

The Airport Authority of Airport District No. One of Calcasieu Parish of Louisiana met in regular session at 4:00 PM on January 8, 2025, in the Airport's Department of Public Safety Conference room with Chris Dickson, President, presiding with the following members present:

Messrs. Hiram DuRousseau, II, Adam Gremillion, and John Hixson.

Mrs. Emily Parker.

Also present were Messrs. Heath Allen, Jimmy Grigus, and Mrs. Amelia Hebert.

The Pledge of Allegiance was recited.

Motion was made by Mr. DuRousseau, seconded by Mr. Gremillion, and carried unanimously to elect the President and Officers of the Airport Authority for the ensuing year in accordance with by-law.

2025 Slate of Officers as follows:

President- Mr. Hiram DuRousseau, II

Vice President – Mr. Adam Gremillion

Secretary – Mrs. Emily Parker

It was moved by Mrs. Parker, seconded by Mr. DuRousseau, and carried unanimously to approve the minutes of the Regular Authority Meeting held on December 4, 2024.

Motion was made by Mr. DuRousseau, seconded by Mrs. Parker, and carried unanimously to approve payment of all current invoices.

It was advised that requests for qualifications for professional consulting services were received relating to the following projects:

A. 3:00 PM, January 03, 2025 – Design canopies in the rental car-ready return parking lot.

Mr. Allen gave a report related to the consultant scoring and ranking along with the scores of the two proposals, Mr. Allen stated that Garber scored 11.26 and Burns and McDonald scored 8.66.

It was moved by Mr. DuRousseau, seconded by Mr. Gremillion, and carried unanimously to accept Garber for consulting services for the designing of canopies

in the rental car-ready return parking lot project.

Motion was made by Mr. DuRousseau, seconded by Mrs. Parker, and carried unanimously to approve a contract between the Airport and Optimum to remove and bury overhead utilities to facilitate the Airport Entrance Road Improvements Phase II and further authorize the Executive Director to execute all related documents.

It was noted that the project is being funded by State Capital Outlay and Federal Matching Funds.

It was moved by Mr. DuRousseau, seconded by Mrs. Parker, and carried unanimously to adopt a resolution accepting a matching funds grant offer in the amount of \$31,111.00 from the Louisiana Department of Transportation and Development for the Runway Sweeper Acquisition project and further authorize the president of the Airport Authority or his designee to execute all documents related thereto.

Motion was made by Mr. Hixson, seconded by Mr. DuRousseau, and carried unanimously to approve an agreement between the Airport and CenterPoint Energy to relocate a buried natural gas line that conflicts with the planned construction of a retention pond for the Terminal Access Loop Road and General Aviation Area Service Road Phase One and further authorize the Executive Director to execute all documents related thereto.

It was moved by Mrs. Parker, seconded by Mr. Gremillion, and carried unanimously to approve the following recommended change orders pending concurrence by the appropriate funding agency:

A. Pat Willians Construction, LLC contract for the South Apron Extension project- Change Order No. 2 – South Apron Access Road Turnout Improvement. Total cost of Change Order: \$63,500.00 (100% LA DOTD Funding)

B. PERC Development contract for the Passenger Parking Lot Phase II – Change Order No. 2 – Replace conduits. Total cost of Change Order: \$14,492.87 (100% Passenger Facility Charge Funding)

In Mr. Walt Jessen's absence, Mr. Heath Allen gave the Engineer's report,

stating that the Parking Lot Project is progressing, reporting that there was a meeting to consolidate two of the phases, to try and compress the time frame of the project.

Next, Mr. Allen reported that the South Apron and Hangar 5 projects are moving along as the weather allows.

Mr. Allen presented his annual 2024 Airport Report as follows,

*President DuRousseau and members of the Authority, I am pleased to present this Annual Report on the activities and progress of the Lake Charles Regional Airport. Exceptional growth, operational milestones, and enhanced customer experiences best define 2024. Amidst a dynamic industry landscape, we achieved record-breaking passenger numbers and delivered another strong operational performance. These accomplishments were underpinned by strategic investments in continued infrastructure modernization, technology upgrades, and the dedication of our team to maintaining the highest standards of safety and service excellence. This report highlights our achievements, the challenges we navigated, and our roadmap for sustaining this momentum in the year ahead.*

*In 2024, more passengers than ever chose to begin or end their journey at LCH, resulting in a record-breaking performance. LCH experienced several "firsts," including the first month where enplanements exceeded 10,000 in a single month, and total passenger enplanements exceeded 90,000 for the first time in a single calendar year. We also commissioned the first electric aircraft charging station installed in Louisiana, which will usher in a new and exciting aviation sector unlike anything we've seen before. I'm not sure where this new frontier of electric aviation will ultimately take us (literally and figuratively). Still, as a proud aviation nerd, I am excited that LCH is on the leading edge. For the first time, LCH's marketing program was recognized for its excellence as one of four finalists for a National ACI-NA Marketing, Communications, and Customer Experience (MARCOM) award, in which over four hundred entries were considered. Our Marketing Manager, Amelia Hebert, was named a David Slayter Memorial Aviation Professional of the Year, which recognizes outstanding dedication, service, and innovation in the aviation field in*

*Louisiana. Our Director of Public Safety, Chad Primeaux, became a Certified Member of AAAE. While not the first, we've only had three in our history. I was also honored to be awarded the Allen Taylor Legacy Award, which acknowledges lasting contributions to aviation in Louisiana.*

*According to the latest audited financial statements completed in 2024, LCH achieved a total net position of \$81,447,471.00, an increase of \$7,820,794, representing a 10.6% increase compared to the previous year's. Steady revenues and continued investments in capital improvements influenced the year's financial results. Significant expenses included salaries and benefits, maintenance and repairs, and insurance. Insurance, in particular, now accounts for 19% of total expenses compared to 2% in 2019. To manage costs effectively, we will continue to seek opportunities to increase efficiency measures, renegotiate supplier contracts when feasible, and work to increase downward pressure on our property insurance premiums. (more on that later) Additionally, we anticipate that the strategic capital investments we've made in recent years, including equipment modernization, upgrading technology, and infrastructure improvements, will begin to pay off by making LCH more efficient and positioning the airport for sustained growth and enhanced customer satisfaction. Below is a comprehensive list of capital projects based on their status of being recently completed and ongoing:*

*Recently completed:*

- Entrance Road Improvements Phase I – Utilities*
- Hangar 2*
- Level II Rental Car Vehicle Charging Stations*
- Electric Aircraft Charging Station*

*Ongoing and Upcoming:*

- Airport Masterplan Update*
- Parking Lot Improvements – Phase II*
- North Apron Design*

- *Terminal Loop and Access Road Improvements (multiple Phases through 2026)*
- *South Apron Expansion*
- *Hangar 5*
- *Airport Equipment Storage Building*
- *Airport Traffic Control Tower Phase II – Siting Study*
- *Secure Side Food and Beverage*
- *Passenger Hold Room Improvements – Additional Seating and Worktables*
- *Airport Microgrid Design*
- *Rental Car Canopy Design*
- *North Apron Construction*

*This past year, LCH supported over 27,000 aircraft operations, including over 7,500 commercial aircraft across its facilities, with an average utilization rate of 76 aircraft per day. The commercial fleet serving LCH currently comprises 50 to 76-seat aircraft, the latter of which includes a business-class product by American Airlines. Flight schedules were similar to what the airport experienced in 2023, with American's frequency remaining consistent while United's fluctuated a bit more. Given the consistency in schedule and superior onboard product, it is no surprise that American Airlines remains the dominant carrier, having increased its market share to 60%. Total passenger enplanements increased by 11.44% to 95,189. Did I mention that it was the highest total on record? Since 2019, enplanements have increased by 57.34%, and airline load factors are now averaging 80%, with demand particularly strong during the spring, summer, and fall. The average one-way domestic fare for the year ending 2<sup>nd</sup> quarter (latest data) was \$232. I'm not suggesting that this is "cheap." Still, it is competitive and, in fact, lower than several peer Louisiana markets, including Alexandria, Lafayette, Monroe, and Baton Rouge. On-time performance metrics were 88%, and we've used this as part of our marketing focus on operational efficiency when comparing LCH to other competing airports, such as LFT (84%) and IAH (77%). Customer satisfaction can be a bit of*

*an enigma for commercial airports because so much of the customer experience is influenced by entities other than the airport, such as airlines and TSA. That said, unscientifically, we believe that we've seen an upward trend in how the public views LCH based on general feedback from stakeholders. This is likely driven by public engagement, such as outreach through traditional media, social media, sponsorships, speaking engagements, tours, etc. It is also driven by enhanced passenger services and facilities such as the new drop-off canopies, additional parking, TSA pre-check queue, food, and beverage (soon on the secure side), etc.; and through improved air service products including larger aircraft, competitive fares, and greater reliability. Regarding route and network development, the Airport attended several air service development conferences, including Routes North America, Jumpstart, and Take Off North America. We engaged multiple airlines through in-person and virtual airline meetings, including American, United, Delta, Breeze, Avelo, SkyWest. Moving forward, we will continue this engagement with clear goals: maintain existing service, grow through incumbent carriers (frequency, upgrading, new hubs – AA CLT), and recruit new airlines with a focus again on an east coast hub and less than daily service to specific leisure markets.*

*LCH demonstrated an unwavering commitment to regulatory compliance and safety standards throughout the year, fully adhering to all aviation and operational regulations. The airport underwent a Part 139 certification inspection, liability insurance audit, and legislative audit, achieving exemplary outcomes with no significant findings. Our operations team conducted 3,800 Safety inspections, identifying 59 areas for improvement, which were swiftly addressed to maintain 100% compliance with FAR Part 139. The Airport's Department of Public Safety recorded 58 incidents, including twenty-three aircraft emergency alerts, twenty medical incidents, and one vehicle accident. Thankfully, none of these incidents resulted in serious injury, but they are a reminder of the need for proactive risk management and robust emergency preparedness measures. To that end, the Airport continues to enhance safety through advanced surveillance systems, including weather and CCTV; innovative emergency notifications, which include*

*audio, visual, and mobile push notifications to smart devices; emergency drills such as the airport's triannual drill that was completed in 2024, and partner with local safety agencies, all of which help solidify our reputation as a secure and reliable hub for air travel.*

*In a competitive landscape, LCH continually faces challenges from key competitors in Houston International and Hobby airports, which historically have siphoned over 80% of our market. However, we've recently made progress and have increased our market capture rate from 17% to 25%. To strengthen its position, the airport continues implementing strategic initiatives such as location-based digital marketing, which delivered 1.5 million impressions directly to Lake Charles travelers in Houston's terminal concourses. We also reached 1.3 million individuals on social media, which resulted in 60,000 clicks. We're also working with our airlines to encourage them to price fares competitively and to maintain convenient flight schedules. Finally, we're continually enhancing our facilities, which has resulted in increased passenger volumes and improved customer satisfaction. These efforts have positioned LCH to capitalize on future growth opportunities.*

*Over the past year, LCH encountered several key challenges, including economic pressures from rising operational costs, not the least of which are skyrocketing insurance premiums. This challenge risks operational efficiency, the passenger experience, and financial performance by diverting resources from other critical expense categories. Not only does this create an issue on the expense side, but it also has the potential to reduce the Airport's competitiveness in attracting companies to our facilities, as that cost must be passed on to tenants such as airlines. Insurance in the State of Louisiana has risen to what I believe is an emergency. If it is not addressed one way or another, this issue will result in Louisiana falling further behind. To combat this in the near term, we are working with our broker to adjust our limits and demonstrate to underwriters that our facilities have been reconstructed to sustain higher wind loads. In doing so, we hope to apply downward pressure to our annual premium. This single line item has added \$600,000 in new expenses to our budget, creating an immediate hole we've had to*

*fill with reserve funds. To address these issues, the airport will enhance revenue by renegotiating airline contracts, entering into new contracts as new facilities come online, and exploring options for realigning our district boundaries, which would better align with the market we serve. If successful, these measures will ensure that we can continue providing the level of service that has resulted in passenger gains, unprecedented capital investments, and significant economic growth mentioned herein and will reinforce the airport's resilience and ability to adapt to a dynamic operational environment.*

*Looking ahead, we've identified key strategic goals to drive growth, enhance efficiency, and improve overall customer experience. Focus areas include increasing options for our passengers, optimizing operations, or introducing new customer amenities. To support technological and operational upgrades, plans are underway to invest in infrastructure that improves our stakeholder's experience today and positions LCH as an attractive option for companies considering expansion. Roadways, waterlines, underground utilities, and sewer lines aren't always exciting, but they represent the catalyst for economic investment. Those improvements, combined with continued planning and eventual development of an electric microgrid and its inherent resilience, will make LCH an attractive option for companies looking to invest in Southwest Louisiana. These efforts will position LCH to meet future demands and exceed stakeholder expectations.*

*In closing, thank you for your unwavering support for this airport and our administration. Your policy sets the foundation for our success; the results speak for themselves. Thanks also to the Calcasieu Parish Police Jury and administration for their support and to all our consultants who work hard on behalf of the Lake Charles Regional Airport. As part of our efficient management structure, we rely heavily on a team of professional consultants integrated into our organizational structure. These include Kutchins and Groh (Planning and Implementation), Mike Dees (Legal Counsel), DW Jessen and Associates (Engineering), Stulb and Associates (Accounting), the Picard Group (Governmental Affairs), and other design consultants working on specific capital projects. Last but not least, thanks to all of*



*our employees who work 365 days per year, ensuring that LCH remains a significant economic engine for Southwest Louisiana, generating over \$320,000,000 in economic output. I look forward to working with all of you in 2025 to make LCH the best it can be.*

There being no further business, it was moved by Mrs. Parker, seconded by Mr. Hixson, and carried unanimously that the meeting be adjourned.

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Hiram DuRousseau, President

CERTIFICATE

I, the undersigned, do hereby certify that the above is a true and correct copy of the minutes of the Airport Authority of Airport District No. One of Calcasieu Parish, Louisiana, convened in regular session on the 8th day of January 2025 and approved by said Authority on the 5th day of February 2025.

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Emily Parker, Secretary