

West Calcasieu Port Board Meeting Minutes

July 11, 2017

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 July 11, 2017, at West Calcasieu Port, 200 Old Ferry Road, Sulphur, Louisiana.

II. Invocation

Glen James led the invocation.

III. Pledge of Allegiance

Pledge led by Wilmer Dugas and recited by all board members and guests.

IV. Roll call

President Dick Kennison conducted a roll call. The following persons were present:

- ✓ Dick Kennison
- ✓ Dave Aguillard
- ✓ Wilmer Dugas
- ✓ Tim Dougherty (entered meeting after commencement)
- ✓ Scott Foreman

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Glen James, Police Juror Francis Andrepont and Sheila Burton.)

V. Approval of minutes of the June 6, 2017 regular monthly

President Dick Kennison entertained a motion to approve the minutes of the June 6, 2017 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the June 6, 2017 regular monthly meeting, 2nd by Scott Foreman. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions or deletions to the proposed agenda.

VII. Discuss and take action if necessary on land acquisition contract

President Dick Kennison explained to the Board that there seems to be issues with mold inside the trailer on the land. President Kennison further explained that the owner(s) stated that they will entertain another offer after the Board's meeting; however, they are not willing to remove trailer from the property. President Kennison stated that he feels it is the consensus of those he has spoken with that the Board should pass on buying the land if the owner is not willing to remove the trailer from the property and focus on trying to purchase the property on the northeast corner, which would be more advantageous to the Port. President Kennison opened up the floor for comments and/or discussion by the Board. Wilmer Dugas made a motion to pass on buying the property at 189 Old Ferry Road. There was a brief discussion regarding the trailer on the property and the mobilization of the trailer. Attorney Glen James advised the Board that they should only purchase the land without the mobile home. There was further discussion regarding the property and the mobile home. President Kennison reminded the Board there was a motion on the table. Dave Aguillard 2nd the motion. No opposition. Motion carried.

{At this time, Tim Dougherty joined the meeting in progress.}

VIII. Discuss and take action on appointment of auditor

President Kennison explained that the auditors recommended are the same auditors that have done the audits for the last 2 (sic) years. President Kennison told the Board he had a note from Darla stating that she recommends approval of the auditors for the fiscal year ending 6/30/17 in the amount of \$8925, which is a reasonable increase of \$425. Tim Dougherty asked if they had to have 2 different auditors this year due to State requirements. President Kennison answered that one should be sufficient. Wilmer Dugas made a motion to accept McMullen & Mancuso as the auditors for the fiscal year ending 6/30/17 in the amount of \$8925, 2nd by Dave Aguillard. No opposition. Motion carried.

IX. Committee Reports

There were no Committee Reports given at this time.

X. Port Director Report

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

{Port Director Lynn Hohensee added to his report that he met with the other ports this morning at the SEED Center, along with R. B. Smith of the Chamber of SWLA. Lynn announced that the Chamber's Economic Development Alliance is underwriting the cost of a new brochure for the West Cal Port. Lynn said an update has not been done in several years. Lynn stated they have already gone through and approved a copy and are working with Peter O'Carroll for the visuals. Lynn explained that the brochure is a marketing tool that the Chamber uses to promote the region's ports, and the Port will also use them to pass out at trade shows and conferences. Lynn stated there will also be a link

on the Chamber's website that will have the information given in the brochures about the ports.

Lynn explained to the Board they had an unusual issue come up whereby a permit analyst for Coastal Restoration under the DNR was not supportive of the Port's plan to put the spoils into the barge reception area that has been Corps approved. The options given to the Port were to either take the spoils, relocate them to open water areas toward the construction of marshland or the Port will need to pay DNR \$1 per cubic yard of spoils being moved as a penalty. Lynn said he sent a letter to Carl Morgan, who is a senior member of the DNR, explaining why he feels this is incredibly damaging to the welfare of the port - the ability for the Port's tenants to operate in the barge basin area and what it means for the growth of the community as far as shallow-water marine transportation and barge transportation. As a result, Lynn said he received an immediate reply from Mr. Morgan saying he would talk with his staff and get back with him on the matter. Lynn said he received an email on July 5th from Mr. Morgan saying they are accepting the Port's economic beneficial use of the spoils in lieu of the environmental beneficial use. There was a brief discussion about the DNR's request regarding the spoils.}

Marketing/Business Development/Retention –

- Discussions continued in June with a Thibodeaux-based aggregate/grain broker re: transloading of grain and possibly aggregate using barge and truck. The company was put in touch with Devall Towing and Orion Marine Construction, but potential for business development is slim.
- SWLA Port Network meeting was held at SEED Center. In addition to discussing mutual business promotion of all regional maritime ports, the port directors also reviewed draft of new SWLA Port Network brochure, which will be funded through a grant from the SWLA Economic Development Alliance. The breakfast meeting was hosted by the Chamber/SWLA.
- Arrangements have been finalized for a port tour for regional representatives of both Sen. Cassidy and Sen. Kennedy.
- The port director continues to coordinate with Devall Towing and the Port of Vinton re: ongoing 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 are ongoing with River Barge Works re: the tenant's interest in relocating to port waterfront property east of Orion Marine Group.
- Efforts continue to encourage the US Coast Guard to consider the West Calcasieu Port as a location for a new USCG facility in Southwest Louisiana.
- Communications from Tubal-Cain officials indicates that they anticipate securing regulatory permits for expansion of the 10-acre property west of the port's barge basin in summer of 2017.
- LCIA (La. Chemical Industry Alliance) annual Region IV (Southwest La.) Tradeshow was canceled due to Tropical Storm Cindy and rescheduled for Aug. 16th. Show booth space is sold out, as usual every year.
- Port director made a presentation to Kiwanis of Lake Charles using a new PowerPoint presentation prepared with support by the O'Carroll Group.

Port Operations –

- Port director participated in several USCG teleconference calls/briefings as Tropical Storm Cindy approached southwest Louisiana coastline and was in continuous contact and communication with port tenants re: storm preparations.
- WCP director and engineer are in communications with La. Dept. of Natural Resources re: unprecedented DNR environmental beneficial use requirements for the disposal of spoils resulting from the planned maintenance dredging of the west barge basin.

- Finishing work continues on the construction of a new Devall Towing guard/fleet two-story building.
- Bulkhead replacement work nears completion. All that remains is the installation of walking surface by Orion Marine Group, the main contractor for the project which was funded in large part by Capital Outlay grant monies.
- Port Director continues to work with consultants who are developing an effort to capture Homeland Security grant funding for several south Louisiana ports, including the West Calcasieu Port
- 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 limited site improvements west of the west barge basin.

Professional Organizations & Networking –

- In June, the WCP director (and/or board members) represented the port at:
 - a. US Coast Guard sponsored boat tour of the Calcasieu River Waterway with other regional port directors and the new USCG Captain of the Port, Capt. Jackie Twomey. Vessel was provided by river pilots.
 - b. PAL monthly board meeting
 - c. West Cal Chamber monthly lunch meeting
 - d. Chamber/SWLA business after hours
 - e. Inaugural reception for Lake Charles mayor-elect Nick Hunter
 - f. BV board meeting
 - g. PetroChem board meeting

News Media & Community Relations–

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

Wilmer Dugas made a motion to accept the Port Director's Report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

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

ENGINEER: Chuck reported that there were some issues with the change-order that dealt with modifying the fender system on the rehabilitation of the bulkhead. Chuck said the contractor was behind schedule because the fabrication shop was so back-logged. Chuck told the Board that he spoke with Orion Group this morning, and they told him that the fabricator is completing the fabrication work and should start the painting soon with the materials being delivered to the job site by the end of the month. Chuck estimates the job being completed within a month.

Chuck commended Port Director Lynn Hohensee on his efforts with the DNR regarding the spoils issue. Chuck told the Board that Mr. Hohensee probably saved the Port around \$150,000 or more. Chuck reported that the maintenance dredging project of the west barge basin is 99% complete. Chuck said all that's left is a review by DOTD. Once it is sent back and permits from DNR and the Corps are given, then they can go out for bids. Chuck said he feels they should be receiving the draft permits in July which would allow the project to move forward in August. Chuck told the Board the plans and specs

are on the table for their review. There was a brief discussion regarding the dredging project along with Tubal Cain's dredging project.

Chuck explained that he spoke with King Fabrication regarding the barge ramp. The ramp is in fabrication, and they anticipate that it should be complete this month. Chuck said they will need at least a two-week notice on delivery so they can let Devall know so a time can be scheduled that is good for all involved. Wilmer Dugas made a motion to accept the Engineer Report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

FINANCIAL: Port Director Lynn Hohensee gave the Financial Report in Darla Perry's absence. Lynn reported that the net change in cash for May 2017 was \$57,604.76 making it a good month. Lynn reported that Cemex is now paid in full. Lynn told the Board that last month there was an increase in barges due to a Devall client coming back to the port from Black Lake. Lynn stated that in meeting with the Devalls this morning, he was told that Devalls' client has now gone back to Black Lake due to Black Lake competing for their business and undercutting the rates. Lynn announced that the barge ramp revenue was good. President Kennison said he notices that it is much better this year than last year at this time. Tim Dougherty asked about the time limit on the ditch mitigation. Lynn answered that the Port has an extension on it. Chuck Stutes explained that the Corps permit was good for 5 years, but the DNR permit was only good for 2 years. Chuck said they have extended the DNR permit for another 2 years; and his thought is that when the road project is done, the drainage could be done at that time. Tim Dougherty made a motion to accept the Financial Report as presented, 2nd by Scott Foreman. No opposition. Motion carried.

LEGAL: Glen James reported that the termination of the lease with Cemex is complete and has been filed with the Clerk of Court. Mr. James stated the Port has received the funds. There was a brief discussion regarding Cemex and the lease termination.

XII. Executive Session

Executive Session was held earlier in the meeting.

XIII. Public Comments

Port Director Lynn Hohensee announced that Devall is expecting to be operational in their new tower later this month or early August. Lynn also told the Board that a Devall employee was killed in Texas on a push boat, and the Devalls are going through legal proceedings with the employee's parents at this time. Lynn said there will now be changes made to some of the procedures on the Devall vessels to improve safety practices.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:36 p.m.



President



Secretary