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Caddo-Bossier Parishes Port Commission
Regular Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
October 19, 2017, 4:30 p.m.

The Regular Board Meeting of the Caddo-Bossier Parishes Port Commission was called to order by President Commissioner Gregorio at 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA.

The Pledge of Allegiance was led by Commissioner Griggs.

The roll was called. Present: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. We have a quorum. Absent: Erica R. Bryant.

Commissioner Gregorio asked if there are any public comments regarding an agenda item? Hearing none, he said we'll go to Unfinished Business.

UNFINISHED BUSINESS:

Motion by Commissioner Griggs, seconded by Commissioner Watkins to approve the minutes of the Regular Board Meeting of September 28, 2017. Motion approved by the following vote: AYES: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

Motion by Commissioner Griggs, seconded by Commissioner Prescott to approve the minutes of the Special Board Meeting of October 9, 2017: Motion approved by the following vote: AYES: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

Motion by Commissioner Austin and seconded by Commissioner Prescott to approve the August 2017 Financial Reports: Motion approved by the following vote: AYES: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

"This institution is an equal opportunity provider and employer."

*MEMBERS: Sam N. Gregorio, President; Rick C. Prescott, Vice President; Roy Griggs, Secretary-Treasurer
Lynn Austin; Erica R. Bryant; James D. Hall; Capt. Thomas F. Murphy; James L. Pannell; Steve Watkins*

Marketing Committee Report of October 9, 2017. Commissioner Rick C. Prescott, Chairman, called the Marketing Committee meeting of October 9, 2017 to order at approximately 12:00 p.m. in the Board Room at the Regional Commerce Center.

Commissioner Griggs led the Pledge of Allegiance.

Commissioners present: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, James D. Hall, Capt. Thomas F. Murphy and James L. Pannell. A quorum was present.

Commissioner Prescott called for introduction of guests: Bernard LeBlanc and Andrea Payte, IMS Engineers; Jeff Clark, GEP Haynesville, LLC; Sarah McKinney-Williams, Romph Pou Agency; Ty Scroggins, Scroggins Consultants and Joe Johnson. Staff members: Eric England, Dannye Malone, Brenda Levinson, Gloria Washington, Rick Nance, Kathy French and Hettie Agee.

Commissioner Prescott called for Public Comments on Agenda Items. Hearing none, he called on Brenda for Potential Customers/Projects who said on Project Fast, our petrochemical project, LED has spoken with representatives of the company. They're putting to bed the last couple of items they had questions that they had asked for information on. LED expects to hear back from them if not this week the first of next week on a decision on this project. Project McCarty, the Scopini Island rebarb project, when the board had their meeting late September they made the decision to put the rebarb project on hold and to put their focus and attention on the flat rolled steel manufacturing part of the business because they need more capacity. The company CEO was very complimentary of LED and the Port team for the work we put in on the Project. Hopefully we will get another opportunity with this.

On our regular business with Vulcraft by the end of September we had received 21 barges of coils from Vulcraft. Two more were en route for October. We also received our first 3 barges of slab for Nucor. There's another barge that's en route and will be here the first of November. We worked with ADS Logistics to help us on the discharge of that barge and to move that product to the 60,000 sq. ft. warehouse where the intent was to have ADS reload that using our 30,000 ton crane in the warehouse. That meant that they would have to put the spreader beam on the crane when they were loading slab but all during the day they were also loading out product for steel coils for Ternium which meant they had to take spreader beams off and put the coil grab attachment on there. For the barge when it came in, we were having some intermittent electrical problems with the 30 ton crane. But once the crane started getting operational, we worked out the flow. But this is something that since the warehouse is full and ADS is trying to meet the demand of loading those trucks with the coils for Ternium as well as handling the slab. We met with Matt Brinkley, VP of Operations for ADS on September 27th and talked about what we can put in place to make this work to make this smoother when the next barge comes in. Matt told us he has a 40,000 ton fork truck at another facility that's not being used. That's something we want to discuss if they want to bring that down here, then we could use the fork truck to unload the slab to one of their sled trucks but move that slab over to the hardstand and reload the truck from there. We could do the same thing with the ingots that we're talking to Nucor about bringing in. And that would make it run a lot smoother and especially for more barges when we get three of them together or four. The deal of unloading to the sled going to the 60,000 sq. ft. and trying to do the reload is presumed a problem just because there's other business activity that needs to be taking place with that crane in the building. Probably getting this product outside is a good thing or planning for it because Ternium is so busy. ADS's Matt's original reason for visiting was to talk about the fact that even though they are only in about 20,000 sq. ft. of that 60,000, they actually need the full 60,000 in order to take care of the projected product that Ternium expects to put in there. Otherwise, we've got to look at putting Ternium product at an outside warehouse, so we're working through all of those pieces of the puzzle with the increase in activity across the dock.

Benteler is still targeting December 31st to officially call it completion of the hot rolling mill. Their 5-year outlook still has 2019-2022 in their budget for the melt shop for the mill. Their first 9 months are on target and September was a good month for them in areas of production and shipping. The fourth quarter is targeting to track as well as September. They told us that the rig count at the end of September was 424.

She continued with the customer update, ADS, Ronpak, Pratt, West Louisiana Aggregate, Hexion, Ternium and called for questions.

That's all on the tenants. This past week the Site Selector's Guild did a tour of the Port. Commissioner Gregorio did a great job on his speech at the dinner. We had the opportunity to show them around and take them on a long tour of the Port and spend time with them in the building. Several of the site selectors have worked with the Port for years and years, are very familiar with it and have been here and they've said the appearance of the Shreveport-Bossier area compared to what it was ten or twelve years ago has really changed. There's a lot of technology, a lot of things that are going on here that he said he wasn't aware of. It's kind of like a best kept secret that needs to get out so that people know this is a good place to bring industry and for people to live and work. A good thing he pointed out to us is that they were very impressed with the Port. They thought that we have a great diversity of tenants out here. The infrastructure was just—they couldn't believe the things that we do, the new business across the dock with Nucor, the synergies between existing businesses, the fact that we're looking ahead for things like grey water and ways to be environmentally friendly. One of the things that they told us too when they were looking at the actual available sites that we have left is told us we need to be sure that we're not missing the boat somewhere. Most of the sites we see requests coming in for manufacturing are at least 100 acres. We only have one which is Scopini, 120 acres. And they said that we're very lucky that a lot of people don't get a Benteler in their history in a lifetime and if you do get one, your chances of running across another one could take 10-15 years to get there. Commissioner Gregorio mentioned it and we talked about it on the tour as we looked at the sites, in doing an expansion is that you need to look at how valuable those 100-200 tracts are so that you are constantly having the opportunity to attract business keeping yourself out in the public eye for people to be aware of what you are doing in industry that's locating here while you wait for that next big project to come along.

Commissioner Prescott called on Kathy to give the Public Affairs report.

Eric said the calendar is in your packages. We've drafted the 2018 meeting dates keeping the typical schedule of 3rd Thursday for the Board meeting and the week prior for the committee meetings. What you'll see throughout the year are typical Executive Committee meetings as well as we've incorporated the Finance Audit meeting on a quarterly schedule. We're not asking you to approve the schedule at this time. If you have any issues or any concerns, please let us know but we'll bring the calendar to the Board at the December meeting for adoption and eventual publication in *The TIMES*. I know many of you are already putting together some 2018 dates and thought you would like to go ahead and get some of those dates on your calendar.

Commissioner Pannell asked Eric if Roy Burrell has been appointed to the Red River Waterway or is he due to be appointed? Eric said I don't know for sure. It's my understanding that it goes through a process whereby it has to be the appointment made by the Governor and confirmed by the Senate. So at this point, as I understand it, he will begin serving and awaiting the next legislative session for the confirmation. Commissioner Pannell said since he's a new member I would like to suggest that we invite him to a meeting or to a meal or something because you know that's where we get a lot of our funding from. We'd definitely like to get him on the same page with us as early as possible.

Hearing no further business to come before the Marketing Committee, Commissioner Prescott adjourned the meeting at approximately 12:21 p.m.

A motion to approve the Marketing Committee Report of October 9, 2017 was made by Commissioner Prescott. Motion approved by the following vote: Ayes: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

Operations Committee Report of October 9, 2017: The meeting was called to order by Commissioner Griggs, Chairman, at approximately 12:22 p.m., October 9, 2017 at the Regional Commerce Center Board Room. Commissioners present: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, James D. Hall, Capt. Thomas F. Murphy and James L. Pannell. A quorum was present.

Guests in attendance: Commissioner Prescott called for introduction of guests: Bernard LeBlanc and Andrea Payte, IMS Engineers; Jeff Clark, GEP Haynesville, LLC; Sarah McKinney-Williams, Romph Pou Agency; Ty Scroggins, Scroggins Consultants; Joe Johnson. Staff members: Eric England, Dannye Malone, Brenda Levinson, Gloria Washington, Rick Nance, Kathy French and Hettie Agee.

Hearing no public comments on the agenda items, Commissioner Griggs called on Brenda for the Operations report. On the rail our volume showed slightly in September. However, we should see somewhere between an 18-20% gain in the 2015-2016 tonnage numbers. Steel coils are still strong as well as aggregate and frac media. We're expecting to see the yearend tonnage to be over 600,000 tons. For the month there were 570 new cars for 47,340 tons.

There's dredging going on at the lower end of the Red River and at Lock #2 and they report having some water issues on the lower Mississippi. On our barge movements, we loaded out a load of outbound scrap for Commercial Metals and both Commercial Metals and Progress Rail have scrap moves scheduled for October. They reported that the market is improving for them to once again be exporting some steel out. We completed the discharge of 3 Nucor slab barges and worked with ADS on that discharge. We discharged 11 Ternium barges and 21 Vulcraft barges so far this year. That's just over 45,000 tons for both of these. Oakley is showing a tremendously strong frac media number with over 231,000 tons. They've had 149 barges so far this year. Red River Terminals reported 2 barges of petroleum product.

Commissioner Griggs asked if our barge and rail activities up this year compared to last year. Brenda said yes, we are expecting to see about an 18-20% tonnage increase just even in the rail and of course, there's just a tremendous increase in the barge with what we are doing for Ternium and Vulcraft which is business we were not moving last year as far as the barges. Commissioner Griggs said that's very good to hear.

Hearing no questions for Brenda he called on Rick who introduced representatives from IMS. It's Bernard LeBlanc and Andrea. This is Bernard LeBlanc and he's going to brief you on the results of the fender bid for the replacement of the fender system on the dock. Mr. LeBlanc stated in reference to the rehabilitation of the Cargo Loading Dock Timber Piles project, we advertised the project properly. We had a bid opening September 12th. We had three different contractors: Boh Bros. Construction; Cajun Maritime and Womack & Sons. There were no rejected bids. Womack & Sons was the low bidder of \$884,025.00. I would like to advise the Board to consider awarding the contractor, Womack & Sons. Commissioner Pannell asked how much minority participation? Bernard said they did meet all MBE rules. The use of the parts distribution and the sum was \$31,192.60. Rick interjected and said they fulfilled all the requirements of the MBE forms and they originally came in and the first blush was for about \$97,873.60 and they revised it up to \$311,092.60 actual. It is all in supplies and materials. They're gonna do the fenders and the pipe for the piles and they'll do the labor. Commissioner Pannell asked what was the percentage. Rick said it's 35.2% of value and of that, if you take it as a percentage, since it's supply only, it comes in about 21.1% total. Commissioner Pannell said and I think that they did good on that because in the past they have been given me the total amount of materials and materials itself does not count for 100%. It counts for a percentage so by you giving me a percentage, that makes sense. Commissioner Griggs asked do we need to vote.

Mr. England said no sir, what we will do is take this under advisement. This project was in the budget for \$726,000 approximately and the bids came in, again the low bid is at \$884; however we will take this under advisement but it would be our recommendation to move forward with it. Again, this is a project we have attempted for several years going back to 2014, but then the floods of '15 and the floods of '16. We are in need of this project moving forward ASAP, so we would like to get approval next week. Hearing no further questions, Commissioner Griggs called on Rick for Port Projects.

Rick said the warehouse project is getting ready for contracting. Kevin is doing the work to get all the bid bonds etc. together so we can go forward with it. We did a rebid of Phase I rail project the last time we met a month ago. The paper work went back in the papers as quickly as we could. The revised bid will be on the 12th in about three days. The water line to Benteler is almost done.

Hearing no questions of Rick, Commissioner Griggs called on Eric. He said commissioners today, we have Mr. Jeff Clark with GEP, Haynesville, LLC to make a presentation regarding some property the Port owns and with regard to a potential mineral lease. We were contacted from Jeff and his firm and we would invite him to take the podium and make his presentation and make his request. My client, GEP, has secured leases in Section 12 from some people across the River and we're trying to look in to build our position to drill up some more Haynesville wells north of here. In Section 12, y'all have some acreage that y'all have acquired from the Whittington Lasseigne family and some other individuals. There's a 71-acre tract that was leased to J-W Operating Company in 2005. The well holding that, the Cowley 12 well, has gone off line several times during its history and in 2015, missed production for four months which made it a dead well or killed all the leases. This year to date it's made 1000 MCF through January through July. The successor to J-W is a company called Aethon Energy. They've bought a lot of wells at one time. They've given the Cowley's a release of the lease where the wells were situated. What we'd like y'all to do from the 71-acre tract (showing all backup site information). We have included a copy of J-W's old lease from 2005. We believe the 2005 lease is no longer effective. We would like the Port to go ahead and advertise the 71-acre tract for public bidding so we can get a new lease on it. Rick said it's the North Whittington property. Commissioner Pannell said I have one question. We know that on several occasions especially with Benteler we've had to look at moving wells. Would there be plans if we were to lease this to have like directional drilling where we wouldn't have a problem with intrusion on the property? Jeff said yes sir, we made our application with y'all on the provision that no surface operations be conducted on the tract. So hopefully the surface would not be disturbed by our operations. It would be a directional well, horizontal well. So it hopefully wouldn't mess with y'all's mission. Commissioner Pannell said how would we determine if we advertise for bids it would be basically the high bid that's coming in. I have no questions.

Commissioner Gregorio said no surface operations is the thing that is important to me right now. You're in agreement with that? Jeff said yes sir.

Eric said if we could have a motion to authorize me to entertain the documents and agreements necessary for this tract of land, we could continue to move forward. The motion was made by Commissioner Pannell and seconded by Commissioner Hall. Commissioner Gregorio said may I ask that motion to be with no surface operations? Commissioner Pannell said yes. Commissioner Griggs said do we have any questions or discussion? All in favor, say "Aye". Opposed? The motion passed unanimously.

YEAS: Commissioners: Sam N. Gregorio, Rick .C Prescott, Roy Griggs, James D. Hall, Capt. Thomas F. Murphy and James L. Pannell

NAYS: None

ABSENT: Lynn Austin, Erica R. Bryant and Steve Watkins

ABSTAINING: None

Eric said I have nothing further to bring before the Board.

Hearing nothing else, he adjourned the meeting at approximately 12:34 p.m.

A motion to approve the Operations Committee Report of October 9, 2017 was made by Commissioner Griggs. Motion approved by the following vote: Ayes: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

NEW BUSINESS:

Authorization: Award – Rehabilitation of Cargo Loading Timber Piles with Steel Piles: A motion was made by Commissioner Hall and seconded by Commissioner Austin to award the project to Womack & Sons in the amount of \$884,025.00. Motion approved by the following vote: Ayes: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. NAYS: 0. ABSENT: Erica R. Bryant. ABSTENTIONS: 0.

Bid Review: North Satellite Rail Yard Improvements, Phase I (Re-Bid): Bid results were presented by EJES. Recommendation by EJES to award to 2R Construction, the lowest responsive and responsible bidder.

PORT DIRECTOR’S REPORT:

Mr. England said November 6, 2017 is the date of the next meeting. We’re going to combine what is normally the Executive Committee meeting. It’ll be a Special Board Meeting whereby we’ll also have Executive Committee matters. The By-Laws state that Professional Services are reviewed by the Executive Committee. The majority of the Special Board meeting will be comprised of budget discussions for 2018.

The second thing that I have is inside your folders is a copy of the report from Heard McElroy & Vestal.

Commissioner Gregorio said that concludes our agenda and adjourned the meeting at 4:38 p.m.

Respectfully submitted,

Commissioner Roy Griggs
Secretary-Treasurer

December Meetings

Regular Board Meeting, Thursday, December 21, 2017 4:30 p.m.

Personnel Committee Meeting, Monday, December 11, 10:30 a.m.

Marketing and Operations Committee Meetings, Monday, December 11, 2017, 12 Noon
Regional Commerce Center, 6000 Doug Attaway Blvd, Board Room, Shreveport, LA