grant, indicates that letters are being prepared to Louisiana federal delegation an initial step in securing the federal grant dollars.
- Query was received from local businessman for use of the barge loading ramp; he was referred to Devall Towing.

Port Operations –

- Port bond attorney continues to move forward with effort to obtain additional bonding dollars for the port.
- Tubal-Cain efforts move forward with wetland delineation documentation with the USA Corps of Engineers.
- S.T.A.R. Concrete Pumping Company continues to work on plans for improving exterior driveways.
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.
- Tubal-Cain continues to make improvements on the old Devall Diesel Building and is moving forward with site improvements west of the west barge basin.
- Water damaged at WCP board building is being addressed.
- Efforts continue to purchase property near the northeast corner of the port property.

Professional Organizations & Networking –

- In May, the WCP director (and/or board members) represented the port at:
 - a. PAL monthly board meeting
 - b. Propeller Club
 - c. West Cal Chamber/Commerce lunch meet
 - d. Ports Day @ the Legislature
 - e. SWLA Day @ the Capitol
 - f. Petrochem meeting
 - g. BV board meeting

News Media & Community Relations–

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

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

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

FINANCIAL: Darla told the Board the air conditioner at the office was plugged up. Darla said they put out dehumidifiers and pulled up the carpet upstairs and have been running fans. Darla told the Board that Kevin Mangrum went out and repaired the problem and put Freon in the unit. Lynn said he went in this morning and the air conditioning is operating at 75 degrees; there was no humidity in the building. Lynn said there are still fans going, but he thinks the carpet is dry. Lynn also stated that there is no damage to the floors or the walls. Lynn said the only damage he sees is a very slight stain on the downstairs bathroom ceiling, and a coat of paint will take care of it. Lynn said he thinks it will be extremely minor repairs. Darla said they will proceed with getting it repaired without filing an insurance claim.

Darla reported to the Board they had a rejection on the land offer at 130 Gross Road. Darla said originally the owner said she would sell it to the Port; and then after the appraisal was done, the Port offered the appraisal price. The owner then paid her back taxes and rejected the offer from the Port.

Darla reminded the Board how she is still fighting to get approximately \$300,000 from FEMA for silting of the barge basin during Hurricanes Rita and Ike. Darla said they have now gotten turned over to another State applicant liaison that says they do not have the documentation needed. Darla said the documentation has been uploaded 3 times and also physically brought it to the Lake Charles office when meeting with the FEMA and State reps. Darla said she has now asked for a meeting with the director of GOHSEP (Governor's Office of Homeland Security) and the deputy director for the FEMA applicants, and she is waiting to hear back from them.

Darla announced that there has been a warning issued by the Coast Guard that due to the barge fleeing on the Port side and on Black Lake Fleeting's side, it has narrowed the waterway and has caused 3 barge accidents. Darla said, for safety reasons, the Port should bring up the congestion issue with the Coast Guard. There was further discussion regarding the safety issues on the waterway.

ENGINEER: Chuck Stutes reported the contractor has issued all of the purchase orders for materials on the rehab of the bulkhead. Chuck said they have received shop drawings on the steel pipe pile, the steel sheet piling, painting and steel fender system and have processed those and returned them to the contractor. Chuck said all of the material has been ordered and the shop drawings approved.

Chuck said there have been continuing problems with the ramp. Chuck said that several weeks ago there was an oil field vehicle that tried to use the ramp, and there were problems. Chuck told the Board he talked to the company that does a large amount of business on the ramp and they gave him some advice and recommendations. However, they are not able to hook him up with the owners of the trucks and vehicles. Chuck said he is going to meet with Pat Hay to see if he can help him find some equipment so they can get good measurements and models to figure out how to fix the problem. There was further discussion regarding the ramp issue.

XIV. Executive Session

There was no executive session at this time.

XV. Public Comments

There were no public comments at this time.

XVI. Adjournment

President Dick Kennison adjourned the meeting at approximately 4:08 p.m.


President


Secretary