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Regular Board Meeting
Caddo-Bossier Parishes Port Commission
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
May 18, 2017, 4:30 p.m.

President Sam N. Gregorio called the meeting to order at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA.

Commissioner Griggs led the Pledge of Allegiance.

Commissioner Gregorio called on Mr. England for roll call: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins. We have a quorum. Absent: None.

Commissioner Gregorio recognized the Operations team: Garland Wells, Jerry McCune, Stephen Tingle, Shonnon Harris and Jerome Morgan and asked them to stand so they could recognize them for their achievements. He said the Port's operators have successfully passed their training and testing to become dual-certified for both Conductors and Engineer's. This is a three (3) year certificate and this is the second time our operators have been certified. The Operations team has the responsibility for the moving the train, safety of the train, safety of the people following the Federal regulations, following our internal regulations and doing it all right. What I have are some certificate cards for their recent certification which I'm gonna hand out. As I go around from the podium, please give me a hand in welcoming and thanking these five and recognizing their achievements. We'll get an individual photo and one with all the commissioners.

Commissioner Gregorio called for introduction of guests and welcomed them: Tyler Comeaux, BKI; Vickie Welborn, KTBS; Ty Scoggins, Scroggins Consultants; Ed Walsh, Robert Pou and Sarah McKinney-Williams, Gremillion & Pou; George Carroll, Joe and Zachary Johnson, Seth Dickerson, The TIMES. Staff: Eric England, Brenda Levinson, Rick Nance, Dannye Malone, Gloria Washington, Kathy French and Hettie Agee.

Commissioner Gregorio asked if there are any public comments on an agenda item. Hearing none, he said we will move on to Unfinished Business.

UNFINISHED BUSINESS:

Approval of the Regular Board Meeting Minutes of April 20, 2017: Commissioner Griggs said the Board Meeting minutes of April 20, 2017 is in your package. If there's been no changes, deletion, subtraction, I move for approval. The motion was seconded by Commissioner Prescott. Commissioner Gregorio said we have a motion and second. Any discussion? Hearing none, all in favor please say "Aye". Opposed? The

"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*

motion passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Approval of March 2017 Financials: Commissioner Griggs said the March 2017 financials are also in your package. If there's been no changes, deletion or subtraction, I move for approval. The motion was seconded by Commissioner Murphy. Commissioner Gregorio said we have a motion and second. Any discussion? Hearing none, all in favor please say "Aye". Opposed? The motion passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Marketing Committee Report of May 8, 2017: Commissioner Rick C. Prescott, Chairman, called the Marketing Committee meeting of May 8, 2017 to order at approximately 12:11 p.m. in the Board Room at the Regional Commerce Center.

Commissioner Watkins led the Pledge of Allegiance.

Commissioners present: Sam N. Gregorio, Rick C. Prescott, Lynn Austin, Capt. Thomas F. Murphy James L. Pannell and Steve Watkins. A quorum was present.

Commissioner Prescott called for introduction of guests: Markey Pierre, Southern Strategy Group; Ed Walsh, Sarah-McKinney Williams and Chelsea Rice, Gremillion & Pou; Shirley Wilson and Steve Melvin, EJES; Ty Scroggins, Scroggins Consulting; Charley Kingery, Wieland; Tyler Comeaux and Rob Bradberg, BKI; Keely Thibodeaux and Camille Darbo, Landmark Consulting and Mark Jusselin. Staff members: Eric England, Dannye Malone, Brenda Levinson, Gloria Washington, Ted Knight, Rick Nance, Hugh McConnell, Kathy French and Hettie Agee.

Commissioner Prescott called for Public Comments on Agenda Items. He said at this time I would like to entertain a motion to enlarge the agenda to include SB 148. The motion was made by Commissioner Pannell and seconded by Commissioner Murphy. He said it's been moved and seconded. Any discussion? We need a vote. All in favor by saying "Aye". All opposed? The motion carries.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Lynn Austin, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins.

NAYS: None

ABSENT: Roy Griggs, Erica Bryant and James D. Hall

ABSTAINING: None

Commissioner Prescott then called for SB 148 to entertain a motion for the support of SB 148. Commissioner Pannell requested Markey give a brief overview to the ones who had recently come in. Markey Pierre, Southern Strategy Group of North Louisiana, said SB 148 by Senator Norbert Chabert is the

Waterway Dredging and Deepening Priority Program. It sets up the fund to assist and to aid agencies with deepening and widening of waterways within the State of Louisiana. The Bill specifically as it is written just creates the fund. The processees will have to go through the APA process and how the applications are done so there'll be further input after the Bill passes and we ask for your favorable support. Commissioner Pannell said several ports have given their support to it. Markey said every port in the State has provided their support for this instrument. Yes. Commissioner Prescott called for any discussion? Commissioner Pannell made a motion and it was seconded by Commissioner Austin. Commissioner Prescott said it had been moved and seconded that we support SB 148. All in favor by saying "Aye". All opposed? The motion carries.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Lynn Austin, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins.

NAYS: None

ABSENT: Roy Griggs, Erica Bryant and James D. Hall

ABSTAINING: None

Markey thanked the commissioners and said she would share it with Senator Chabert. Commissioner Prescott thanked her.

He called on Brenda for a Customer Update. It included ADS, WLA, Pratt. Commissioner Gregorio said let me ask you a question. I saw in the paper that Pratt was not wanting to renew the contract with the City to pick up at the current rate. I don't know what's going to happen with it and have no information about it whatsoever. My question to you is will that and how will that effect the Port depending on which way it goes? Brenda said what we know at this time is that they're discussing the contract with the City because it was a ten year contract which basically expires in October of this year. So they entered into negotiations with the City to talk about the future beyond that. Recycling means a lot to Pratt because that's so much paper that they don't have to bring in. But as we understand it with what little information that they've been able to share since the negotiations are under confidentiality agreements, it was knowing that they wanted to look at options to be able to keep the pricing as it is that they didn't feel like anyone was interested in looking at an increase, so they've been working evidently very diligently from what we understand with the City on options that will allow them to keep the pricing the same, or if they want to make some changes in it, some things that they could do. So I understand from Ed the meetings are very cordial. They're laying a lot of things, options and opportunities out on the table so they can discuss it and give the City a number of options to be able to bring back out to the citizens. So it's very open. Commissioner Austin said Shreveport contributes to them such a small percentage of the paper that they use. When we looked at it in Bossier City, it was such a small percentage of what they actually needed. They didn't need us. We really saw this coming. They couldn't continue to do it for the price. People started using recycling for garbage and not just recycling. They were putting everything in it. They certainly didn't want to go up on the rates. Our rates are \$24. Shreveport pays nothing, but our residential rates are \$24 in Shreveport—Commissioner Gregorio said in Bossier—but it's a small percentage of what they use on recycling. Brenda said the recycling actually contributes probably 1% or less of what they need. One thing Ed did tell us when we had a conversation is that for the participation in the recycling in the City of Shreveport, it's as good as it is in places like California and Seattle. Some of these places are really in tune to the recycling and even there, they're recycling in the multiple bins, plastic in one, paper in one whatever. But he said the issue that they're running into is they make every street, stop at every house. They may make streets where they go down to be on the safe side but there are no recycle bins out. They may just have one out. But their bins are not necessarily full. As a matter of

fact, most are not. People are diligently putting them out but they're stopping to pick up bins that are a third full, a half full. And this is all being talked about, about ways to be able to address this to be able to continue and to keep the pricing in check. So hopefully they're going to come up with some good options. Commissioner Austin said when you figure at \$24 a month for an enterprise fund, and that's the amount considered to break even, so you know how much Shreveport's losing by charging "0". Commissioner Pannell said I just think that we ought to know more about what's going on since it's one of our tenants than we know at this point. I understand confidentiality agreements, but I think it's interesting to know that if they didn't have the recycling that would not have an effect on them because I mean, that's a major tenant and for us to not know what's going on I don't feel comfortable because I'm reading stuff in the paper and I don't know in your estimation at some point, would it be prudent for something to come before this Board for us to either support something or it's nothing that we can do from the Board's standpoint. Brenda said and I think the confidentiality agreement as we understand it from Ed, and he's trying to not say, since he has signed an agreement not to discuss it, is that they knew some information was getting out and it wasn't accurate information. And I think that's why they wanted to be sure that as they talked about it that it wasn't misinformation and that they basically are—Pratt as I understand, they are putting all the information out. They'll have a ten year history of where their best recycle spots are, where they need help with it, which neighborhoods like where participation is the greatest and they're actually laying all that out so that as they look at it they can be looking at things in different areas that would help to promote the recycling and be able to make it continue in the City and to be a good thing with it. And I certainly understand what you're saying. I'm sure at some point that there will be enough out there that both Mayor Tyler and probably jointly as a group, I would imagine that they would want to make public at least the options they are looking at as they move forward. Any other questions on Pratt?

To continue with our customer update, Calumet, Ternium, Benteler. An update on prospects included McCarty. On Nucor we're excited about this. The first barge is supposed to be in here Sunday. We'll get it unloaded Monday. Tuesday is their big day to start moving those coils out.

Commissioner Pannell said I think at the retreat we had that was one of the things that I was bringing up about—I think we have a huge opportunity on this end to make the same type of deals here. Because from my standpoint, if it makes sense for someone to load a barge and come all the way up north, I don't understand why it wouldn't make sense to load a barge here and go all the way south. It's all about the cost. The only question I had and the only question that I would maybe ask of Eric and probably Ted, how would that work to put that in full operation? I don't see the Port necessarily being the only one doing that because when I went to a Port conference down in New Orleans about a month ago, there were companies there who were interested in coming up here to maybe work with the Port. Everything north of here and even east of here, and west maybe not so much, you've got the River over here. All that territory over there is marketable territory. And how we put something together to make that happen. We have a huge opportunity and I would just like to have some further discussion on possibly bringing in the people who can at least talk to us about it because we did that much on our own so just think how much opportunity that could be if we had people who actually do this and there are people in the business of finding customers with commodity moving commodities. I just think there's a huge opportunity and something we can look into. Brenda said it's one of those things. It's like once we located Pratt and some other industry, people start taking note. Once you do it, they find out about it; they wonder what you've got that's working and that's one of the things that helped with Benteler in putting the pieces together. And so the fact that Nucor is excited about this; they're planning on making it

a big publicity piece within the company. It's going to get around. People will know. We're geared up; we're ready and excited about it. We told them you bring it, we'll do our part.

Eric said our services agreement is an agreement that spells out precisely what we do for the customer, responsibilities, obligations of the two parties. And one of the main provisions in there is our insurance provision. As you know, the Port Commission has adopted Insurance standards or minimums that we require of all of our lessees and customers. You all have been a part of that process here as recent as the past 24 months. But it's standard for us to ask for certain things of certain customers but along the way, we also have to be flexible and make adjustments. Nucor has asked for some specific changes with regard to the insurance. These insurance requirements have been adopted by the Board. They're not anything that I can make a decision on with regard to waiving these requirements and I've asked Danye to provide an overview of these provisions that they're asking us to comply with. We will need an action following his presentation if the Commission feels as though.

Danye said within the framework of the service agreement, of course we have insurance requirements incorporated in the service agreement. I spoke with Counsel for Nucor and two specific requests have been made of the Port: One, to waive the waiver of subrogation requirement and secondly, to waive the 90-day notice of cancellation requirement. I've looked at our potential exposure with the type of activities that will be conducted at the Port and it appears to me our relative exposure would be diminutive and that we would certainly recommend the waiver of those two requirements. Danye said one additional one naming us as additional insured. Commissioner Gregorio said so they're asking that they not name us as an additional insured. Danye said that's correct, that those three requirements be waived. Commissioner Gregorio asked what was the subrogation waiver? Danye said Waiver of Subrogation. Commissioner Gregorio asked how would that apply? Danye said the way that would apply that a Waiver of Subrogation means that it's an endorsement that's contained in an insurance policy that precludes an insurance carrier from recovering money that it pays resulting from a negligent third party claim. So in other words the way it would work with respect to the Port, that if in fact there was a negligent act on our premises and we had to pay for that negligent act, then we could not subrogate against Nucor's insurance carrier and vice versa. Commissioner Pannell said but do our insurance cover that if it was to happen? Danye said and that's one of the things that Eric and I reviewed last week and yes, insurance would cover it. Commissioner Pannell said this appears to be similar to the same situation we was dealing with about in our last meeting about waiving someone's rental fee. The bottom line is that the reason for doing that is not so much of doing it, but we have to have a reason for doing it so somebody else don't come and say why don't you waive our fee. So do you see a reason as to why that would be—what can we stand on to say that we will only waive that because of the circumstances here? Danye said honestly when the request came in, I was somewhat baffled because that's fairly standard language that we utilize in all of our service agreements and in in our lease agreements and I was somewhat surprised that request was made and have not really been given an explanation why the request was made. Commissioner Gregorio said what about the same with the 90 cancellation? Danye said the 90 day cancellation I have not been given any--Commissioner Gregorio asked and why the naming of the additional insured? Danye said I haven't heard any rationale for that. What we expressed to Nucor was those waivers would certainly have to be approved by our body. Commissioner Pannell said and in a negotiation you are going to put something out there that it doesn't matter if you (inaudible) it up. Do you see what some of those things is something that they—at some point, they push—you push and then you get to a point of saying we

can't do a deal. We don't want to get to that point, but we're to the point where we're saying we're just going to accept this or do we have room to still negotiate on it? Do you feel this way? Danye said I think they're fairly serious about it to be quite honest. We've gone back and forth a couple of times. I think they're fairly serious about it. And I think they take the position that—that's the position they take in all of their arrangements. Certainly we can push back, but you have to balance the interest. If we push back to the extent that we lose the business or, I'm not sure. Commissioner Pannell said y'all are the ones that's negotiating so I don't think that's a question we could answer. We're asking y'all what do y'all think? Danye said you know again, based upon the activities that I am aware of that they will be conducting here, I think the relative exposure is not that great to the Port. Commissioner Pannell asked Eric. Eric said I recommend it. Commissioner Pannell said that's one of the situations that sometimes you have to go to staff about it. Commissioner Prescott said if y'all are comfortable. Do we need to entertain a motion? Danye said yes to waive those requirements. The motion was made by Commissioner Pannell and seconded by Capt. Murphy. Any other discussion? Commissioner Gregorio said I would like to see if in the negotiations you can get an economic business understanding of why they want those three. I think that would be helpful to us with other clients and in the future to understand that. Danye said we can certainly make that request but I do understand time is of the essence. We've got—Hugh said it's loaded; it's on the water. Danye said so time is of the essence. Commissioner Prescott said we have a motion and a second. Any discussion? We need a vote. All in favor by saying "Aye". All opposed? The motion carries.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Lynn Austin, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins.

NAYS: None

ABSENT: Roy Griggs, Erica Bryant and James D. Hall

ABSTAINING: None

Brenda said I have one more thing on the report. We heard from LED. We had requested monies from EDAP to help offset the construction cost of the 50,000 sf. ft. expansion at ADS. Got a call Friday and they are going to help us to the tune of \$500,000. We'll be getting all the paperwork and the agreements in place this week. We got an update on our Port Priority project which we submitted for funding the project. That amount was \$3.75 million and it is now ready for this legislative session and for a public hearing and then we'll be hearing back on Port Priority which Ternium needs and it has a big part for their growth plans for this year

Eric said we've been working with a company that has experience in renewable energy. Their particular interest in this area is solar and not wind. They have approached us and SWEPCO about building a 50 MW solar panel farm. They particularly like the tract of land that we refer to as Cupples West which is across the street from Hwy. 1 and land that's in the Port Expansion study, particular tracts, those that are nearby the Port, not within proximity but about two miles, about 10,000 or so feet. And they're going through a process of evaluating sites, including ours, and one of the key things to this project is a Federal credit for constructing this renewable power in the area around 30%. The key is to time your solar farm construction before the tax credits expire. The expiration is in 2019. I give you those dates because in order to build a solar farm, you have to submit applications to the proper jurisdictional authorities. In our case, that's the Southwest Power Pool. As you know we have a Federal Energy Regulatory Commission also known as FERC. Broken down we have our regional entities that oversee the grid. Ours is the SPP (Southwest Power Pool). To build a solar farm and to have all the necessary evaluations and testing done, it's about a year plus process just in terms of the evaluation at SPP. And SPP only takes applications in

May and November. The entity is desiring to move forward with the tract of land and they want to pursue an option. What we'd like to is let the Commissioners know we're pursuing this project at this time and we think it would be a good fit for the property. Also some of the additional property that's in our Port Expansion Study that may not be the best suited for Heavy Industrial would be better suited maybe as buffer property, but one of the things that they have to demonstrate in their application to the SPP is that they have the ability to option the property. What we would like to do is use the period of time between today and next Thursday as move the deal along so they can, if possible, meet that end of May deadline. If so, we will be asking the Commission for authorization for us to enter into an option agreement for the Cupples West tract, a short-term lease agreement that demonstrates the company's obligation to honor the option and if the project moves forward, the obligation to lease that property for a long-term deal. The way this would work is the entity would be the builder of the power. They would build the solar farm and then they would either sell it to SWEPCO or sell it to another company. This would not be a project where the Port would be a utility provider. They would just be building it and, if you will, flipping it. SWEPCO could very well be a buyer for this. They have an RFP they recently issued for renewable power. This is part of their mission and directive. It's another opportunity. Wanted to make you aware of it. Gathering feedback we could-- we had a conference call this morning. The company is willing to take all the financial risks. You're talking roughly a couple hundred thousand dollars in application fees with all the possibility in the world that the project may not move forward. But the company is backed heavily by PALO ALTO Venture Capitalist Angel Investor that's into these high-risk high-return but it has that niche for renewable energy. Just wanted to share that with the commissioners as one of our prospects that's out there. It could be structured into a favorable lease for a long-term deal for us, not necessarily a high job count, we'd be more focused on the annual rental on the lease payment. Be glad to answer any questions that we know of at this point.

Commissioner Watkins said SWEPCO is aware of this obviously. Eric said they are; they were on our conference call this morning. Commissioner Watkins asked have they given us any feedback on what they think about this? My point is I would hate to get too far into this and SWEPCO be totally against it being an economic partner they are with us. I certainly think that we would want to run it by SWEPCO and find out. Eric said we communicated with the President of SWEPCO at this point and it's going even higher to the AEP corporate office in Columbus. Our intel on the company as a whole and the principles is fortunately from a matter of credibility standpoint is that the executives that will evaluate this deal in Columbus have first-hand working knowledge with the principles at this company and speak favorably of them. So from that point, it lends to credibility. We don't have a position on whether or not it is a go, no go but at this point we don't want to close our door to it. To the question about SWEPCO's knowledge of it, yes, fully. We're including them on all things, and we've made it abundantly clear that even though the Port's enabling legislation could very well be a utility in our own right, that's not our mission here. We don't want to pursue that. We'll be a landlord on this deal; we'll lease the property. To your point about SWEPCO being a business partner, we, the Port, would not enter into an arena of being a utility. It's a game changer in the rate structure for future and existing customers and we don't want to jeopardize that.

Commissioner Watkins said the only other comment--I think you probably answered it. You know when we looked at years and years ago about doing a power plant here and took RFP's. There were a lot of speculative, for lack of a better word, proposals, a lot of middle men in it. Are we actually dealing with the main guys and I think you've answered the financial strength of those guys—are they strong enough to pull this off. This also probably lends well to some property we have that have some oil and gas well

obstacles. Can they work around those? Eric said that's a good question. In fact, we talked about that this morning. We're blessed at the Port in that we have the Robson substation and then we have the Bean substation, Robson being the one at Doug Attaway and the Bean being the one adjacent to Pratt. Not only do we have those substations but we have the large 138 lines that tie into those. To your comment about what I would just call the less attractive sites because of the natural gas wells. Brenda, what was the cost per mile? It was \$1.2 million per mile basically to run those transmission lines to a substation. So that sets off basically an analysis of how far can you put a solar panel from Doug Attaway Blvd. to Hwy. 1. But because we have those 138 power lines that run to there, they're in proximity to those lesser attractive properties in the Port Expansion Study. Furthermore, they're in that area that is what I would call west of the proposed 3132, that area that we've designated we won't necessarily build on so we can serve as that buffer to the neighborhoods to the west of us. So from a financial standpoint they can be further away. All they have to do is be able to tie into those lines at a far less cost. It has the makings of significant attractiveness. At this point, we just think it's something we ought to dedicate some energy and time to and pursue. What that will require of the Board next week is authorizing me to enter into an option that would be favorable to us in the project moving forward. Commissioner Pannell asked how close would that be in proximity of the neighbors across the street? Eric said adjacent to their homes. Commissioner Pannell asked would that require any type of buffer or anything? Eric said those decisions would be left to you and your fellow commissioners as to that. Commissioner Watkins said the buffer question is I think the buffer is going to happen with the retail establishment if that's the way we go and that would buffer anything from that. Commissioner Pannell said the retail establishment, there is quite a bit of land behind that. Eric said right. I guess the question would be and that's not going to come back to us until next week. We need to know in that negotiation if they're going behind where the planned strip mall is. That's part of the area they are also considering? Eric said it is. They would be adjacent both to the homeowners and the retail facility that we would build. Commissioner Pannell said I think we would have to make a decision now because if they come back and says to go, then we will make a decision as to how we satisfy the homeowners as far as the study is concerned. I don't know what that does. Commissioner Gregorio asked Eric do you need at some point action from us today. Commissioner Pannell said I'm just saying we're trying to figure out what action we need. Eric said I think the action will allow me to use the next week and a half and the staff to conduct our due diligence and I believe because we have the 18th meeting, we'll be in the right place. If we didn't have that subsequent meeting, there would be a need today. But I think on the 18th. Using Google Earth, Eric pointed out the project, the retail structure, the neighbors. Commissioner Gregorio asked how far down to the bottom of the picture does the solar farm go? Eric said that is what we would have to establish. We don't know how many feet. But with the question about the buffer, the requirements as to a buffer, whatever will be decided will be decided by this Board. There's not another body that will tell us what type of buffer we have to build unless it's SPP etc.. Commissioner Gregorio said let me try to ask you a different way. The solar farm wants to use how many acres? Eric said they want to consume all of it. Commissioner Gregorio said all of it down to where on the bottom of the picture. Eric said as much as they can. They want to effectively maximize use of this site plus another 300/400 acres. Commissioner Pannell asked at the next meeting can we have a picture or a view of one of the existing locations because we're talking about something else after fact as opposed to looking at what a solar farm looks like we would have some kind of idea of what potential problem it may cause. Eric said sure.

Commissioner Gregorio said Eric, just one other question if you don't mind. Where would the proposed 3132 go on that picture on the screen, roughly? Tyler Comeaux used the screen to show the

Commission where it would go. Commissioner Gregorio said the farm would be to the east of the 3132. Tyler said both east and west. Eric said that's correct. For purposes of moving forward with the SPP application, they're going to need to demonstrate an option on our property and that's what they'll do. What we're trying to do is identify the best tracts from our standpoint and from their standpoint. When I say from our standpoint, to the point that Commissioner Watkins was asking the question about finding those pieces of property that are maybe inundated with gas wells. Those will be east and west of the 3132 proposed corridor. Commissioner Pannell said the solar panels would not have an issue with where the gas wells are currently located. They can co-exist. Eric said we'll find out about that. Commissioner Watkins said the only option that they're looking for now is the Cupples land, correct. I mean that's the only option we can give them. Eric said that's right. Commissioner Watkins said we wouldn't give them an option on anything we currently own other than the Cupples land. Eric said and that was the point that was made on our conference call this morning. The rest of the sites are tied to job creation and commodity movement. This is not that. This is a revenue generator for the Port. Commissioner Watkins said and at some point they'll come back and say we would like "X" number of acres and it would be incumbent on us to pursue and provide those acres. Commissioner Pannell said but there would have to be done in a way where what they want will not block off land that we will never be able to do anything with because of the solar panels. Eric said that concludes what we had under potential customers. We're ready to move on with the agenda with the monthly reports, Commissioner Prescott.

Calling for any comments or questions and hearing none, Commissioner Prescott called on Kathy to give the Public Affairs report. She congratulated Ty Scroggins, Scroggins Consulting who received the 8(a) Graduate of the Year by Louisiana Economic Development and the U.S. Small Business Administration in Baton Rouge.

Commissioner Prescott called on Eric who said the Finance Audit Committee meeting would be held on May 18th at 3:00 p.m. followed by our regular Board meeting.

Hearing no further business to come before the Marketing Committee, Commissioner Prescott adjourned the meeting at approximately 1:14 p.m.

Commissioner Prescott said the Marketing Committee report of May 8, 2017 was in your package. Any additions, corrections or deletions, I would move for approval? Commissioner Gregorio said we have a motion on the table. Any discussion? If not, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Operations Committee Report of May 8, 2017: The meeting was called to order by Commissioner Gregorio at approximately 1:15 p.m., May 8, 2017 at the Regional Commerce Center Board Room.

Commissioners present: Sam N. Gregorio, Rick C. Prescott, Lynn Austin, Capt. Thomas F. Murphy, James L.

Pannell and Steve Watkins. A quorum was present.

Guests in attendance: Markey Pierre, Southern Strategy Group; Ed Walsh, Sarah-McKinney Williams and Chelsea Rice, Gremillion & Pou; Shirley Wilson and Steve Melvin, EJES; Ty Scroggins, Scroggins Consulting; Charley Kingery, Wieland; Tyler Comeaux and Rob Bradberg, BKI; Keely Thibodeaux and Camille Darbo, Landmark Consulting and Mark Jusselin. Staff members: Eric England, Danyne Malone, Brenda Levinson, Gloria Washington, Ted Knight, Rick Nance, Hugh McConnell, Kathy French and Hettie Agee.

Hearing no public comments, Commissioner Gregorio called on Hugh for the Operations report. Hugh said April had been a strong month on rail activity. The three biggest movers in the Port right now are Ternium with the steel coils and Hexion and Carbo with the frac sand and West LA Aggregate who received their 5th unit train in April, over 53,000 tons year to date. As Brenda mentioned, from commercial construction to the oil and gas industry, they've really started moving a lot of product. The last crossing repair will be done at the Ternium crossing next week. The operators got recertified as engineers and conductors last week. In total, there were 702 new cars, 1465 switches and 66,340 tons, a really strong month.

Under barge activity, the River crested this past Friday at 18.8 ft. at the Shreveport gage. Today it's at 15.8 and it's falling quick. They've stopped traffic up above us from all the rain north of us. For Blount Bros. the stevedores loaded rip rap that was railed to WLA. Brenda and Eric mentioned the Nucor; they're really excited about coming to the Port. Two things that gave them trouble, Union Pacific and congestion out of the Port of Houston. A routine barge service will mean more freight, more traffic, better rates and potential scrap cargo as well. Oakley reported 11 barges of frac sand and 2 barges of agricultural products. Red River Terminals reported 3 barges of petroleum. So in total there was 17 barges, 29,427 tons. The start of a really good year so far.

Rick reported: 1) on the redundant water line, we have the last remaining big bores, two of them, one of which is the one at Doug Attaway. 2) stevedore parking – contractor to arrive in mid summer; 3) the stevedore building – the building is finished and will be inspected; 4) road striping – is finished; 4) dock retaining wall – awarded the project to SNA Contracting; 5) directional signs – are powered up; await electrician. Commissioner Pannell asked where does the furniture stand in the new stevedore's office? Rick said some of the stuff is being orchestrated and moved from here down to their office, the computer for instance. As far as additional furniture, I'm not sure that we have anything additional other than the table to go in there.

Calling for any other questions and hearing none, Commissioner Gregorio called on Eric for monthly reports.

Commissioner Gregorio asked Eric to introduce the Reuse Water Line Study Presentation. He said as part of our 2017 budget we placed an item for Reuse Water Line Study and then subsequent to that placing in the budget, we have chosen BKI and their team. They are here today and the purpose of today is what we're calling a kickoff for them to give us an overview and to gather as much feedback just from the onset of this project as possible. After our meeting today with the Board, we're going to have a kickoff meeting at the staff level as well. This was an opportunity for us to get as much feedback as

possible from the commissioners. Tyler Comeaux, BKI, introduced the project team: Camille Darbone, Sr. Project Manager and Keely Thibodeaux, Principal of Landmark Consulting, LLC and Rob Bradberg, Sr. Senator Engineer. Tyler said we want to do is give you an opportunity to give feedback. What I have on the slides is what we intend to utilize in the purpose and need of this project and make sure that our vision is the same as your vision. And ultimately your vision is what we want to be our vision. I have a few slides to get the thoughts going.

The purpose and Need of this project: Tenant attraction; Sustainability of Port Tenant needs; Remaining on cutting edge of future Tenant's needs; Planning to account for future growth demands; Water conservation using various alternatives and Cost effective alternative to potable water. That's somewhat of the purpose and need as to what we see.

Existing Conditions: 24" reuse water line installed; Pump station installed at the Lucas Wastewater Treatment Plant; Port water tower storage – City input required for maintenance and proposed use of Reuse Water.

Proposed Reuse Alternatives: Review Treatment Options – Determine maximum output of existing infrastructure; Develop four (4) reuse alternatives with varying levels of clarity of water for each alternative; Filtering analysis to determine the most cost effective solution for the Port's Tenants.

Commissioner Pannell said that was one of the things that I was concerned about and two issues would be--and we know we have the line that's coming here already--but the question is what is the difference between the water from right out here as far as we know we have to put in a new purification system? What is the difference in the purification system if it took water from there because we would be--like you're saying--if we've got tenants that use the reuse water we can't guarantee them that they're gonna have the amount of water based on the fact that there's not enough going through there, that sounds crazy and then second of all, whatever additional purification that has to take place, I'm assuming it could probably take place there or it could take place on our property. To put it there, that would make no sense at all because we need to figure out a way that everything that belongs to the Port, and then at some point, because I have a problem with--and if I remember correctly, the reuse water line--we had that thing put in. It was almost up and running when all of a sudden it hit Mike Strong. He said y'all stop. That belongs to the City and we want a portion of their money which is what ended up being the deal if I remember correctly. I just don't want to be put in a situation where we have to depend on somebody else when we're trying to put something in for our tenants and we can't guarantee them that we can get it to them because of that. So the first question is what is the difference between the water there and getting it straight out of the River? I'm not asking for an answer. I'm saying those are the type of options we would like to see and then--we've talked before and in fact, Steve and I have talked about how do we deal with--and he has the history because he's been here for some of the things that we have now based on the Board back then saying we need this. At some point, we've got to know that we're going to need possibly potable water. And it's not a question of the Port spending money, but we need to have that type of information. We don't need to pay you for a study and then turn around and pay somebody else for a study. So I think at this point we need to make sure that we get the answers. The third thing is that the land you're studying--and it's good that you are on this project--because the land you study does us no good when we're looking at land somewhere we don't know if we can get the necessary stuff to it like power, water. And it came to my attention that when we started talking about

going further south, that was taken off the equation because we didn't have redundancies for the south. So some kind of way we've got to know the land you study has to tie in with the utilities etc. and I don't think that is there now. We need a piece of land somewhere and then we decide to go buy the piece of land. Then we start thinking about well we don't have utilities there. Some kind of way we've got to know everything here before we start talking about which way we are going. My understanding is across the River we don't have an issue over there, but the rest of the stuff over here, where are those issues as far as being able to supply the potential tenants with what their requirements are. And I know at one point we built an additional power plant here. That was the reason why we built an additional power plant and that's the reason why we came across the River with power because we have to have redundancy. But I don't see that with water. I know we've got the water line here but I don't see how we will serve people past Benteler and do we have the capacity now if we decide to. So those are the things that we don't know that we need to at least know, if that makes any sense, Mr. Comeaux.

Tyler said yes, I'm writing it down those questions. We certainly can address that. And I wouldn't say it's a full-on master plan, but it's somewhat of a utilities master plan for some of that land you study. How do you serve? What do you serve? What types of water? How would you get it there? What type of costs you're looking at for some of those potential candidate sites that we've developed as a part of the Port Expansion Study. Commissioner Pannell said the Port Expansion Plan because if we sit here and start talking about buying land—our main issue that we deal with here is the cost of that land. That was our determining factor. The determining factor also should be can we get these people what they need if we had that land. Tyler said and if you remember, we did something very high level in the Port Expansion Study in that the purchase of the land was actually one third of the cost. The other two thirds was the development in the infrastructure of that land. Now that's all infrastructure. It would be more of a utilities type of infrastructure addition. Tyler said that was my last slide. Commissioner Gregorio asked if there were any questions for Tyler. Eric said what we'll do is update the scope based on this feedback and then our meeting today and present that back to the Board with any comments we have.

Hearing no further comments, the meeting was adjourned at approximately 1:40 p.m.

Commissioner Griggs said the Operations Committee report of May 8, 2017 is also in your package. If there's been no corrections, changes, deletions, I move for approval. Any discussion? If not, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Approval of Port Expansion Committee Report of April 20, 2017: The Port Expansion Committee meeting was called to order by Committee Chairman Steve Watkins at approximately 3:30 p.m. on April 20, 2017 in the Board Room of the Regional Commerce Center. Introduction of guests was called for.

Committee members in attendance included Sam N. Gregorio, Steve Watkins, Capt. Thomas F. Murphy and James L. Pannell. A quorum was present. Commissioner Roy Griggs was also in attendance. Guests: Tyler Comeaux, Burk-Kleinpeter; Joe and Zachary Johnson, Robert Pou, Ed Walsh and Sarah McKinney-

Williams, Gremillion & Pou; Mike McSwain, Damien Ford and Travis Jore, Mike McSwain Architect. Staff: Eric England, Dannya Malone, Rick Nance, Kathy French and Hettie Agee.

Commissioner Watkins called for any public comments. Hearing none, he called for the first item on the agenda, Commercial Development, to be presented by architect Mike McSwain.

Mr. McSwain gave a power point presentation showing the two sites that had been reviewed and analyzed for potential commercial development. He delivered some preliminary master plan concept studies to the Port Expansion committee and said they really hadn't got into the design but had thoroughly tested them at the site and what it can hold.

Commissioner Watkins asked if commissioners had any questions for Mike. Commissioner Pannell said he just needed to go back over--- you said the land behind the development would loan itself—what now? Mike said for either additional commercial development if this really took off and the market needed it, or could be absorbed into other uses. You've got a lot of land there. We're really just looking at taking a piece of that "what's yellow" on this map and we just had a line that we drew there. And I think it related to some adjacent properties, but I think that could fold into what is "pink" back there or other uses as the market dictates. Commissioner Pannell said my only concern was we wanted to make sure we put something over there that was Light Industrial because there's been some concern about Heavy Industrial and I still would hate to see it get to be an overly congested area—green space or whatever else we might need to look at doing—Mike...buffer—but I wouldn't want to see it turned into just a whole congested situation because that's kind of defeating what we're trying to do in the first place. Mike said I would agree with that—I think. Commissioner Pannell said we have some residential areas over there and I'm looking at it from the standpoint of—you know if we owned the land, we have to put something there. But what do we put there that would be less intrusive. We don't want any kind of industrial stuff there, but we would not want to see it turn around and just turn into a massive congested situation and that would be my concern. Mike said understood. Thank you.

Commissioner Murphy said if you remember the surveys that we did of our tenants, one of the things that the tenants keyed on is a daycare center for the employees throughout our whole campus. In the back of my mind I think that's a tremendous need in this area; however. also in the back of my mind brings—I don't want to be negative, but it brings a problem of parents taking kids to the school going across a railroad track. So it's something to consider anyway. The concept I'm in favor of that we would certainly need that but how are we going to address the idea of getting across the railroad track? Mike said I agree. I don't think we've got answers for that today but we share the concern, but I think it can be overcome.

Commissioner Pannell asked who would be responsible for access across the railroad track—that would be strictly with the Union Pacific? Eric said with the railroad. We would have to have those discussions and interactions with them.

Commissioner Watkins asked Mike would you see the main entrance to this piece being on the Ron Bean extension? Eric said that's Gate B. Mike said that is where we would see the main entrance. The signal's right and the right kind of crossing for the railroad. We think that's the appropriate place and

makes it a logical intersection. I've talked with Eric about this and we've just got to work through that with the railroad.

Commissioner Watkins said it appeared to me in one of your concept drawings that you were cognizant of the need of a buffer on the far right. It looked like you put a little swoop of trees or buffer right there. I'm assuming that's what that was. Mike said it is and that's what it was for. I think we, especially around the day care, certainly that end, we wanted to isolate it, probably an opportunity for some outdoor play—make it not a commercial center; make it a proper day care setting.

Commissioner Watkins asked if there are any other questions for Mike and thanked him. He said he would entertain a motion now if anybody desires to instruct Eric and Mike to continue moving forward with either site or one site. The motion was made by Commissioner Gregorio and seconded by Commissioner Murphy. Calling for discussion and hearing none, he said all those in favor, say "Aye". Any opposed? Motion carries.

YEAS: Commissioners: Sam N. Gregorio, Steve Watkins, Capt. Thomas F. Murphy and James L. Pannell.

NAYS: None

ABSENT: Lynn Austin

ABSTAINING: None

Commissioner Watkins said the next item is an update on Port expansion and called on Eric. Eric said as you know in the time that we've begun the Port Expansion study and received the report, we've had discussions with various landowners in the top ranking candidate sites. And since our last meeting, I want to report to you that we've had several meetings with the landowners that are surrounding the Port complex. There's still a level of interest in selling the property and we've continued our interactions with them. At this point we don't have a recommendation to move forward with a particular tract in one of the candidate sites. We wanted to let you know there are still a number of willing landowners that are interested in selling to the Port. As we get more information from them, we'll report that back to you and call an appropriate meeting. Commissioner Watkins asked if there were any questions of Eric.

Commissioner Watkins adjourned the meeting at approximately 3:49 p.m.

Commissioner Watkins said also in your packet is the Port Expansion Committee report of April 20th. Unless there's no additions, deletions or corrections, I move for approval. The motion was seconded by Commissioner Pannell. Commissioner Gregorio said we have a motion and second. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Executive Committee Report of May 8, 2017: Commissioner Sam N. Gregorio, President, called the Executive Committee to order at approximately 11:05 a.m., March 8, 2017 in the Board Room at the Regional Commerce Center and welcomed everyone.

Commissioner Gregorio called for introduction of guests: Markey Pierre, Southern Strategy Group.

Committee members present: Commissioners Sam N. Gregorio, Rick Prescott, and Capt. Thomas F. Murphy. We have a quorum. Commissioner James L. Pannell was also in attendance. Staff members: Eric England, Dannye Malone, Gloria Washington and Hettie Agee.

Commissioner Gregorio called for public comments on agenda items. Hearing none, he said we would move on to the first item on the agenda, Fiscal Agent Bank. Eric said the Port has a designated Fiscal Agent Bank, Capital One Bank. Their contract with the Port is set to expire later this year. Changing those systems out every three years is not an easy task. Commissioner Prescott said he would like to make a recommendation that—Gloria does such a great job in what she does—and I would rather take her recommendation to what she thinks would be best and move on from there. I make the recommendation that we take the recommendation from Gloria. Commissioner Murphy said I can second that—and provide it to the full Board. Commissioner Gregorio said I just have one question. When you say Fiscal Agent Bank, is that a special category or do they provide a special service or is it just the bank that we use? Gloria said the bank that we use. It's where our money is housed. Dannye said the other thing is that we're required by law as a political subdivision to select the Fiscal Agent Bank. Commissioner Gregorio said any other comments, questions? Gloria said Capital One's commitment to us is that they will pay us 10 basis points over the monthly LAMP rate. At the time when we made that LAMP—and it actually still is—had a very good rate. So Capital One pays us 10 basis points over LAMP. Commissioner Gregorio said when you say pays us, is this—Gloria said our interest--. Gloria said Louisiana Asset Management Pool. Commissioner Gregorio said so we could put our money there and get 10 basis points less versus Capital One. Gloria said although LAMP is liquid, you can't use that as a daily operating account. Commissioner Gregorio said but as far as interest rate, we get a better deal with Capital One. So what I'm hearing is it's more efficient, more cost effective, easy to use, professional, true? Gloria said banking relationship established already. Commissioner Gregorio said and I think Commissioner Prescott was—you want to make your suggestion in terms of—do we need a motion? Eric said a motion to, if we could, a motion to place on the Board agenda for further discussion. Commissioner Gregorio said and I would suggest if you think so, if you think it's appropriate, to add that we go out and re-evaluate this every five years instead of every three years, Dannye, if that's legally permissible—every five years versus three. Dannye said well, let me check on that and make sure of that. Commissioner Prescott said can we just put it in the motion then anyway? Commissioner Gregorio said can I make a suggestion? I would say not put it in the motion and then let's address that at the Board meeting. We can add it after Dannye's had a chance to look at it, if you think that's appropriate. Commissioner Prescott said okay, I'm going to make a recommendation that we take this matter to the Board for further discussion and recommending that we take Gloria's suggestion. The motion was seconded by Commissioner Murphy. Commissioner Gregorio said we have a motion on the floor that we approve Capital One as Fiscal Agent Bank and we have a second on the floor. Any discussion? Hearing none, we'll take a vote. All in favor, please say Hearing none, all in favor please say "Aye". Opposed? It passes unanimously.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, and Capt. Thomas F. Murphy,

NAYS: None

ABSENT: Roy Griggs

ABSTAINING: None

Commissioner Gregorio moved to Auditor of Record and called on Eric. He said along the same lines our existing contract for auditing for both of our budgets is Heard McElroy & Vestal and they are set to make a presentation on our 2016 draft audit later this month at the Finance Audit Committee meeting

May 18th at 3:00 p.m. In addition to that matter of business, we also have the matter of making a decision of our future Auditor of Record. Along the same lines with the Fiscal Agent Bank, these matters have been discussed in the past with the Executive Committee and we'd like there to be a discussion based on our recommendation that Heard McElroy & Vestal—their existing contract is for five years, and I realize while we're doing the Fiscal Agent Bank analysis of the law, it wouldn't hurt to do the same review for the other two items that we have terms, Auditor of Record and our Insurance Agent of Record. These are the main three that we tie to terms. Our Auditor of Record is Heard McElroy & Vestal; they have a five year contract. It's our recommendation that we continue with Heard McElroy & Vestal and with a five year contract. We'd like to see the discussion from the Executive Committee as well a recommendation it be placed on the full Board agenda for discussion among the full Board as well. Commissioner Gregorio said and this recommendation is for the audit only, not the internal procedures audit. Eric said correct. Commissioner Gregorio said so we make that distinction from the beginning. Commissioner Gregorio said what has the experience been with Heard McElroy as far as the audit? Gloria said I totally agree with the recommendation to maintain Heard McElroy & Vestal as our Auditor of Record. I've worked with them for—on May 17th it will be twenty five years here at the Port. They have grown with the Port. They are very familiar with all of our capital projects, our future capital project needs. They're very familiar with our accounting program; they're very instrumental in the accounting program that we chose so that they could print out the reports that we need for the audit. We have a great working relationship with them. Commissioner Gregorio said I think Heard McElroy is one of the largest regional CPA firms. Gloria said it definitely is. Commissioner Gregorio asked in the area or the State? Gloria said in the State. Commissioner Gregorio said and they do multi-state work? Gloria said absolutely. Commissioner Gregorio said and auditing is one of their mainstays and you've had a good relationship with them? Gloria said yes sir. Commissioner Gregorio said do you find that each year they have one person who returns for stability but bring new people also? Gloria said yes. Our auditing manager has been the same for the past several years and he has different people that come out and help him but my main contact has remained the same over the years. Commissioner Gregorio said other thoughts or questions or comments? Commissioner Murphy said I would think that logic would dictate that we continue with what has been a very good thing for both us and them that we maintain this and recommend it to the Board. Commissioner Murphy said I'll make that in the form of a motion that we recommend to the Board that we maintain Heard McElroy as our Auditor of Record. The motion was seconded by Commissioner Prescott. Commissioner Gregorio said we have a motion and second on the floor. Any discussion or other questions? Hearing none, all in favor please say "Aye". Opposed? It passes unanimously. Thank you, Gloria.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott and Capt. Thomas F. Murphy

NAYS: None

ABSENT: Roy Griggs

ABSTAINING: None

Commissioner Gregorio called for the third item, Employee Insurance Review and called on Eric. Eric said as we reported to the Executive Committee regarding matters pertaining to the budget, we wanted to give the committee an update with regard to our major medical portion of our benefits. These benefits are provided by Blue Cross Blue Shield of Louisiana. We recently received notification from our Insurance Agent of Record, Montgomery Agency, of our June renewal premiums that we were going to see a 13.5% increase. There are a number of reasons that caused this. It wasn't specific to the Port, per se. These are things in general, just health care on a national basis. We found that the premiums for equally matched organizations were in the 25% range increase and so the Port fared better at 13.5%. We've calculated the

difference in what we've already budgeted for 2017 or what we've already adopted for 2017 and this increase that is coming our way there is enough room in the budget between our revenues and expenditures to cover the increase. We're going to carefully monitor this as we go forward into 2018 to make sure if there are any adjustments that need to be made, we'll make those. Commissioner Gregorio said what I'm hearing is we might have to adjust the budget line item but we do not need any more money. Eric said that's correct. Within the Budget Act, if overall expenditures increase by that 5% we'll have to amend it. I haven't analyzed it from that category because you get to take it into account the totality of all the expenditures. If one line item of expenditure increases by 5%, and another one equally decreases by 5%, you net out. We may be okay in that regard. As we get further into the year, probably about the time we do the budget meeting in the fall, we'll be in a better position to understand if we're going to need to amend the existing budget. Commissioner Gregorio said am I hearing that the annual increase in insurance occurs in the middle of our fiscal year so that when we start to project for next year we would take into account not only where we are when we're doing the budget but a June 1 increase in that insurance? Eric said and we've used historical data for these. This one is extraordinary. Typically these increases have been somewhat predictable. Commissioner Murphy said you pretty well asked what I was concerned about. By staying with Montgomery on the 13% we are protected for the next year as opposed to going up to 25. Is that correct? Gloria said we're protected for the next year until June 1st. Commissioner Murphy said exactly. Commissioner Gregorio said so as I understand it, no action is needed. Eric said no sir.

Commissioner Gregorio said the next agenda item is Customer Update. Eric said last year during the budget meetings we made the commissioners aware of one of our tenants. Commissioner Pannell said while we're on this subject, what is the general usage at the tank farm? Are they all pretty much under lease and always used or do we have tanks that are not being used at the tank farm? Eric said we would have to gather that information from the customer because what we do is we lease them the entire improvements. As for what volumes are in each tank, we don't have that but we can gather that. Commissioner Pannell said I guess my question is there a need for additional tank farms because we're talking about ways that we can improve the Port for the present and for the future? And I would just like to look at that and see if there's a market out there for that also because we were talking about land that we have that we don't think that we will be able to use, and Capt. Murphy and I both have talked about warehouse but we need to explore what other options that are out there that may be of benefit long term for the Port as opposed to waiting until the time that we actually need those that will give us something that we could maybe—because right now I think that we should be heavily into marketing and I brought up about the barges going back. That's a marketing opportunity, and if we have one additional warehouse, that would give us the opportunity to market things here. Right now to me, the only thing that we technically market is land. Somebody want to come here and we have vacant land. We have addressed that and taken care of that problem by doing a land use study to say what we know we would find that land if we needed it. But there are other marketing opportunities out there I think we need to look at. We need to look at more opportunity to market stuff even if we build the warehouse. Ours across the street was built specifically for a customer that was down at this warehouse and the floor caved in. So we built this one with an additional 40,000 sq. ft. for possible future use and leased prior to finishing the building. So my thing is that I just feel that we should probably do more into marketing and not just land. The key is that we have things that are assets to us now that we have marketed already. So if we've done that already, why not also look at expanding those marketing opportunities as opposed to sometimes waiting for that customer to come and then build for that company. There's nothing to say

that we don't build prior to and when you look at it from the standpoint of any construction companies, construction prices are constantly rising. So if we tried to build some of the things that we have here now, we couldn't build them for the cost that it would cost us today. So that is what I'm steadily kind of harping on. The fact that Port members in the past did a lot of planning for the future that we are presently enjoying now based on some things that they did in the past. So we do a lot of stuff here that's planning for what's taking place but my thing is we need to put a little bit more planning into what can we anticipate rather than letting stuff just walk up on us. My question is what do we make off the tank farm? How much does it cost us? What do we make off of it? And the same thing I'm talking about from the warehouse standpoint. If we draw a warehouse and the Red River Waterway comes along and says "what do ya'll need and we say we would like to finish this warehouse" and that's the way we have worked in the past, if I'm correct. Okay you build that warehouse and you get a tenant that takes that warehouse and that money should be dedicated toward the next warehouse because basically I know the dock cost us \$13/\$14 million dollars. If my memory serves me correctly, these people gave us \$5/\$6 million of that. So some kind of way our future expansion should be tied to what we're making. It's simple to me. If I had two rent houses and when people are paying me rent, what do I do? I take that money and go buy another rent house. And then when I get money off of that I go buy another one. So I'm saying if we just get a pool of money and we just put it back into the pool of money, then how do we know we are addressing the issue because we may be sitting here and we may look at the tank farm and say, we're making good off of this tank farm here. So if we're making good money, then it would make sense to see what another tank farm would cost. We don't have anything that I know of at this Port that's available that's not being used that somebody's not leasing. So I just want us to do more on the future planning based on what we have here. That's basically what I'm saying. So that information on what that tank farm cost us, when did we pay it off and how much we're making now off of that should give us an idea as to—we're dedicating money based on the money that's coming from this particular entity. Thank you Mr. Chairman. Any other comments or thoughts?

Commissioner Murphy said regarding the request of this particular customer, Genesis. Genesis has been a very good customer as Eric has brought out. I would say oil and gas revenue, oil and gas has been down. We are seeing through Genesis and our other oil people at this Port, also in the oil and gas industry an increase. The tic is up. We in this Port are seeing aggregate moving more so it would blend in support of what Genesis is asking us. They've taken a hit with oil. They took a big hit in the flood last year when nobody could get up here to move their oil. So in return I personally would recommend that we support our customer so that it, over the next 25 and 30 years, can support us. Commissioner Prescott said I'm good with it. The only question I might have is going forward, how would that effect other customers? That's my only issue. I support it but I think we need to maybe have some type of language stating why we are doing it because they are strictly like oil and gas and it's appropriate so. I support it. That's my only concern. Could that be done Dannye? He said I think so commissioner. You raise a really important point. How's it going to impact other customers as well? I certainly understand that position, but certainly we could draft some language to limit it to that particular customer. Commissioner Prescott said just to have it out there so they won't think. Commissioner Pannell said and there has to be some basis or justification for doing that and I'm saying that nobody wants to give out their proprietary information, but if you ask them for that, you have to show us some kind of way your loss so if someone else comes to us we at least have something to back them up saying that we did that based on a loss. What is your loss? We don't put out there the information from this customer, but not only the amount of the loss but the longevity of it because people suffer losses for months and months. That

would not qualify in my mind to justify abating that thing. If they showed us where—we know gas, like Capt. Murphy says, has been down. That's more of a justification because this didn't just happen. They struggled through this thing before they came to us. So at that point, if somebody else is going to come to us, they need to be able to show us how long they struggled before they came to us. Otherwise, like Rick is saying, you open up a can of worms. And say I think we need to put more emphasis on why we did that to make sure that if anyone else comes back with that, it's not like somebody just came and asked us and we said okay. Dannye said I totally agree and in fact we've requested that information from Counsel for Genesis. We've requested it and we're awaiting that information.

Commissioner Prescott said this, what we're doing now, is because of their shortfall. So if it's picking up, do we have some type of language or are they going to be gradually raised, or is this a permanent deal? Eric said that's on the table. Dannye said that's a point of negotiation. Commissioner Prescott said alright.

Commissioner Pannell said mine is not to get into negotiations. Mine is looking forward to what's gonna happen when somebody else sees that because I feel like ya'll are going to negotiate in the best interest of this Port. So that part is not the question. The question is someone else sees that and says—a loss sometimes is a hypothetical situation. If I made \$100,000 last year and I make \$90,000 this year, I suffered a \$10,000 loss; that don't put me in bad shape. If I didn't know I was going to make \$100,000 in the first place you know so I'm saying anybody can justify a loss. It just means you didn't get what you got some years before. Dannye said I agree. Commissioner Pannell said that don't mean your business is suffering. You're not losing money just because you took a loss. That means that you're making less money. So if somebody is asking for you to abate something, that means it's putting their business in a bind in not only reduction in rent, but they're looking in other areas too. This is just one of the areas that they're looking to. That part of it I know that ya'll are going to do that part, but my only concern is the same as other people that we don't want to open that door. If that door's open, it's clear how you get through that door and you just don't walk through it. You have to come through that door armed with some information. Dannye said and certainly that request has to be supported by sufficient evidence. There's no question about it.

Commissioner Murphy asked Eric did Genesis at its facilities or its assets, did they suffer a loss with our flooding last year to your knowledge? Eric said physical loss? Commissioner Murphy said to the plant and their assets and their facility? Eric said not that I'm aware. Seems like—I don't believe they did.

Commissioner Prescott said I want the record to reflect I support it, but that was just my concern for the stability of the Port. I think we should help our tenants if we can, but I just want to be concerned that we could have the language that we need. Dannye said you don't want to open Pandora's box. I understand that.

Commissioner Prescott said exactly. But I support helping them. Commissioner Pannell said if they suffered a loss that is something that is insurable, then they should have had insurance. You can't come at me to compensate for your lack of planning. Now if you have insurance, I know in some situations where flood insurance that is something that if you think you're high enough on the elevation, they give you option of whether you get flood insurance or not. If you had a monumental flood and that caused a problem, that's fine. But if you have a problem just based on something that you should have had

insured, that's something that I wouldn't entertain that myself. Eric said we agree with that. Danye said definitely.

Commissioner Gregorio called for any other comments and adjourned the meeting at 11:47 a.m.

Commissioner Gregorio said the Executive Committee report of May 8, 2017 was in your package and was sent to you by email. Unless there's any corrections, I would move its approval. The motion was seconded by Commissioner Murphy. Commissioner Gregorio said we have a motion and second. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

Intergovernmental Committee Report of May 8, 2017: The Intergovernmental Committee meeting was called to order by Commissioner Sam Gregorio at approximately 11:30 p.m. on May 8, 2017 in the Board Room at the Regional Commerce Center. Introduction of guests was called for.

Committee members in attendance included Rick Prescott and Sam N. Gregorio, Ex-Officio. A quorum was not present. Other commissioners present: Lynn Austin, Capt. Murphy and James Pannell. Steve Watkins later joined the meeting. Guests: Sarah McKinney-Williams, Chelsea Rich and Ed Walsh, Gremillion & Pou. Staff: Eric England, Danye Malone, Gloria Washington, Kathy French and Hettie Agee.

Commissioner Gregorio said Markey Pierre of Southern Strategy is here. Markey thanked them for the opportunity and said as you know we are in the middle of our legislative session. This is a little different than what we've done before. We thought we would bring you into the process as opposed to giving you updates after the process had concluded. We went into session on April 10th at noon. As you know, we have a significant deficit; that number moves from time to time. It is the goal of the legislature to fill that hole by June 8th at 6:00 which is our sine di. We're now at the beginning of week 5, so we're kind of at the halfway point. I did not prepare anything to hand out to you at all because this is a living session and it changes. As a matter of fact, things have probably changed in an hour.

Some of the highlights of that report that we're following that we think are important includes an instrument filed by Senator Norbert Chabert. It is the Waterway Dredging Deepening Priority Program. This is a program that is designed to assist waterways with dredging and with widening. As you know those are the responsibility of the Federal Government. We work very closely with the Corps of Engineers. However, there is a local component to it. It was originally designed to address the deepening and the widening on the Mississippi for our deep water ports. In order to gain some support, this has been expanded to all waterways in our discussions in the State of Louisiana. We've had some discussions with the Waterway Commission. I've had discussions with Director England regarding support for this initiative. This is not in competition with the Port Priority Program. Let me be very clear. It is designed to support and enhance the Port Priority Program. What this instrument does is create the fund. That's all it does right now. We have talked about trying to find a dedicated revenue source for it and we don't

necessarily believe that this is the session to identify that dedicated revenue source for this particular fund. So this SB 148 only creates the fund and we will consider this a multi-year process. If there is something that comes up that Senator Chabert and the legislature and their wisdom decide that they have identified a dedicated revenue source, then I'll come back to you at that time to talk about it and how that will impact our tenants because initially those discussions led to fees, tenant fees, river fees etc. which are things we just necessarily cannot support at this time because everybody doesn't use the River. And so we have talked with Senator Chabert. This bill is just creating the fund. I am asking for the Port's support on this. He has asked me to ask the Port's support on this particular instrument on SB 148.

Commissioner Gregorio said I understand that the gas tax if it's increased would help the ports throughout the State. Tell us about that please. Markey said we're not sure where the gas tax is going to go. The structure of the instrument is the same way we get dollars for Port Priority, the way it's structured in the Transportation Trust Fund. The instrument is structured in the very same way. Commissioner Gregorio said what I meant is where is that politically? Is it making its way up? Are we going to see it or? Markey said it has not moved. Commissioner Gregorio asked or is it dead? Markey said it's another one of the instruments that has not gone anywhere. So Ways and Means has a list of Bills—and I want to say there are 45 or so instruments on the Ways and Means agenda this morning that started at 9:00. That's inclusive of one of the gas tax instruments. I'm not sure what the appetite for the legislature is going to be when it comes to the gas tax whether it will be at .19, .17, .11, .09 because there are some that have a problem with double digits. Commissioner Gregorio said when you say that, do you mean increase? Markey said increases. Commissioner Gregorio said over and above what it is now? Markey said yes. And so I would not want to speak to what the legislature will do with the gas tax. It is certainly something we'd like to support as long as it's done in a reasonable fashion, the Port does stand to gain from the gas tax and any of the instruments that will come out, the structure is designed to follow the same pathway of percentages that Port Priority gets the dollars from the Transportation Trust Fund. It would be increased the very same way based on what the percentage is that the gas tax is going to be or the cents that the gas tax is going to be. I wish I had more information on it. Given that this is the fifth week, something is going to have to move very quickly in order to get through the process.

Commissioner Pannell said let me ask you one question. You said that the Senator wanted support for the Bill. Markey said support for SB 148. Commissioner Pannell said what is the method for the Port to give that? Would that have to be through a motion? Markey said I think it would be in order for me to put a card in support for it. Commissioner Pannell said and that would be time sensitive? Markey said it's extremely time sensitive. Danye said the answer is yes. You can enlarge the agenda today and include that particular item. Commissioner Gregorio said have you and Eric talked about this Bill specifically? Markey said yes. Commissioner Gregorio said and is it the consensus that you're for it, Eric's for it, Danye's for it? Markey said every other port in the State is supporting it. Commissioner Gregorio asked have they issued some resolution of support for it? Markey said they've all put cards in support. Commissioner Gregorio said thanks.

We're moving very slow in this session and don't know if any revenue raising and any instruments will be passed. I'd be happy to take any questions at this time. Commissioner Gregorio said thank you very much. We appreciate all your help and effort and the mid-term update. I think that's a pretty good idea for the future—not just at the end but in the mid.

Commissioner Gregorio said that concludes all of our agenda items and adjourned the meeting at 12:06 p.m.

Commissioner Hall said the Intergovernmental Committee report of May 8, 2017 was in your package. If there no additions, amendments or corrections, I move for approval. The motion was seconded by Commissioner Prescott. Any discussion? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

NEW BUSINESS:

AUDITOR OF RECORD: Mr. England said it's our recommendation to name Heard McElroy & Vestal as the Caddo-Bossier Parishes Port Commission's Auditor or Record. Based on the discussion at last week's committee meeting and following up on the question regarding the issue of term, Dannye conducted research on the matter—Dannye would you like to reveal what you found? Dannye said there is no statutory time limitation in which to select that particular fiscal agent. There are no impediments to enter into a contract with a fiscal agent for a period of five years. Mr. England said and it's our recommendation for a five year term. The motion was made by Commissioner Pannell and seconded by Commissioner Austin. Commissioner Gregorio said we have a motion and second. Any discussion please? Hearing none, all in favor of Heard McElroy & Vestal being the Auditor of Record please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

FISCAL AGENT BANK: Mr. England said our recommendation is for Capital One Bank to be our Fiscal Agent Bank for a five year term. Commissioner Gregorio said that's who we have now. Mr. England said that's correct. The motion was made by Commissioner Griggs. The motion was seconded by Commissioner Austin. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

RESOLUTION NO. 10 OF 2017

BY THE CADDO-BOSSIER PARISHES PORT COMMISSION:

A RESOLUTION AUTHORIZING THE EXECUTION OF AN OPTION AGREEMENT BETWEEN GREAT RAFT SOLAR, LLC, AND THE CADDO-BOSSIER PARISHES PORT COMMISSION, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, under the provisions of La. R.S. 34:3160, the Caddo-Bossier Parishes Port Commission (the “Commission”) is authorized to sell, lease or otherwise dispose of lands, buildings or other property to any enterprise locating or existing within the Port area;

WHEREAS, the Commission currently owns, or may acquire, approximately six hundred (600) acres of real property located in Caddo Parish, Louisiana, which may serve the energy generation purposes of Great Raft Solar, LLC (the “Company”).

WHEREAS, the Company and the Commission desire to enter into an Option Agreement for the purpose of negotiating a land lease agreement for the disposition of approximately six hundred (600) acres of real property located in Caddo Parish, Louisiana;

WHEREAS, the Commission and the Company agree to negotiate in good faith a definite agreement during the option period to develop the leased property for energy generation purposes, under certain terms and conditions mutually acceptable to the Commission and the Company.

NOW THEREFORE, BE IT RESOLVED by the Caddo-Bossier Parishes Port Commission, in legal and regular session convened, that it hereby authorizes the execution of the above-described Option Agreement under certain terms and conditions mutually acceptable to the Commission and the Company.

BE IT FURTHER RESOLVED, that Eric England, the Executive Port Director, is hereby authorized to execute the Option Agreement referenced hereinabove, and any and all other documents necessary to complete the transaction in the name of and on behalf of the Commission.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its adoption.

BE IT FURTHER RESOLVED, that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this Resolution are hereby declared severable; and

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict herewith are hereby repealed.

Approved as to legal form and content:

/s/ Dannye W. Malone
Dannye W. Malone

5/17/17

Date

Mr. England said this was discussed in greater detail at last week's committee meeting. The key timeline constraint for this project is an application that needs to be made to the Southwest Power Pool ("SPP") by the end of this month. This Resolution authorizes me on behalf of the Port Commission to sign an Option Agreement with this entity to move forward with an option on the property. This is not for a long-term lease. This is just an option so that we can continue to do our due diligence, continue to negotiate the commercial terms and most importantly to them, they can meet that deadline to the SPP and continue moving forward to meet the deadline for the tax credits they're after. I would be glad to answer any questions regarding this Resolution or the project. One final thing as a follow up, on pg. 13 of the proposal that is in your packages there was a question about setbacks from gas wells and they have provided us that up to date information. It's 100 ft. on each side of an active well and there's no setback from a capped well, roughly 75 ft. setback from pipelines, 50 ft. from residential property lines. So they did provide us the information that we had asked for. Commissioner Gregorio said let me ask this. I know there is a timeline for filing they have to make. Does this Resolution commit the Port to anything at the moment or is everything still negotiable and even terminable, if we so choose? Mr. England said the latter. This Resolution authorizes me to sign an Option Agreement, commercial terms to be established between now and the end of the month before they meet the deadline. Commissioner Gregorio said that was my understanding. It doesn't commit us to anything. We can not follow through if we don't see fit. Mr. England said that's correct. This will allow me to negotiate the commercial terms, the duration, the cancellation periods of the option so they can show control of site for their SPP application. As they continue to due diligence and if they are successful, we will then have talks with the Commission about the negotiations of a long-term lease. Commissioner Gregorio asked do I hear a motion. The motion was made by Commissioner Murphy and seconded by Commissioner Prescott. We have a motion and second. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

RS. NO. 11 OF 2017 - NATIONAL MARITIME DAY: Mr. England said we recognize National Maritime Day annually, May 22nd. We've also asked the four appointing authorities to adopt similar resolutions. We've already received one from Bossier City. We ask and recommend that Resolution No. 11 be adopted. Commissioner Gregorio asked do I hear a motion. The motion was made by Commissioner Murphy and seconded by Commissioner Austin. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell and Steve Watkins

NAYS: None

ABSENT: None

ABSTAINING: None

PORT COMMISSION/CITY OF SHREVEPORT PROJECT DISCUSSION: Mr. England said in your packages is a draft of a letter that the City of Shreveport is asking the Port Commission to place on our letterhead and submit to the New Orleans Pelicans. This is a boilerplate letter of support for the City of Shreveport's endeavors to attract a development Gatorade League Affiliate of the New Orleans Pelicans. It's recommended that we sign this letter of support. Commissioner Gregorio said as I understand it, this letter as I read it is a showing of community support. It does not obligate the Port for anything, nor is there a request of anything to the Port. Mr. England said that's correct. This letter is being asked of several governmental entities, several business entities, several of the community groups as well. It will be part of their application for this league. The motion was made by Commissioner Griggs and seconded by Commissioner Prescott. Any discussion please? Hearing none, all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Rick C. Prescott, Roy Griggs, Erica R. Bryant and James L. Pannell

NAYS: Lynn Austin, James D. Hall, Capt. Thomas F. Murphy and Steve Watkins

ABSENT: None

ABSTAINING: None

PORT DIRECTOR'S REPORT: Mr. England said previously at the Finance Audit meeting we had a presentation of our audit and I don't think we could have asked for a better report on our audit and I just want to recognize Gloria for all her hard work on year after year of her dedication and devotion to every last detail in getting us that report. And secondly, it's her 25th Anniversary with the Port today. So I want to recognize her. Commissioner Gregorio said Congratulations Gloria, very nice.

Commissioner Gregorio said that concludes our Agenda items. We stand adjourned at 4:47 p.m.

Respectfully submitted,

Commissioner Roy Griggs
Secretary-Treasurer

June 2017 Meeting Notices!!

Next Regularly Scheduled Board Meeting: Thursday, June 15, 2017, 4:30 p.m.

Marketing and Operations Committee Meetings, Monday, June 5, 2017, 12 Noon
Regional Commerce Center, 6000 Doug Attaway Blvd, Board Room, Shreveport, LA