

West Calcasieu Port Board Meeting Minutes

July 7, 2015

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 7, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Francis Andrepont led the invocation.

III. Pledge of Allegiance

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

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Francis Andrepont, Kenneth Melton, Bart Riley and Sheila Burton.)

V. Approval of minutes of the June 2, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the June 2, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the June 2, 2015 regular monthly meeting, 2nd by Dave Aguillard. 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 on tenant lease

Port Director Lynn Hohensee told the Board that USES informed him that due to the fact that they lost a client that represented 90% of their business last month, they still intend to lease the building but they have taken their staff back up to the Sulphur/Westlake area. USES said if they have a barge that comes into the Port, they will bring their staff out to service it. Lynn explained USES's first lease has expired, and they are on a 30-day notice. Lynn said he has been contacted by 2 other barge stripping/cleaning companies that are interested in coming into the Port. Lynn stated he referred them both to Devall Towing and explained to them how Devall has control of operations in the West Barge Basin and they need to work through them to set something up.

President Dick Kennison asked Lynn if he was asking the Board to approve the 30-day cancellation notice to USES in order to pursue other clients that are interested in a lease. Lynn answered, "I believe so." There was discussion about USES's lease. Wilmer Dugas made a motion to approve a 30-day cancellation notice to USES with an effective date of August 7th to be out of the building, 2nd by Tim Dougherty. No opposition. Motion carried.

VIII. Discuss and take action on maintenance contract for Port security gate

Darla Perry announced that the gate is fixed, all of the proxy cards are issued, and, according to Mr. Nash, everything is working. Darla said she hasn't personally tried to use a proxy card yet. Devall is still using the manual switching to open the gate, and everything is working. Darla said she received the bill in the amount of \$6800 for all of the work that has been done so far. Darla reported she received a proposed maintenance contract for 1 year in the amount of \$6300. Darla stated the maintenance contract includes coming out 6 times; but if they do any work over 3 hours of travel time and work, parts and labor will be extra. Darla said she feels there needs to be educational sessions for the operators. Darla reviewed some of the issues with the operators and the gate system.

President Dick Kennison suggested to the Board to include as part of the contract that the first part would be training of personnel that will be using the gate system and then the Port would enter into a maintenance contract if the Board chooses to do so. Chuck Stutes suggested giving Port Director Lynn Hohensee the authority to view the maintenance contract and negotiate with Nash Fencing if he feels it is the appropriate thing to do. Lynn also suggested changing the 3-hour window from 3 hours of travel time and work to just 3 hours of work once they arrive. Darla brought to the Board's attention that there is a one-time set-up fee for computer in the contract, but the computer has already been set up. There was further discussion about details of the maintenance contract.

President Dick Kennison entertained a motion to give Port Director Lynn Hohensee the authority to negotiate with Nash Fence Company on the maintenance agreement and to

include training for personnel that will be using the gate system. Dave Aguiard made a motion to give Port Director Lynn Hohensee the authority to negotiate with Nash Fence Company on the maintenance agreement and to include training for personnel that will be using the gate system, 2nd by Scott Foreman. No opposition. Motion carried.

IX. Discuss and take action on approval of financial auditors for FYE 6/30/15

Darla Perry suggested hiring McMullen & Mancuso to be the auditors for the FYE 6/30/15. Darla reported that McMullen & Mancuso's fee last year was \$8500, and they have proposed 8500-9500 for this current year. Darla stated the audit has to be in to the Legislative Auditor by the end of November. President Dick Kennison told the Board he feels it's important to hire someone that is knowledgeable about the workings of the Port, and he praised McMullen & Mancuso for the job they did on last year's audit. President Dick Kennison entertained a motion to accept McMullen & Mancuso to be the financial auditors for FYE 6/30/15. Wilmer Dugas made a motion to accept McMullen & Mancuso to be the financial auditors for FYE 6/30/15, 2nd by Tim Dougherty. No opposition. Motion carried.

X. Committee Reports

No Committee Reports at this time.

XI. Port Director Report

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

Port Director Lynn Hohensee introduced Bart Riley and Kenneth Melton from Star Concrete Pumping Company and invited them to speak to the Board. Mr. Riley re-introduced Mr. Melton and gave a brief background and description of their company. Mr. Riley turned the floor over to Mr. Melton. Mr. Melton went into further detail regarding their company and their working relationships with some of the big chemical plants in Texas and Louisiana. Mr. Melton explained to the Board they have entered into a contract with CB&I and have developed a relationship with Dunham Price and would like to make a commitment to Louisiana. Mr. Melton stated he expects to have 8-10 concrete trucks in Louisiana within the next 6-8 months and predicts to have 15 trucks in the next 12-15 months. Lynn asked Mr. Melton to explain the role Star Concrete plays between Dunham Price and a company receiving concrete. Mr. Melton gave a brief explanation of how their concrete delivery company works. Mr. Melton stated they have interviewed and plan to hire Louisiana-based operators and will hire local as much as they can.

President Dick Kennison asked Mr. Melton how big of a plant does he plan on having at the port. Mr. Riley stated 2 acres would get them through the first year or two. Lynn asked if the 2 acres would be for parking concrete trucks, location of a maintenance building and employee parking. Mr. Melton answered "yes." Lynn explained there is a load limit of 80,000 pounds in the port. Mr. Melton stated the trucks they will be using the first 2 years would be 5 axles, which is 80,000 pounds. Mr. Melton told the board

they are very safety conscious and spend probably 10 times more money on training their men than any other pump company he has been affiliated with. Lynn thanked Mr. Riley and Mr. Melton for speaking with the Board and said he will be working with them more to get questions answered and to move forward on negotiating a lease agreement within their time frame. There was further discussion with Mr. Riley and Mr. Melton regarding their business. President Dick Kennison thanked Mr. Riley and Mr. Melton for speaking with the Board.

Marketing/Business Development –

- The Calcasieu Parish Police Jury unanimously approved a motion made by PJ Ray Taylor that property owned by the Rhodes Group be rezoned from residential (R2) to heavy industrial. The vote was based on a recommendation made by the parish zoning board that included a provision noting that if the property is not sold to the West Calcasieu Port that it will revert back to R2 status. Nearby residential neighbors attended the zoning meeting where the port director spoke in support of the rezoning, and while no tenant made any public statements, they did voice their support for the port purchase of the property to port officials following the zoning board meeting. A sub-committee from the WCP's tenant committee (port director, attorney and CPA) will work with the Rhodes Group to negotiate a sale for land totally in excess of 11 acres adjacent to the port's eastern property line.
- Morris-Shea Bridge Company of Birmingham, Ala., is the newest tenant of the West Calcasieu Port. The company is leasing an acre of land for at least a year to accommodate parking for up to 70 employees that are working across the Gulf Intracoastal Waterway at the Sempra LNG project.
- Met with a Tennessee company contracted by the Chamber/SWLA to develop internet and print promotional marketing efforts for the region and the private companies located in the region or are setting up new operations in the region. They also are seeking participation from public entities such as the regional maritime ports.
- The WCP continues to discuss with Devall Towing the company's use of the port's Gulf Intracoastal Waterway shoreline property west of the west barge basin for additional barge fleet operations.
- The port has received updated information from CITGO's environmental director that the company efforts continue to actively pursue state and federal permits to modify its dredge spoils movement effort to include permission to use the spoils reception area at the West Cal Port.
- Efforts to lease the Devall Diesel Building to USES and Magnolia Fleeting have not proven fruitful. The port continues to market the building.
- The port director met with the senior executive for the Magnolia LNG project to provide him with additional information re: its interest in leasing land for a possible staging area. The Magnolia LNG executive remains extremely interested in working with the port to develop a logistical connection for the project when it begins to be built out. But, he is obligated to refer all of our information to a contractor now responsible for the logistical preparations for the project. Efforts will be made to contact the contractor.
- Met with Bart Riley, STARR Concrete Pumping Company of Tomball, Texas. The company is looking for several acres to locate a truck maintenance/parking facility for its trucks that may be in Southwest Louisiana for up to 10 years. They are interested in the West Cal Port among other locations and STARR representatives will attend the port board meeting on July 7.
- Met with new local manager for Baton Rouge-based Fenstermaker Engineering.
- The port has joined the Louisiana Chemical Industry Alliance (LCIA) and attended its Region IV tradeshow in Lake Charles. Several positive business leads were made during the tradeshow.
- Tauber Oil is no longer a tenant of 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.
- Efforts will begin shortly to work with a new webmaster to redesign/upgrade the port's website.

Port Operations –

- River Barge Works has indicated that due to low-water issues in the port's west barge basin, it is considering relocating to another location on the Gulf Intracoastal Waterway under the Ellender Bridge. They also prefer onshore location of their operating equipment versus on the deck of a

work barge. RBW remains a tenant; no further word has been received re: its relocation from the port.

- Nash Fence Company is continuing to work on the card reader equipment for the main security gate. Efforts are underway to negotiate an ongoing maintenance agreement with Nash to provide service to the port's security gate system.
- 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.
- Met with Entergy re: potential increased utility needs as the port expands and the possibility of any certified sites at the port.

Professional Organizations & Networking –

- In June, the WCP director (and/or board members) represented the port at:
 - a. PAL board meeting
 - b. Calcasieu Parish zoning board meeting and CPPJ board meeting
 - c. US Coast Guard Change/Command Ceremony
 - d. Met with US Army Corps of Engineers' New Orleans District Commander and his team in New Orleans re: federal funding support for the maintenance of waterways in SW La.
 - e. West Cal chamber meeting
 - f. Chamber/SWLA gov't affairs/infrastructure meeting
 - g. Chamber/SWLA Business after Hours
 - h. BV board meeting
 - i. Lake Charles Ad/Press Club meeting
 - j. Workforce Investment Board meeting
 - k. Meyer/Associates 50th Anniversary event

News Media & Community Relations–

- Met with nearby residents following the parish zoning board meeting.
- Assisted American Press in preparing a positive page-one article on the rezoning of property being prepared for possible sale to the West Cal Port.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

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

FINANCIAL: Darla Perry reported cash flow for May looked wonderful. Devall had two payments. Darla said the mitigation was paid out, and there were some appraisal fees. Barge days are 3,896 ahead of last year. Ramp revenue is still running 5500. Darla stated Mike Devall sent out an email saying the Port will be getting a lot of load/unload fees over a 6-day period. Darla asked permission to go to the FEMA workshop in Lafayette next Thursday. Darla said she will not need to stay overnight, but she will just charge mileage to the Port. President Dick Kennison entertained a motion to approve Darla Perry's travel expenses and whatever expenses she incurs at the FEMA meeting and to also approve the financial report as presented. Wilmer Dugas made a motion to approve Darla Perry's travel expenses and whatever expenses she incurs at the FEMA meeting and to also approve the financial report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

LEGAL: There was no legal report at this time.

ENGINEER: Chuck Stutes reminded the Board about the issue several weeks ago with the existing bulkhead when there was a cave-in in the area. Orion gave the Port a price of under \$2,000 to install some metal and backfill and then put a limestone surface on top as

a temporary fix. Chuck said that has been done and looks good. Chuck stated they have met with several contractors that do this type of work, and they have come up with a repair method to try to avoid interference with the existing tieback system on the bulkhead. Chuck said they have decided the best method would be to put in a cantilever wall which will consist of steel pipe piles approximately 4' diameter and steel sheet pile sections that will look similar to what is there now. Chuck further described the plan to fix the bulkhead. Chuck said he will be meeting with the structural engineer this Thursday and will give the preliminary plans to a couple of contractors to give the Port a pricing to make sure they are still within their construction budget. Port Director Lynn Hohensee asked what the longevity of the project will be afterwards. Chuck answered, "in the magnitude of 30 years."

Chuck gave an update on the ramp. Chuck said he has had several conversations with the ramp manufacturer, and they are trying to schedule a meeting. Chuck stated they understand the problem and agree to help fix it.

Chuck announced there is a meeting of the State Bond Commission. The Port is on the July agenda for both Priority 1 and Priority 5. Chuck stated the bulkhead project he just discussed is on Priority 1 for \$1,305,000; and the new bulkhead along the Intracoastal Waterway is on there for \$200,000. Chuck said he does not have a date yet, but it will be on a Thursday.

XIII. Executive Session

There was no executive session at this time.

XIV. Public Comments

Police Juror Francis Andrepont welcomed Mr. Melton and Mr. Riley to Calcasieu Parish. Mr. Andrepont gave a brief history of the work they have done with the Port over the years. Mr. Andrepont reminded the Board it is an election year and said he could use help in any manner with his campaign for re-election. Mr. Andrepont thanked the Board President for acknowledgement.

XV. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:48 p.m.



President



Secretary