MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

REGULAR MEETING

March 23, 2017

Minutes of the Mississippi State Port Authority Board of Commissioners Meeting, Thursday, March 23, 2017 at 2510 14th Street, Suite 1500, Gulfport, Mississippi at which the following Commissioners and staff were present:

Commissioners: Robert J. Knesal, President
                James C. Simpson, Jr.
                John Rester, Secretary
                Jack Norris, Treasurer (via telephone)

Staff: Jonathan Daniels, Executive Director/CEO
       Matthew Wypyski, Chief Operating Officer
       John Webb, Director of Engineering
       Kim Purchner, Executive Asst./HRO
       DeeDee Wood, Chief Financial Officer
       Carlos Bell, Director of Public Engagement
       Mel Arsenault, Director of External Affairs
       Dale Waltman, Director of Operations
       Nick Foto, Deputy Program Manager
       Chuck Graham, Crane Manager
       Shawn Meyer, Deputy Operations Manager
       Kim Aguillard, Marketing & Media Manager

Others: Philip Carter, MDA
        Randall Love, T.L. Wallace
        Richie Ashley, Neel-Schaffer
        Robert Boone, RLB, LLC
        Michael Sheely, CH2M Hill
        Brian Smith, Watkins & Eager
        Howard Page, Steps Coalition
        Maurice Manuel, YAJV
        Tom Wells, Waldemar S. Nelson & Co.
        Damon Torricelli, Neel Schaffer, Inc.
        Glenn Cobb, Pathways to the Port
        Pastor Chris O'Brian, Seaman's International
        Charlotte Miller, Hilton
        Chris Williams, BMA Engineering
        John Sneed, Stewart Sneed Hewes
        James Crowell, NAACCP
        Bruce Newton, Digital Engineering
        Todd Bradford, YAJV
        Casey McConnell, YAJV
        Brian Deschamp, Eustis Engineering
        Lillian Jenkins, Horne
        Casey Sanders, YAJV
        Paula Volz, Courtyard Gulfport
Commissioner Knesal noted the presence of a quorum and called the meeting to order at approximately 8:30 a.m.

The Pledge of Allegiance was led by Commissioner Knesal.

The invocation was led by Pastor Chris O’Brian, Seaman’s Center.

PUBLIC COMMENTS:

Howard Page, Steps Coalition, had questions regarding the Northport property.

City Councilman Ken Casey commented on clearing the past and moving forward regarding his constituents and would not block any port progress that benefited his constituents, the city and his fellow community members.

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Commissioner Rester moved to approve the February 23rd Minutes. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve travel (March 8-9/Daniels to Jackson, MS; March 16-18/Daniels to New York City, NY; April 19-20/Daniels to Cuba). Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve the disbursements listed below. Commissioner Simpson seconded and the motion was unanimously approved.

DISBURSEMENTS THROUGH MARCH 13, 2017
BILLS FOR THE MONTHS OF FEBRUARY AND MARCH 2017 APPROVED AND PAID FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

<table>
<thead>
<tr>
<th>CHK#</th>
<th>VENDOR</th>
<th>DESCRIPTION</th>
<th>CHK AMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>51901</td>
<td>Neopost</td>
<td>Postage Machine Rental</td>
<td>140.18</td>
</tr>
<tr>
<td>51902</td>
<td>Barefield Workplace Solutions, Inc.</td>
<td>Office Supplies</td>
<td>132.81</td>
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<tr>
<td>51903</td>
<td>AT&amp;T</td>
<td>Telephone Services</td>
<td>1,801.56</td>
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<tr>
<td>51904</td>
<td>Card Services</td>
<td>Travel Expenses</td>
<td>1,299.60</td>
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<tr>
<td>51905</td>
<td>Card Services</td>
<td>Travel Expenses</td>
<td>2,822.91</td>
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<tr>
<td>51906</td>
<td>Card Services</td>
<td>Office/Computer/Maint. Supplies</td>
<td>291.65</td>
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<tr>
<td>51907</td>
<td>Chancellor, Inc.</td>
<td>Bulbs/Connectors for Shed 50 &amp; 53</td>
<td>2,357.32</td>
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<tr>
<td>51908</td>
<td>City of Gulfport</td>
<td>Water</td>
<td>14,171.32</td>
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<tr>
<td>51909</td>
<td>Sun Coast Business Supply</td>
<td>Office Supplies</td>
<td>382.65</td>
</tr>
<tr>
<td>51910</td>
<td>DSLbyAir, LLC</td>
<td>Install Cables at Scales for Internet</td>
<td>1,539.02</td>
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<tr>
<td>51911</td>
<td>Eagle Energy, Inc.</td>
<td>Grease for STS Cranes</td>
<td>944.55</td>
</tr>
<tr>
<td>51912</td>
<td>Emerald TC, LLC</td>
<td>Computer Services</td>
<td>185.00</td>
</tr>
<tr>
<td>51913</td>
<td>Federal Express Corp.</td>
<td>Express Mail Services</td>
<td>215.29</td>
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<tr>
<td>51914</td>
<td>Fred Pryor Seminars</td>
<td>Payroll Law Seminar</td>
<td>149.00</td>
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<tr>
<td>51915</td>
<td>Fuelman</td>
<td>Fuel for MSPA Vehicles</td>
<td>314.82</td>
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<tr>
<td>51916</td>
<td>Grainger, Inc.</td>
<td>Maintenance Supplies</td>
<td>467.29</td>
</tr>
<tr>
<td>51917</td>
<td>Gulf Coast Big Rig Truck Show</td>
<td>Sponsorship Supporting Veterans</td>
<td>250.00</td>
</tr>
<tr>
<td>51918</td>
<td>Logista</td>
<td>Computer Services</td>
<td>123.00</td>
</tr>
<tr>
<td>51919</td>
<td>Lowe’s Home Center, Inc.</td>
<td>Maintenance Supplies</td>
<td>58.32</td>
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<tr>
<td>51920</td>
<td>MS Dept. of Human Services</td>
<td>Employee Deductions</td>
<td>156.00</td>
</tr>
<tr>
<td>51921</td>
<td>MS Gulf Resort Classic</td>
<td>2017 MS Gulf Resort Classic Sponsorship</td>
<td>7,500.00</td>
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51922  MS Power Company  Electricity                      82,866.56
51923  MS Pub. Employees Credit Union  Employee Deductions       320.00
51924  MSPA Petty Cash Fund  Replenish Petty Cash       29.60
51925  Naylor, LLC  Advertising                           2,649.59
51926  Paul Neumaier  Reimburse for Part for STS Crane  53.48
51927  Ports America, Inc.  Draying Dole Containers 27,227.80
51928  Redd Pest Solutions  Pest Control Services    90.00
51929  Rose Office Systems, Inc.  Construction Trailer Rentals 3,031.00
51930  Southern Admin. and Benefits  Monthly Service Fees 200.00
51931  Sweetman Security Services, Inc.  Security Guard Services 49,865.56
51932  The Focus Group  Website Development             1,489.73
51933  United Way of South MS, Inc.  Boost Sponsorship 1,250.60
51934  WalMart Community  Supplies Donated to Tornado Relief 148.84
51935  Waste Management  Waste Removal Services    195.00
51936  Matthew Wypski  Business Expense                 130.21

CHECK DATED 2/23/17 AND RELEASED PRIOR TO SCHEDULED CHECK RUN
51898  American Assoc. of Port Auth.  Registration for Legal Seminar 995.00

CHECK DATED 3/9/17 AND RELEASED PRIOR TO SCHEDULED CHECK RUN
51899  Jonathan Daniels  Travel Expenses                921.42

CHECK DATED 3/10/17 AND RELEASED PRIOR TO SCHEDULED CHECK RUN
51900  Matthew Wypski  Travel Expenses                    1,388.60

TRANSFERS
3/3/17  Deferred Compensation  Employee Deductions  26,538.38
3/3/17  Federal Tax Deposit  Payroll Tax Deposit  1,445.00
3/6/17  Public Employment Retirement  Retirement Match and Withheld 48,532.46

Total  $ 76,515.84

FINAL CHECKLIST FOR MARCH 23, 2017
BILLS FOR THE MONTHS OF MARCH AND APRIL 2017 APPROVED AND PAID
FROM THE GROSS REVENUE FUND OF THE MS STATE PORT AUTHORITY AT GULFPORT

<table>
<thead>
<tr>
<th>CHK#</th>
<th>VENDOR</th>
<th>DESCRIPTION</th>
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</tr>
</thead>
</table>
51938  Kentwood Springs       | Drinking Water                 | 149.80  |
51939  AFLAC                    | Employee Deductions            | 1,282.54|
51940  Kim Aguillard           | Reimbursement for Supplies     | 33.42   |
51941  AirGas Gulf States      | Oxygen Cylinder Rental         | 32.56   |
51942  All Signs, Inc.         | Signs for North Port Project   | 120.00  |
51943  BH Specialized Hauling, LLC | Relocate 19 Light Poles to Inland Port | 3,300.00 |
51944  Birmingham Rail & Locomo. Inc. | Gauge for Railroad Repairs | 428.88  |
51945  Blossman Gas, Inc.      | Propane/Recertification of Cylinder | 73.00   |
51947  Burkhalter Rigging, Inc. | Relocate Top Hat for Construction | 6,850.00 |
51948  Sun Coast Business Supply | Office Supplies                | 432.62  |
51949  Jonathan Daniels        | Business and Travel Expenses   | 122.37  |
51950  State School Insurance Fund | Employee Deductions   | 13,641.22|
51951  Federal Express Corp.   | Express Mail Services          | 317.80  |
51952  Fuelman                  | Fuel for MSPA Vehicles         | 275.75  |
51953  Grainger, Inc.          | Pavement Repair and Maint. Supplies | 3,042.94 |
51954  Great Southern Club     | Monthly Dues and Business Expenses | 1,073.28 |
51955  Guardian                 | Employee Dental Deductions     | 1,332.17|
51956  Gulf Coast Business Supply, Inc. | Office Supplies | 33.39   |
51957  Harbor Square Parking Garage | Quarterly Parking               | 3,073.11|
51958  Harbor Square Parking Garage | Quarterly Parking DRD | 583.20  |
51959  Logista                  | Computer Equipment             | 2,215.00|
51960  Isco Metals & Supply, LLC | Replacement Covers on Dock Pits | 1,635.00 |
51961  Robert J. Knesal         | Per Diem                       | 80.00   |
51962  MS Dept. of Human Services | Employee Deductions          | 156.00  |
Commissioner Rester moved to approve the Port User Licenses, pending receipt of all fees and insurance documents. Commissioner Simpson seconded and the motion was unanimously approved.

The following items were approved:

RENEWAL LICENSES:

Vendor: Louis Smith Welding & Construction

Steamship Agent: Transmarine Navigation Corporation; Tricon Steamship Agency, Inc.

Stevedore: SSA Gulf

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Commissioner Rester moved to approve the following progress payments:
Balch & Bingham ($44,465.55); BMA ($16,746.00); Prism ($48,725.00); QES ($630.00); W.C. Fore Trucking, Inc. ($275,275.99); and YAJV ($97,662.33). Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Cash Request #163 – Anchor QEA ($39,161.59); Atkins ($23,166.06); Atwell & Gent ($60,967.16); CH2M Hill ($226,070.29); Dan Hensarling ($261,499.55); J.O. Collins ($612,294.24); J.E. Borries ($107,814.25); MSPA ($88,552.17); Necaise Brothers ($1,292,316.51); QES ($12,440.62); RFB, LLC ($3,612.50); Volkert, Inc. ($15,086.54) and YAJV ($292,028.50) for a sub-total of $3,035,009.98. Commissioner Rester seconded and the motion was unanimously approved.
Commissioner Simpson moved to approve Cash Request #164 to Neel Schaffer for $138,611.40. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Simpson moved to table the authorization of the renumbering of SIC’s Pay App #15 to RFC #165 (originally approved on 9/22/16) and the approval of RFC #166. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Knesal left the room for the following discussion and action.

Commissioner Rester moved to approve payment of $12,116.13 to Eley, Guild, Hardy Architects under Cash Request #163. The total for Cash Request #163 is $3,047,126.11. Commissioner Norris seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Rester moved to approve Amendment No. 1 to Task Order No. 5 under Contract No. 016-HUD-031 with Eley Guild Hardy Architects. Amendment No. 1 adds $21,008.00 and does not change the overall schedule. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Knesal returned to the meeting.

A financial progress report was given by CFO DeeDee Wood.

Commissioner Rester moved to approve Change Order No. 1 with Walters Diving and Marine, Inc. under Contract No. 017-EN-01. Change Order No. 1 increases the contract by $287,619.50 with no change in schedule. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Change Order No. 2 with W.C. Fore Trucking, Inc. under Contract No. 015-EN-04. Change Order No. 2 decreases the contract by $336,43 and is a summary close-out change order. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 5 to Task Order No. 17 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 5 adds 275 days with no change in scope or costs. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 4 to Task Order No. 37 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 4 de-obligates $3,636.77 and all work is complete. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 2 to Task Order No. 38 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 2 adds 61 days and is retroactive to 2/28/17. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 9 to Task Order No. 22 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 9 adds $56,284.60 with no change in scope or schedule. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 4 to Task Order No. 28 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 4 adds 275 days and does not change the overall scope or cost. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 5 to Task Order No. 30 with Neel Schaffer under Contract No. 010-HUD-001. Amendment No. 5 adds 183 days and
does not change the overall scope or cost. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 to Task Order No. 43 with Neel Schaffer under Contract No. 010-HUD-001. Amendment: No. 2 de-obligates $8,380.50 and all work is complete. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 to Task Order No. 44 with Neel Schaffer under Contract No. 010-HUD-001. Amendment: No. 2 adds 59 days and does not change the overall scope or costs. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 3 to Task Order No. 14 with QES, Inc. under Contract No. 010-HUD-003. Amendment No. 3 de-obligates $201.80 and all work is complete. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 4 to Task Order No. 9 with YAJV under Contract No. 010-HUD-006. Amendment No. 4 adds 198 days, does not change the overall scope or costs and is retroactive to 9/15/16. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 to Task Order No. 14 with Volkert, Inc. under Contract No. 010-HUD-007. Amendment No. 2 adds 65 days and does not change the overall scope or costs. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 1 to Task Order No. 13 with Atwell & Gent, P.A. under Contract No. 010-HUD-013. Amendment No. 1 de-obligates $3,622.88 and all work is complete. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Change Order No. 1 to Contract No. 017-HUD-039 with J.O. Collins, Inc. Change Order No. 1 adds $8,453.43 with no change in schedule. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 with RFB, LLC. under Contract No. 013-HUD-017. This Amendment exercises the final one year extension. Commissioner Simpson seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Rester moved to approve Task Order No. 49 with Neel Schaffer under Contract No. 010-HUD-001. Task Order No. 49 has duration of 270 days and a not to exceed amount of $138,897.00. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Task Order No. 18 with Atwell & Gent under Contract No. 010-HUD-001. Task Order No. 18 has duration of 270 days and a not to exceed amount of $27,600.00. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Task Assignment No. 9 with Brown, Mitchell & Alexander under Contract No. 013-EN-02. Task Assignment No. 9 has a not to exceed amount of $91,145.00. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Task Order No. 26 with YAJV under Contract No. 010-HUD-006. Task Order No. 26 has duration of 175 days and a not to exceed amount of $115,000.00. Commissioner Simpson seconded and the motion was unanimously approved.
Commissioner Rester moved to authorize the issuance of an RFP for IT Services and Support. Commissioner Simpson seconded and the motion was unanimously approved.

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PORT RESTORATION UPDATE:

The Phase 2 Sitework and Utilities project with Necaise Brothers is beginning to see significant progress on several work fronts. The contractor is continuing to install fill in multiple locations in terminal 2 and 3; is installing duct banks and electrical components and is continuing to demo asphalt and concrete pavement. They should begin placing base and asphalt in several areas in the next two months.

On the Terminal 2 M&R project with Dan Hensarling, they have been installing purlins and girts on both the M&R and gate, formed the top of the elevator shaft and are preparing to pour concrete on the mezzanine and second floor of M&R. Carey Construction has erected the remainder of the M&R building structural steel and is completing the welding. Allen Plumbing is well underway installing oil water and air piping throughout M&R. Moody Electric is also well underway installing electrical conduit throughout M&R and the gate and installing lightning protection around M&R.

On the North Harbor – West Project, Necaise Brothers has removed all concrete and existing electrical items. They are in the process of removing the old asphalt pavement, which is approximately 40% complete as of today’s date. Storm drain structures are being manufactured, and in the coming month the contractor will be installing electrical duct banks and storm drain piping and structures.

On the Small Craft Harbor Landside Improvement Project, Necaise Brothers is completing all new storm drains and utilities (with the exception of the storm bore) and has begun to make grade in the parking lot.

Foundation excavation on the Marine Research Building by Wharton-Smith will be complete by Friday, and the contractor will begin forming pile caps and grade beams. This project is progressing on schedule.

J.O. Collins, contractor for the Terminal 1 M&R project has auger cast pileings complete; Concrete footings – 80% complete; Water and storm drains complete at building; Sewer 25% complete; and Storm drain piping complete at the gate.

We are awaiting final permits for the Barge Mooring Facility project.

There are currently 2 projects out for Bid - Phase 3 project and the Perimeter Landscape project.

OPERATIONS REPORT:

Matthew Wypyski, Chief Operating Officer, reported on the maritime activity for February:

<table>
<thead>
<tr>
<th>Vessels</th>
<th>25</th>
<th>Vehicles</th>
<th>1,407</th>
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<tbody>
<tr>
<td>Tugs</td>
<td>7</td>
<td>Railcar Count</td>
<td>783</td>
</tr>
<tr>
<td>Barges</td>
<td>18</td>
<td>TEU’s</td>
<td>16,870</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tonnage (short tons)</td>
<td>227,287</td>
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It has been over a year since the cranes were delivered. February marks 7 full months of operations and we are happy to report that the cranes have been up and running 99% of the time. This is exceptional and Crane Manager Chuck Graham and his staff were acknowledged. Also, the old silos have been on the port for over 40 years. They are currently empty and will be taken down very soon – an important milestone.
EXECUTIVE DIRECTOR'S COMMENTS:

Director Daniels welcomed everyone to the newly renovated Board Room and reported that the 14th floor is now a fully secure workplace for MSPA employees.

A community workshop was held this week regarding plans for the Northport property. There were approximately 84 people in attendance and many questions were answered.

We are currently mid-construction on pavement for the north harbor and for the marine research facility. Also, the DMR oyster hatchery is underway.

GENERAL COUNSEL’S COMMENTS:

Ben Stone reported that we have been very busy with a number of challenges with potential litigation. He thanked the MSPA staff for their support.

MDA’S COMMENTS:

Philip Carter had no comments.

COMMISSIONER COMMENTS:

Commissioner Simpson applauded MSPA staff for the recent Community Meeting and encouraged them to continue to be transparent. He is excited that we will build back a freezer and continues to support the port in the utilization of the Northport property. If we can’t use it, we will sell it and it could possibly be bought by a private interest.

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Commissioner Rester moved to close the meeting to discuss the need for an Executive Session. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Rester moved to enter Executive Session to discuss legal matters (a lease negotiation and potential litigation). Commissioner Simpson seconded and the motion was unanimously approved.

(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 9:50 A.M.)

Commissioner Rester moved to come out of Executive Session. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Knesal stated that no action took place during Executive Session.

Commissioner Simpson moved to adjourn. Commissioner Rester seconded and the motion was unanimously approved.

The meeting adjourned at approximately 10:30 a.m.

Approved and Attested

Robert J. Knesal
President

John Rester
Secretary