

West Calcasieu Port Board Meeting Minutes

September 1, 2015

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 September 1, 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 Tim Dougherty 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 was absent from meeting.

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Francis Andrepont, Mayor Chris Duncan, Peter O'Carroll, Jeannie Weise and Sheila Burton.)

V. Approval of minutes of the August 11, 2015 regular monthly meeting

President Dick Kennison entertained a motion to approve the minutes of the August 11, 2015 regular monthly meeting. A motion was made by Wilmer Dugas to approve the minutes of the August 11, 2015 regular monthly meeting, 2nd by Tim Dougherty. 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. Committee Reports

There were no committee reports at this time.

VIII. Port Director Report

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

{NOTE: Port Director Lynn Hohensee introduced Peter O'Carroll and thanked him for his work on taking the photos for the new website his company, O'Carroll Group, is working on for the Port. Mr. O'Carroll briefly explained the work they are doing on the Port's website to get it updated. Mr. O'Carroll reported that the website should be ready for review by the next board meeting. At this time Mr. O'Carroll left the board meeting.

Mr. Hohensee reminded the Board of the Devall Barbecue that will be held on October 6, 5:00 pm, at the Devall offices in Sulphur. The Port Board meeting will be moved to October 13th.

Mr. Hohensee stated he had been in contact earlier in the week with representatives of Southwest Shipyards out of Channelview, Texas. Lynn said they requested information on availability of natural gas, which the Port does not have at this time. Lynn stated he spoke with a representative of Centerpoint on Friday and was told their nearest point to the Port at this time is less than a mile away. Lynn told the Board that Mike Devall made him aware today of his concern that Southwest Shipyards would put a flare to support their barge cleaning and stripping operations where they will burn off the product on the bottom of the barges and that this could take as long as 12-18 hours to flare off. Lynn said this process could be odorous, and it would need to be discussed with Southwest Shipyards. Darla Perry suggested visiting their facility in Channelview to see how the flaring works. There was further discussion regarding Southwest Shipyard coming to the Port. Lynn stated it is still in the early stages of discussion; but if they do become a tenant of the Port, they will be a significantly sizable tenant.

Mr. Hohensee reported that beginning in September, the old USES building will undergo modifications for the new tenant, STAR Concrete Pumping Company, taking over the building on October 1st. Lynn stated that H&H will be doing the door improvements on the building. Lynn said once the improvements begin, they will make sure their insurance is in place for any liability during the time that work is being done. Lynn said he also provided STAR with a lot of information from Louisiana Department of Economic Development regarding tax-break incentives. There was a brief discussion regarding the modifications to the building.

Darla asked if USES has removed all of their equipment, because they made a payment for September. Lynn said the only 2 things left are the sign and the Waste Management dumpsters. Lynn said he has spoken with someone from Waste Management to see about getting the dumpsters picked up. Lynn stated there is some equipment belonging to Devall on the west side of the building that George Langley said will be picked up over the next 2 weeks. There was a brief discussion regarding USES's contract.

Darla asked Lynn who is going to call the gate company to make sure they come out to do their 3 educational sessions. Lynn said he will get Nash to come out to give all of the people that work the gate orientation on how to operate it.}

Marketing/Business Development –

- Lease agreement work continues with STAR Concrete Pumping Company of Tomball, Texas. The agreement will become effective on Oct. 1, 2015 (three years, with options). STAR also will have access to the warehouse building they are leasing in September to initiate upgrades to the building using local vendors. All upgrade costs will be incurred by STAR.
- The West Calcasieu Port continues to work with the State of Louisiana to finalize all approvals for the use of state grant monies that will be directed to the purchase 11.5 acres of property adjacent to the port's footprint from the Rhodes Group.
- Discussions continue with Devall Towing and a Texas firm that may bring sizeable barge-related business operations to the West Cal Port. The port director also met with CenterPoint energy to discuss the possible installation of a natural gas delivery line to the port to support the tenant prospect.
- The port director met with three senior officers of Magnolia LNG and has provided them information re: the West Cal Port. The port, its assets and tenant operations could prove valuable to Magnolia LNG as the company plans out its strategy for moving materials, modules and equipment to the plant site, approximately 2.5 miles from the WCP.
- The port director has been in meetings with Devall Towing and the Port of Vinton re: early discussions for possible movement of construction soil by barge from western Calcasieu Parish to an industrial site under construction on the Calcasieu River Waterway. The WCP would play an instrumental role in the movement of dirt by barge.
- The O'Carroll Group is redesigning the port website. When that is completed, the port brochure will be redesigned to compliment the website. The new website should be rolled out in early October.
- The port director represented the West Cal Port at the 110th annual conference of the Gulf Intercostal Canal Assn.

Port Operations –

- 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 this fall.
- Port director met with STAR Concrete Pumping Co. officials and H&H at the port to discuss modifications to two of the USES building roll-up doors. The modifications will heighten the doors from 12 feet to 14 feet. All of the work costs will be incurred by STAR.
- Port engineer continues to work with barge loading ramp manufacturer, Orion Marine Group (ramp installer) and Devall Towing to initiate upgrades to the equipment.

Professional Organizations & Networking –

- In August, the WCP director (and/or board members) represented the port at:
 - a. August PAL board reception
 - b. Attended two PetroChem meetings.
 - c. BV board meeting

News Media & Community Relations–

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

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

FINANCIAL: Darla Perry reported the cash flow for July was \$76,194. Morris Shea was the new added tenant. Darla said the utility revenue is the water revenue. Darla explained that the repairs & maintenance of \$6,688 on Nash gate was the first time of repairs/replacing computer. Darla said that is not the new maintenance contract. Darla also reported that the bulkhead repair refers to the deadman that was repaired by Orion.

Darla reminded the Board they are in the first month of the new fiscal year. Ramp lease was \$750. Barge days were 3,264. Darla stated she did some cash flow projections for the coming year for President Dick Kennison, but she would like to do some revisions. Darla asked Lynn if Tresco is supposed to still be paying on their lease, because they have not done so. Lynn answered that they are supposed to be paying through the end of their lease, which is in March. There was a brief discussion about who are the current tenants. Darla said she needs a signature on the bond interest payment.

President Kennison entertained a motion to accept the financial report as presented. Wilmer Dugas made a motion to accept the financial report as presented, 2nd by Tim Dougherty. No opposition. Motion carried.

LEGAL: Glen James reported that he sent the drafted lease to STAR Concrete Pumping Company and is waiting on a response. Mr. James said the lease is for 3 years with five 1-year options. The first year will be \$3,000 per month with the 2nd and 3rd years being \$3500 per month. Mr. James said the extension periods will then be adjusted based on the consumer price index.

ENGINEER: Chuck Stutes said he spoke to Blaine with Arabie, and they have done all of the work out in the field that they needed to do on the environmental site system. Chuck said they are putting a report together, and he should have something next week. Lynn Hohensee asked if the Port will then have the green light to go ahead and finish the purchase of the land. Darla Perry stated they will first need to go to Baton Rouge to get the approval with the documents. Glen James asked how long that should take. Darla answered Mr. Martinez said a couple weeks. Glen James explained the contract gives 60 days to close on the land, but he said he's sure the Port can get an extension, if needed. There was further discussion regarding the purchase of the land.

Lynn Hohensee asked if there was any other information on the bulkheading project. Chuck stated the structural engineer was at the Port today wrapping things up. Chuck said they are finalizing the details and should have a package soon.

Chuck reported there was a meeting on the ramp today. Lynn Hohensee was present along with a couple of representatives from Devall, the structural engineer, the ramp manufacturer and a couple of representatives from Orion. Chuck said they looked at everything, and the ramp manufacturer got a lot of input from George with Devall since he is the guy that is most familiar with the ramp operation and the issues they are having. Chuck said most of the problems seem to be associated with tanks that are low to the

ground and are bottoming out when they get to the top of the ramp. Chuck stated the ramp manufacturer is going to take all of the information back and put it on AutoCAD and take a second look at everything and come back with recommendations. Chuck said he did have some ideas out in the field he discussed with everyone, and everyone seemed to be okay with it. Chuck said the Port has tides that vary, barge sizes and depths that vary and trucks that vary, which makes it difficult to come up with a worst-case scenario; however, they are moving forward on coming up with a solution.

X. Executive Session

President Dick Kennison asked if the Board had to go into Executive Session to discuss raises. Attorney Glen James answered no, that you do not need to go into Executive Session to discuss raises.

There was no executive session at this time.

XI. Public Comments

President Dick Kennison stated he had been approached by Darla Perry to have her contract fee raised \$200 per month. President Kennison said he felt that was in very good order for all that Mrs. Perry does for the Port and thanked her for her hard work.

President Kennison also complimented Director Lynn Hohensee on the great job he does for the Port and asked the Board to consider a 3% raise for him as well as the \$200 per month raise for Darla Perry. Wilmer Dugas made a motion to give Darla Perry a \$200 per month raise on her contract fee and also give Director Lynn Hohensee a 3% raise, 2nd by Tim Dougherty. Tim Dougherty complimented Darla Perry on the job she does for the Port and thanked her for all she does for the Port and also thanked Lynn for the great job he does for the Port. No opposition. Motion carried.

Jeannie Weise with Senator David Vitter's office gave the Board a handout from Senator Vitter's office explaining some of the ways he is working to grow the local economy and the importance of the infrastructure, dredging and mitigation in the area. Ms. Weise invited the Board to contact their office with any information or questions they may have.

Police Juror Francis Andrepont recognized Darla Perry and Lynn Hohensee for the work they do for the Port. Mr. Andrepont asked for support in the upcoming election and thanked the Board in advance for any help they can give to the campaign.

Mayor Chris Duncan stated that he heard that Wilmer Dugas would like to be reappointed to the Board. Mayor Duncan asked Lynn Hohensee if he could send him something for the appointment. Darla Perry said she has a sample letter that she can give to Lynn. Wilmer Dugas said he has enjoyed being on the Board and has learned a lot during his tenure.

Director Lynn Hohensee reminded the Board of the heavy traffic that will continue on the highway coming out to the Port. Lynn said Sempra currently needs roughly 1.75 million cubic yards of clay to complete their dirt work on their construction project. Lynn said

they will be traveling from WPA Road through Carlyss to Hwy. 27 to Hackberry, so please be aware of this development.

XII. Adjournment

President Dick Kennison adjourned the meeting at approximately 3:40 p.m.



President



Secretary