

West Calcasieu Port Board Meeting Minutes

August 6, 2013

I. Call to order

President Dick Kennison called to order the regular meeting of the West Calcasieu Port at approximately 3:02 p.m. on August 6, 2013, 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 Darla Perry and recited by all board members and guests.

IV. Roll call

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

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

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Francis Andrepont, USES representatives David Zachary and Jeff LeBlanc, River Barge Works representatives Mike Brehm and Matt Davis, and Sheila Burton)

V. Approval of minutes of the July 2, 2013 regular monthly meeting and Special Meeting held July 16, 2013

President Dick Kennison entertains a motion to approve the minutes as printed and presented to the Board. Wilmer Dugas makes a motion to approve the July 2, 2013 regular monthly meeting minutes and the July 16, 2013 special meeting minutes, 2nd by Dave Aguillard. No opposition. Motion carries.

VI. Amendments, additions and deletions to the proposed agenda

President Dick Kennison added Amendment 6(a) to the agenda to allow representatives of River Barge Works to discuss a request to the Board. Tim Dougherty makes a motion to add Amendment 6(a) to the agenda to allow representatives of River Barge Works to discuss a request to the Board, 2nd by Dave Aguillard. No opposition. Motion carries.

Chuck Stutes asked to add Change Order No. 5 on the West Barge Basin Project. President Dick Kennison asked Chuck if this could be placed under his report. Chuck stated it could be a separate item, 11(a), right before his report. President Dick Kennison added Change Order No. 5 on the West Barge Basin Project to be addressed under 11(a) right before Chuck Stutes' engineering report.

6(a) River Barge Works representatives discuss a request to the Board

River Barge Works Representative Mike Brehm explained to the Board their desire to build a 40' X 40' containment area, including an 8' fence, on land at their present location at the port, between the barge basin and the blacktop road. This will potentially remove the receiver barge that stores coke products. Mr. Brehm stated they have an engineer working on a filter that would allow them to hold the product and then filter the water to be able to discharge it back into the Intracoastal water. Mr. Brehm said that being able to build the containment area and removing the receiver barge will give them the necessary space for additional customer cleaning. President Dick Kennison asked what the total amount would be for the contained area, and Darla Perry asked if it would change the footprint of the lease. Port Director Lynn Hohensee stated it would change the footprint since right now their footprint is only in the water. Lynn asked Mr. Brehm if they had an estimate of cost for the project; and Mr. Brehm said no, that they are waiting on the engineer for the estimate for the wall. Lynn asked Mr. Brehm to explain the actual process of what they want to do. Mr. Brehm explained their process of cleaning the barges in the containment area, filtering the water and discharging it back, then the coke product will be able to be trucked out of the port. Lynn asked if River Barge Works has the necessary permits for the discharging of water back into the Intracoastal, and Mr. Brehm answered yes. Chuck Stutes stated the discharging of the water would require a DEQ permit. Mr. Brehm said DEQ told them it would comply with their permit they have presently. There was continued questions and discussion between the Board and the River Barge Works Representatives. Lynn Hohensee suggested continuing to gather new information as it is available and giving it to the tenant committee to form a proposal to bring to the Board. There was discussion about pilings and protecting River Barge Works' barge from further damage. President Dick Kennison thanked the River Barge Works representatives for their input and for attending the meeting.

VII. Discuss/Take Action if needed on Port Leases

Port Director Lynn Hohensee said he wanted to turn the meeting over to David Zachary and Jeff LeBlanc of USES to share their business plan with the Board and to ask the Board anything they would like to consider for the Port to help accommodate them as a tenant.

Mr. David Zachary thanked the Board for meeting with them. Mr. Zachary gave a little background of their business at the port and the different types of permitting they have received. He acknowledged the recent complaints over the odors coming from the caustic barge that USES had cleaned at the port. Mr. Zachary explained their work on the caustic barge. Mr. Zachary told the Board he could build a business plan that works around not cleaning caustic barges if caustic barges are the only issue. There was discussion about the odors coming from the caustic barge and complaints that were made due to the odors.

Mr. Francis Andrepont commented to the Board saying if EPA and DEQ do not have a problem with USES, then the Board needs to take that into consideration.

There was further discussion about the caustic barge and the business of USES. Lynn Hohensee commented on the concerns of the neighbors of the port about the offensive odors. Mr. Zachary assured the Board that they are looking at other odor control technologies. The Board brought up questions with Mr. Glen James about the language of the lease with USES that addresses offensive odors. Mr. LeBlanc explained the time needed in cleaning barges. Mr. LeBlanc also explained how USES is in the process of possibly ordering a piece of equipment costing \$750,000. However, they may not be able to invest in the equipment if the Board does not allow them to do certain types of business at the Port. President Dick Kennison asked the USES representatives if they anticipated ever having a barge that would take 2 months to clean. Mr. Zachary answered "no." President Kennison stated that he would like to see USES's new business plan, asking what they specifically want the Port to grant them. Mr. Zachary said he could define the parameters in which he felt like USES needs to operate under. Wilmer Dugas commented that USES has all of their permits, and he has known Mr. Zachary since he was a young boy and believes that Mr. Zachary will do whatever he can to do the right thing.

Attorney Glen James asked how quickly the Board could make a decision on how to move forward with USES so that it would not delay USES in ordering their \$750,000 piece of equipment. President Kennison answered that as soon as USES provides the Board with a new business plan, a special meeting can be called by the Board. Lynn Hohensee stated that a tenant subcommittee could address it first and then a full special board meeting could be called. Tim Dougherty explained the importance of working together with both the neighbors of the port and the tenants. President Kennison thanked the USES representatives for attending the meeting and stated, at this point, the board will wait for USES to submit a business plan and then the Board will take action immediately.

VIII. Discuss/Take Action on Capital Acquisition Appraisals

Lynn Hohensee said he spoke with Mr. Sonnier, the person that owns the piece of property next to the port. Mr. Hohensee talked about how the Board approached him 5 or 6 years ago about selling the property to the port. At that time the port used Matt Redd and hired an appraiser out of Houston. At that time the land appraised at \$28,000 per acre. Since Mr. Sonnier was asking for a much higher price than what it was appraised

for, the port never pursued it any further. Lynn stated Mr. Sonnier contacted him last month about wanting to sell the land, with improvements. Mr. Sonnier commented on how he did not like the appraisal that was done several years ago. Mr. Hohensee said he asked Mr. Sonnier if he would be interested in working with the port to find a joint-approved appraiser, and Mr. Sonnier said "yes." Mr. Hohensee said what he would probably need from the board is approval to have the appraisal done, to see if they can come to a common agreement. President Kennison asked Lynn if Mr. Sonnier said he would split the cost of the appraiser. Lynn stated that Mr. Sonnier did not say that, but Lynn said he would approach him about that. President Kennison suggested getting it in writing. Lynn said he thought that would be a good acquisition for the port. Tim Dougherty asked if buying the land would give the port access to the road that runs along the property line. Lynn stated it's not a public road; it's more of a driveway. President Kennison asked if the property is on the water. Lynn answered yes, there is waterfront on the property in question.

IX. Discuss/Take Action on Southland Field Request

Darla Perry reported that the Southland Field is having a 25th anniversary celebration. The celebration will include a fly-in with sky divers; remote-controlled airplanes; air show with experimental aircraft; kids 8-11 can sign up for free flights at a later date if they join the Eagle Group. The Southland Field is requesting a contribution of \$1,000 to assist in funding the celebration. Lynn Hohensee asked what the budget for the show is. Darla stated the budget for the show is around \$7,000. President Dick Kennison entertains a motion to donate \$1,000 to assist in funding the Southland Field celebration. Wilmer Dugas makes a motion to donate \$1,000 to assist in funding the Southland Field celebration, 2nd by Tim Dougherty. No opposition. Motion carries.

X. Committee Reports

There are no committee reports at this time.

XI. Port Director Reporter

[NOTE: Darla Perry stated she needs to get a resolution to approve McMullen & Mancuso to perform the June 2013 audit. Wilmer Dugas makes a motion to approve McMullen & Mancuso to perform the June 2013 audit, 2nd by Tim Dougherty. No opposition. Motion carries.]

[NOTE: Port Director Lynn Hohensee gave a copy of his director's report to each of the board members and briefly reviewed some of the items.]

Lynn stated he gave a tour to a gentleman from a Houston-based company interested in 9 ½ acres on the side of Orion, from the road back to the water. Their company would be doing a crude oil terminal. They would be barging oil in and taking it out. Lynn said he did not think there was a need for pipeline coming in. There was further discussion with

the Board about the prospective tenant. Lynn said he forwarded a map of the port property to the gentleman the next day, and he has not spoken with him since. He will continue to pursue him.

Lynn announced that the port is going to be honored as the business of the month at the West Cal Chamber of Commerce luncheon Thursday. He encouraged all of the board members to attend, if possible. President Kennison said he would be attending.

Lynn said the port retained the lady that cleans the Devall guard tower to clean the port building where the meetings are held. Lynn stated she did a fabulous job. Darla said she recommended an exterminator and gave her a full report of cleaning the building.

Lynn told the Board he knew the port was zoned industrial. However, from the port's property line to Gross Road is zoned residential. North of Gross Road is zoned agricultural. Mr. Sonnier's property and Falco (sic) are zoned industrial. Lynn said that it adds more sensitivity on how they grow the port since they share a common fence line with residential neighbors next to the port. Francis Andrepoint told the Board to make sure they rezone any property before they buy it.

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

FINANCIAL: Darla reported the port finished the year on the ramp lease with \$30,300 ahead of a year ago. Barge days were up 649 days. The barge days ended the year with 35,044 barge days for the year. Darla said the port has been hitting over 100 barges per day for the last 2 months. The cash flow for June had a net positive of \$115,000. Part of that is due to some DOTD money coming in for barge basin final payment. There was an expense of \$4300 for a new a/c unit; \$2300 for the security gate; \$1900 on the barge basin. President Kennison asked for a motion to approve the financials. Wilmer Dugas makes a motion to approve the financials, 2nd by Tim Dougherty. No opposition. Motion carries.

LEGAL: There was no legal report.

ENGINEER: 11(a). Change Order No. 5 on the West Barge Basin Project - Chuck Stutes passed around copies of the Change Order to the Board. Chuck said it involves 3 items that have to do with removing some debris that Apollo encountered during dredging, manual seeding of the containment levees (experiencing erosion on the top of the levees), and minor damages to the concrete revetment that occurred due to some barge activity. Chuck said the State is paying 90%, so the Port would only be responsible for 10%. President Kennison asked Chuck if he had any problems with the Change Order. Chuck answered no and that he was recommending that the Change Order would be approved by the Board. President Kennison entertains a motion for a resolution to approve the Change Order No. 5. Dave Aguillard makes a motion for a resolution to approve the Change Order No. 5, 2nd by Wilmer Dugas. No opposition. Motion carries.

Chuck reported on the status of the barge basin project. He reminded the port that at the July meeting, there was a substantial completion approval. It is now at the stage of a 45-day clear lien certificate where it is out for advertisement whereby any subs that may have liens would have a right to file a lien at the courthouse. Chuck said the 45 days will

be up on Sept. 2. If no liens are filed by that time, there will be a lien-free certificate available. At that point, Chuck said they can finalize payment. Chuck said the next payment that is coming up is for the planting of the wetlands.


Regarding the barge ramp project, there has been some recent activity. As of August 2, the Devalls issued a purchase order to Orion to proceed with procurement of the barge ramp and the entire project for a total cost of \$640,000. Chuck said what will now happen is that the ramp manufacturer will issue them shop drawings which they will review and approve. After that is done, Chuck said they will have all of the exact dimensions to be able to do their final design. Orion is estimating that they will actually have the ramp delivered to the port in October or November. Chuck said they are still waiting on the tax issue. President Kennison said he is still waiting on the office of Ronnie Johns to get back with him.

XIII. Public Comments

Tim Dougherty invited the Board to a Labor Day celebration sponsored by the Central Trades and Labor Council. Darla said she would send out an email with information about the celebration to all board members.

XIV. Adjournment

President Dick Kennison adjourned the meeting at approximately 4:18 p.m.



President



Secretary