MISSISSIPPI PORT AUTHORITY

BOARD OF COMMISSIONERS

REGULAR MEETING

November 13, 2017

Minutes of the Mississippi State Port Authority Board of Commissioners Meeting, Monday, November 13, 2017 at 2510 14th Street, Suite 1450, Gulfport, Mississippi at which the following Commissioners and staff were present:

Commissioners: Robert J. Knesal, President
James C. Simpson, Jr., Vice-President
John Rester, Secretary
Jack Norris, Treasurer

Staff: Jonathan Daniels, Executive Director/CEO
Matthew Wypyski, Chief Operating Officer
Kim Purchner, Executive Asst./HRO
Mel Arsenault, Director of External Affairs
Nick Foto, Deputy Program Manager
DeeDee Wood, CFO
Shawn Meyer, Director of Operations
Kim Aguillard, Marketing & Media Manager
Gary Pitovich, Crane Manager
Carlos Bell, Director of Community Affairs
Matt Gabbett, Deputy Director of Operations

Brant Pettis, Legal Counsel

Others: Philip Carter, MDA
Brian Smith, Watkins & Eager
Pastor Chris O’Brian, Seaman’s International
Bob Burns, CH2MHill
Michael Sheely, CH2MHill
Maddie Costelli, Simpkins & Costelli
Michael Costelli, Simpkins & Costelli
Lillian Jenkins, Horne
Charlotte Miller, Hilton Properties
Duane Wilson, Chemours
Randall Love, TL Wallace
Don Collins, Dan Hensarling, Inc.
Bruce Newton, Digital Engineering
Paula Volz, Courtyard Hotel
Damon Torricelli, Neel Schaffer
Kim Marmalich, AVL
Debra Aikens, AVL

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:

There were no public comments.

The FY17 Audit presentation was given by Kim Marmalich with Alexander, VanLoon, Sloan, Levens and Farve, LLC.

Commissioner Rester moved to accept the FY17 Audit as presented. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Norris moved to approve the October 26th and October 31st Minutes. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve travel requests as submitted. Commissioner Norris seconded and the motion was unanimously approved.

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

FINAL CHECKLIST FOR NOVEMBER 13, 2017
BILL OF THE MONTHS OF OCTOBER AND NOVEMBER 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>
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<tbody>
<tr>
<td>52734</td>
<td>ABB, Inc.</td>
<td>Repair Parts for STS1 Crane</td>
<td>120.00</td>
</tr>
<tr>
<td>52735</td>
<td>AGI Systems &amp; Networks, Inc.</td>
<td>Computer Services</td>
<td>4,251.00</td>
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<tr>
<td>52736</td>
<td>AirGas Gulf States</td>
<td>Oxygen Cylinder Rental</td>
<td>43.47</td>
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<tr>
<td>52737</td>
<td>B.E.A.R.</td>
<td>Parts for Shed S3 Dock Levelers</td>
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<td>52738</td>
<td>AT&amp;T</td>
<td>Telephone Services</td>
<td>1,816.19</td>
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<td>52740</td>
<td>Chancellor, Inc.</td>
<td>Electrical Supplies</td>
<td>89.25</td>
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<tr>
<td>52741</td>
<td>City of Gulfport</td>
<td>Sponsorship for Harbor Lights Tickets</td>
<td>3,700.00</td>
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<tr>
<td>52742</td>
<td>Jonathan Daniels</td>
<td>Business and Travel Expenses</td>
<td>182.47</td>
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<tr>
<td>52744</td>
<td>Eagle Energy, Inc.</td>
<td>Oil and Transmission Fluid</td>
<td>210.60</td>
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<tr>
<td>52745</td>
<td>Emerald TC, LLC</td>
<td>Computer Services</td>
<td>46.25</td>
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<tr>
<td>52746</td>
<td>Federal Express Corp.</td>
<td>Express Mail Services</td>
<td>78.97</td>
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<tr>
<td>52747</td>
<td>Fuelman</td>
<td>Fuel for MSPA Vehicles</td>
<td>212.81</td>
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<tr>
<td>52748</td>
<td>Grainger, Inc.</td>
<td>Maintenance Supplies, Tools &amp; Sensors</td>
<td>924.21</td>
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<td>52749</td>
<td>Great Southern Club</td>
<td>Monthly Dues and Business Expenses</td>
<td>194.04</td>
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<td>52750</td>
<td>Gulf Coast Business Supply, Inc.</td>
<td>Office Supplies</td>
<td>453.86</td>
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<td>52751</td>
<td>Robert J. Knesal</td>
<td>Per Diem</td>
<td>320.00</td>
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<td>52752</td>
<td>Lowe's Home Center, Inc.</td>
<td>Maintenance Supplies &amp; Small Tools</td>
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<td>52753</td>
<td>Maritime Defense Strategy, LLC</td>
<td>Security Training</td>
<td>3,650.00</td>
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<td>52754</td>
<td>Maximum Auto Parts</td>
<td>Equipment Supplies</td>
<td>479.63</td>
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<tr>
<td>52755</td>
<td>Mayer Electric Supply Co., Inc.</td>
<td>Tools for STS Cranes</td>
<td>394.00</td>
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<td>52757</td>
<td>MS Gulf Coast Chamber of Comm.</td>
<td>Workshop Registration Fee</td>
<td>50.00</td>
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<td>52758</td>
<td>MS Power Company</td>
<td>Electricity</td>
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<td>52760</td>
<td>MSPA Petty Cash Fund</td>
<td>Replenish Petty Cash</td>
<td>67.30</td>
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<td>52761</td>
<td>MS State Tax Commission</td>
<td>Employee Deductions</td>
<td>7,539.00</td>
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<td>52762</td>
<td>Department of Finance &amp; Admin.</td>
<td>FY 2018 Tort Claim Assessments</td>
<td>14,569.32</td>
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<td>52763</td>
<td>Jack Norris</td>
<td>Per Diem</td>
<td>80.00</td>
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<tr>
<td>52764</td>
<td>Ports America, Inc.</td>
<td>Draying Dole Containers</td>
<td>16,630.22</td>
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<tr>
<td>52765</td>
<td>It's Promo Time</td>
<td>Promotional Items</td>
<td>1,065.57</td>
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<td>52766</td>
<td>RJ Young Company, Inc.</td>
<td>Printer Maintenance Agreements</td>
<td>576.69</td>
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<td>52767</td>
<td>Elise J. Roberts</td>
<td>Per Diem and TWIC Card Reimbursement</td>
<td>165.25</td>
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<tr>
<td>52768</td>
<td>Rose Office Systems, Inc.</td>
<td>Construction Trailer Rentals</td>
<td>3,031.00</td>
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</table>
52769  Seal Electrical, Inc.  Electrical Repairs Due to Hurricane Nate  5,323.00
52770  James C. Simpson, Jr.  Per Diem  280.00
52771  Southern Pipe and Supply, Inc.  Plumbing Supplies  130.01
52772  The Sun Herald  Advertising  4,770.00
52773  Southern Tire Mart, LLC  Labor & Parts to Repair Forklift Tires  330.00
52774  United Way of South MS, Inc.  Employee Deductions  242.31
52776  W.C. Fore Trucking, Inc.  Debris Cleanup and Disposal  8,631.00
52777  Gulf Coast Business Supply, Inc.  Office Supplies  73.00

52778  MS Dept. of Human Services CRDU  Employee Deductions  156.00
52779  MS Pub. Employees Credit Union  Employee Deductions  320.00
52780  Interstate Billing Service, Inc.  Service Call to Repair Forklift  131.00
52781  Stuart C. Irby Co.  Elect. Supplies to Repair High Mast Lights  10,847.76
52782  MS Dept. of Human Services CRDU  Employee Deductions  156.00
52783  MS Pub. Employees Credit Union  Employee Deductions  320.00

CHECKS DATED 10/27/17 AND RELEASED PRIOR TO THE MEETING
52732  John Webb  Travel Expenses  425.56
52733  Matthew Wypyski  Business and Travel Expenses  846.74

TRANSFERS
10/27/17  Deferred Compensation  Employee Deductions  890.00
10/27/17  Federal Tax Deposit  Payroll Tax Deposit  25,310.11
11/07/17  Public Employment Retirement  Retirement Match and Withheld  52,355.92

Total  $253,461.90

Commissioner Norris moved to approve the Port User Licenses, pending receipt of all fees and insurance documents. Commissioner Rester seconded and the motion was unanimously approved.

The following items were approved:

RENEWAL LICENSES:

Apprentice Pilot: Murrell W. Hilton, III
Steamship Agent: ISS Marine Service; Maritime Endeavors Shipping

NEW LICENSES:

Apprentice Pilot: Matthew Hilton

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Commissioner Norris moved to approve the following progress payments: Balch & Bingham ($97,277.60); BMA ($63,637.75); Digital Engineering ($32,601.00); and Walters Diving & Marine ($255,849.01). Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Cash Request #191 – Dan Hensarling ($130,844.21); J.O. Collins ($220,841.86); MSPA ($48,441.25); RFB, LLC (6,587.50); Travelers as Surety ($725,610.01); Wharton Smith ($944,599.23) and YAJV ($628,274.50) for total of $2,705,198.56. Commissioner Rester seconded and the motion was unanimously approved.
Commissioner Norris moved to approve Cash Request #192 to Necaise Brothers for $3,770,630.81. Commissioner Rester seconded and the motion was unanimously approved.

OLD BUSINESS:

Commissioner Rester moved to approve the sale of the Gottwald Mobile Harbor Crane #42 for an adjusted price of $432,000.00. Commissioner Norris seconded but after discussion, no vote was taken.

Commissioner Rester moved to table the sale of the Gottwald Mobile Harbor Crane. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to award the bid for the purchase of a Street Sweeper to Vacuum Truck Sales for $240,495.00. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Change Order No. 2 with Walters Diving & Marine under Contract No. 17-EN-01. Change Order No. 2 adds $3,800 to the contract with no change in schedule. Commissioner Simpson seconded and the motion did not pass with the Commissioners voting as follows: Affirmative – Commissioners Norris and Knesal; Negative – Commissioners Rester and Simpson.

Commissioners did not address the Notice of Completion with Walters Diving & Marine under Contract No. 17-EN-01 due to the failure of the previous agenda item.

Commissioner Norris moved to approve Amendment No. 2 with Tropical World Landscape & Irrigation under Contract No. 014-HUD-023. Amendment 2 decreases costs by $60,065.08 and completes the task order. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Rester moved to approve Amendment No. 2 to Task Order No. 15 with QES, Inc. under Contract No. 010-HUD-003. Amendment 2 decreases costs by $5,693.91 and completes the task order. Commissioner Simpson seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve Amendment No. 13 with CH2M Hill, Inc. under Contract No. 518-C. Amendment No. 13 increases costs by $2,171,782.00 and adds 273 days to the schedule. Commissioner Rester seconded and the motion was passed with the Commissioners voting as follows: Affirmative – Commissioners Simpson, Rester and Norris; Negative – Commissioner Knesal.

Commissioner Simpson moved to approve Change Order No. 1 to W.C. Fore Trucking Company under Contract No. 017-HUD-041. Change Order No. 1 is a zero-dollar change to the contract and is an administrative change only, deleting Milestone #1. Commissioner Norris seconded and the motion was passed with the Commissioners voting as follows: Affirmative – Commissioners Simpson, Norris and Knesal; Negative – Commissioner Rester.

Commissioner Simpson moved to approve Change Order No. 1 to Necaise Brothers under Contract No. 018-HUD-043. Change Order No. 1 is a zero-dollar change to the contract and is an administrative change only, re-sequencing the order of construction. Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Norris moved to approve the following Amendments that add days to extend the task orders to the new expiration date of March 31, 2018:

- Amendment 1 to Task Order 48 with Neel Schaffer; Contract No. 010-HUD-001 adds 72 days
- Amendment 1 to Task Order 49 with Neel Schaffer; Contract No. 010-HUD-001 adds 103 days
• Amendment 1 to Task Order 50 with Neel Schaffer; Contract No. 010-HUD-001 adds 100 days
• Amendment 1 to Task Order 20 with QES, Inc. under Contract 010-HUD-003 adds 71 days
• Amendment 1 to Task Order 18 with Atwell & Gent under Contract 010-HUD-013 adds 103 days

Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Norris moved to approve the following Amendments that add 212 days to extend the task orders to the new expiration date of July 31, 2018:

• Amendment 2 to Task Order 39 with Neel Schaffer; Contract No. 010-HUD-001
• Amendment 2 to Task Order 21 with Thompson Engineering; Contract No. 010-HUD-002
• Amendment 2 to Task Order 13 with QES, Inc. under Contract 010-HUD-003
• Amendment 2 to Task Order 12 with Atwell & Gent under Contract 010-HUD-013

Commissioner Rester seconded and the motion was unanimously approved.

Commissioner Simpson moved to approve the following Amendments that add 304 days to extend the task orders to the new expiration date of October 31, 2018:

• Amendment 6 to Task Order 17 with Neel Schaffer; Contract No. 010-HUD-001
• Amendment 5 to Task Order 25 with Neel Schaffer; Contract No. 010-HUD-001
• Amendment 5 to Task Order 9 with QES, Inc. under Contract 010-HUD-003

Commissioner Rester seconded and the motion was unanimously approved.

NEW BUSINESS:

Commissioner Rester moved to approve Task Order No. 54 with Neel Schaffer under Contract No. 010-HUD-001. Task Order No. 54 has duration of 270 days and a not to exceed cost of $20,349.00. Commissioner Norris seconded and the motion was unanimously approved.

Commissioner Norris moved to approve Task Order No. 22 with Atwell & Gent under Contract No. 010-HUD-013. Task Order No. 22 has duration of 270 days and a not to exceed cost of $46,400.00. Commissioner Rester seconded and the motion was unanimously approved.

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PORT RESTORATION UPDATE:

Nick Foto, Deputy Program Manager gave a status update on current projects.

OPERATIONS REPORT:

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

<table>
<thead>
<tr>
<th>Vessels</th>
<th>33</th>
<th>Vehicles</th>
<th>13,047</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tugs</td>
<td>37</td>
<td>Railcar Count</td>
<td>1,099</td>
</tr>
<tr>
<td>Barges</td>
<td>22</td>
<td>TEU's</td>
<td>18,547</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tonnage (short tons)</td>
<td>253,277</td>
</tr>
</tbody>
</table>

The railcar count was up 10% over September's count and the tonnage count is the 2nd highest on record.
There are two dredge vessels working on the bar and they are approximately 50% complete. They will depart over Thanksgiving and will return after the first of the year.

EXECUTIVE DIRECTOR’S COMMENTS:

Our Federal Delegation is working very hard and closely with the Corps of Engineers concerning our dredging needs.

Congratulations to MSPA staff for another successful audit. There are a lot of different activities that go along with that audit and the entire staff, along with the Finance Department, should be commended.

It is very good to see the cargo numbers trending in a positive direction.

We have also had a very significant increase in the military presence due to our designation of becoming a strategic military port.

GENERAL COUNSEL’S COMMENTS:

Brant Pettis had no comments.

MDA’S COMMENTS:

Philip Carter had no comments.

COMMISSIONER COMMENTS:

All Commissioners gave kudos to the staff for the great FY17 Audit Report. They were also glad to see the positive trends.

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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 a real estate matter (potential property purchase) and a legal matter (litigation). Commissioner Norris seconded and the motion was unanimously approved.

(THE BOARD OF COMMISSIONERS ENTERED INTO EXECUTIVE SESSION AT APPROXIMATELY 9:40 A.M.)

Commissioner Simpson moved to come out of executive session and return to open meeting. Commissioner Rester seconded and the motion was unanimously approved.

The Commission re-entered open session and President Knesal noted that no action was taken during executive session.

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

The meeting was adjourned at approximately 11:25 a.m.

Approved and Attested

[Signatures]

James C. Simpson, Jr.
President

Jack Norris
Secretary