Minutes of the Regular Meeting of the Board of Commissioners of the Lake Charles Harbor and Terminal District held at 5:00 P.M., Monday, June 24, 2019 in the Boardroom of the Port of Lake Charles located at 1611 West Sallier St., Lake Charles, Louisiana.

In attendance and constituting a quorum, were:

Michael G. Eason, President

John LeBlanc, Vice President

Elcie J. Guillory, Secretary/Treasurer

David J. Darbone, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner

Carl J. Krielow, Commissioner

Thomas L. Lorenzi, Commissioner

Absent:

None

Also Present:

Bill Rase, Executive Director

Richert Self, Deputy Executive Director/Director of Administration and Finance

Michael K. Dees, General Counsel

Jon Ringo, Assistant General Counsel

Regan Brown, Assistant Director of Navigation

Nik Pestello, Director of Engineering, Maintenance and Development

Todd Henderson, Director of Operations

Dan Loughney, Director of Marketing and Trade Development

Michelle Bolen, Executive Administrative Assistant

Mr. Eason called the meeting to order at 5:00 P.M. and asked Mr. Guillory to give the invocation. Mr. Darbone led the Board and audience in the Pledge of Allegiance.

Mr. Eason asked if there were any public comments regarding any items on the agenda. Mr. Joe Thornton asked to address the Board.

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1. Approval of the May 20, 2019 Regular Meeting Minutes.

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Mr. Darbone offered a motion to approve the May 20, 2019 Regular Meeting Minutes. Mr. Lorenzi seconded the motion and it carried unanimously.

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2. Submission 2019 – 012 approving the Board of Commissioners election of Officers.

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Mr. Dixon stated the names submitted for nomination are as follows:

John L. LeBlanc President

Elcie J. Guillory Vice President

David J. Darbone Secretary/Treasurer

Thomas L. Lorenzi Assistant Secretary/Treasurer

Mr. Dixon offered a motion to adopt Resolution 2018 – 012 approving the Board of Commissioners Election of Officers. Mr. Guillory seconded the motion and it carried unanimously.

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3. Submission 2019 – 013 authorizing, under the constitutional and statutory powers of the District, the expenditure of District funds payable to McNeese State University and SOWELA Technical Community College for the purpose of assisting, inducing, promoting and encouraging industrial and business enterprises in the Southwest Louisiana region and thereby enhancing the growth of jobs and economic development by enhancing the educational and training capabilities of citizens who can be employed and service the historic multi-billion dollar industrial expansion currently underway in Calcasieu and Cameron Parishes.

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Mr. Rase stated this is something they do on a periodic basis in support of not only the schools, but the students that come out of those schools so they will be able to work in this community. It is a program where the Port feels comfortable that both of these institutions have been very beneficial not only to the Port but to the industry that is around as well as the hospitality. Staff has come up with a program to do that over a three year period. The Port will provide each school $100,000 for three years for a total to each school of $300,000.

Mr. LeBlanc offered a motion to adopt Resolution 2019 – 013 to authorize under the constitutional and statutory powers of the District, the expenditure of District funds payable to McNeese State University and SOWELA Technical Community College for the purpose of assisting, inducing, promoting and encouraging industrial and business enterprises in the Southwest Louisiana region and thereby enhancing the growth of jobs and economic development by enhancing the educational and training capabilities of citizens who can be employed and service the historic multi-billion dollar industrial expansion currently underway in Calcasieu and Cameron Parishes. Mr. Krielow seconded the motion and it carried unanimously.

Mr. Eason remarked that both of the leadership of both schools are here and said that the job they do in leadership over there and upgrading the workforce development for the future is a testament to what is going to out there. Obviously, with what is going on in this area, they want to keep things going. He appreciates everything they do – Dr. Burckel and Dr. Aspinwall.

Mr. LeBlanc asked if either gentlemen would like to speak.

Dr. Burckel thanked the Board on behalf of McNeese State University for the investment to the institution and our area.

Dr. Aspinwall thanked the Board and said this will go a long way to help them train for industry and hospitality.

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4. Submission 2019 – 014 accepting the lowest responsive bid of Sealevel Construction, Inc. in the amount of $1,435,875 for the base bid and $1,250,000 for alternate no. 1 for the Berths 4, 5 & 6 Mooring Upgrade at City Docks.

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Mr. Rase stated with Docks 4, 5 and 6 at City Docks, the infrastructure underneath them seems to be fairly sound. But, where you tie the vessels up to, which is a system of 12’ x 12’ with a bollard on top no longer suffices for holding the size ships that are required to be held today. Since Polaris is coming in and opening up with their vessels on a regular basis by the third quarter of this year, staff needed to do something to upgrade the docks. They went with a monopile system, which puts the strength in just the monopile and not in the stringers that are on top of the old existing docks. They were fortunate enough to have quite a few bidders. Unfortunately, one bidder forgot to fill in his final line item and their bid was rejected. He feels comfortable that they have a solid bid from this company and would like Board approval to move forward with the project.

Mr. Dixon offered a motion to approve Resolution 2019 – 014 to accept the lowest responsive bid of Sealevel Construction, Inc. in the amount of $1,435,875 for the base bid and $1,250,000 for alternate no. 1 for the Berths 4, 5 & 6 Mooring Upgrade at City Docks. Mr. Guillory seconded the motion.

Mr. Krielow asked if he got them to verify their bid because of the huge discrepancy from the engineer’s estimate. Mr. Pestello stated he had our engineer contact him and they verified it to him. Mr. Krielow asked if they verified the bond as well. Mr. Pestello stated that they did.

The motion passed unanimously.

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5. Submission 2019 – 015 accepting the lowest responsive bid of Tullier Services, LLC in the amount of $1,148,300 for the base bid for the City Docks Sewer System Rehabilitation and Lift Station replacement.

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Mr. Rase stated the sewer system has been down for a while. They need to upgrade the pipe. It is a clay pipe. Also, there is some cast iron and the lift station is very old. The City started about 4 – 5 years ago billing the Port for the sewage that goes out and the Port is having a lot of infiltration from regular rain water in the sewer system, which causes them money. But, they need to get it into acceptable condition. Manchac developed a bid package and Tullier was the successful bidder.

Mr. Darbone offered a motion to approve Resolution 2019 – 015 to accept the lowest responsive bid of Tullier Services, LLC in the amount of $1,148,300 for the base bid for the City Docks Sewer System Rehabilitation and Lift Station replacement. Mr. Lorenzi seconded the motion and it carried unanimously.

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6. Submission 2019 – 016 authorizing the Executive Director to enter into a Cooperative Endeavor Agreement and Track Usage Agreement with Port Rail, Inc.

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Mr. Rase stated this has been a dance they have been performing for a number of years now. They started out where everything from Port Rail would be segregated over to Port Rail. Then they went with the theory of bringing that more in-house. Now they have had a ruling that says they should go back more toward the original set up they had. It puts the Port back into the position where the Port is still supporting Port Rail, but doing from more of an arm’s length away.

Mr. Dees asked for Mr. Ringo to explain the situation to the Board in more detail. He has done all of the work on this. Mr. Dees said that as he has told the Board, he is retiring in December, so this is a long-time arrangement. It behooves them to let Jon explain it and be more involved in it. He has done an excellent job.

Mr. Ringo stated there is a lot of background as far as how the revenues are going to be handled between the Port and Port Rail. The purpose of this submission is with two agreements. One is a new CEA between the Port and Port Rail. The original CEA that the Port entered into was done somewhat in the dark. Port Rail was not established yet nor operational. Now, Port Rail is fully operational, so this new CEA better reflects reality as to who does what as far as maintenance on the track and such. The other agreement is a Track Usage Agreement for the tracks inside City Docks. The Port maintains ownership of those tracks and has a Track Usage Agreement now between the Port and Port Rail to allow Port Rail to operate on those tracks. The other tracks outside City Docks are not an issue. The Port engaged outside counsel who told the Port it needed a Track Usage Agreement to give Port Rail the right, formally, to operate on those tracks.

Mr. LeBlanc offered a motion to approve Resolution 2019 – 016 to authorize the Executive Director to enter into a Cooperative Endeavor Agreement and Track Usage Agreement with Port Rail, Inc. Mr. Darbone seconded the motion and it carried unanimously.

Mr. Eason recognized Mr. Joe Thornton, FMT, to address the Board.

Mr. Thornton stated at the last Board meeting in May there were several comments and contentions made that the hours for the ILA was the lowest on record and worse than anyone could ever remember, which prompted him to go out to WGMA, who does the payroll for the ILA. He said as of the end of May 2019, 63 members of the ILA have reached their 700 hour minimum threshold for their insurance. In all of 2018, there were only 79 that reached that threshold. With the current level of activity they have now, 2019 has the potential to if not one of the best, the best year on record for the ILA and their hours. He wanted to clarify that and point that out to the Board. He thanked the Board for their time.

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7. Administration, Personnel and Audit Committee

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The Committee met June 20, 2019 to discuss the 2018 Audit.

Mr. Self stated the Committee met to discuss the audit. The Port received and Unmodified rating, which is as good as one can get.

Mr. Elcie Guillory offered a motion to approve Resolution 2019 – 017 to receive and accept the audited financial statements as of and for the year ended December 31, 2018 and to bring to the full board for approval at the June 24, 2019 Regular Meeting. Mr. Krielow seconded the motion and it carried unanimously.

Mr. Dixon offered a motion to adopt Resolution 2019 – 017 to receive and accept the audited financial statements as of and for the year ended December 31, 2018. Being a Committee recommendation, no second is needed to the motion. The motion carried unanimously.

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8. Build Grant Briefing Note

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The Build Grant Briefing Note was rendered to the Board and is on file in the Executive Offices.

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9. May 2019 Financials Briefing Note

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The May 2019 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

Mr. Leblanc asked if there was any feedback from the Focus Group meeting. Mr. Rase replied that he has not had any real feedback. There is the first of the 120,000 tons of the Iraqi business working today. They are going to schedule another meeting to have a follow up from the first meeting.

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10. Monthly Staff report from Deputy Executive Director Monthly Report.

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The Deputy Executive Director’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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11. Monthly Staff report from Director of Navigation.

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The Director of Navigation and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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12. Monthly Staff report from Director of Operations.

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The Director of Operations’ Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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13. Monthly Staff report from Director of Marketing and Trade Development.

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The Director of Marketing and Trade Development’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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14. Monthly Staff report from Director of Engineering, Maintenance, and Development and Security.

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The Director of Engineering, Maintenance, and Development and Security’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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15. Monthly Staff report from the State Port Lobbyist.

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Mrs. Corley spoke to the Board regarding the 2019 Legislative session. The State Port Lobbyist’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

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16. Executive Session and appropriate action in any of the following matters:

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Mr. Eason stated the Board would not enter into Executive Session.

* Suit against the Port of Lake Charles – Suit No. 2013-001091- 14th JDC, State of LA.
* Suit against the Port of Lake Charles – Suit No. 2014-004268-14th JDC, State of LA.
* IFG Port Holding, LLC vs LCHTD – Case: 2:16-cv-00146 U S District Court, Western District of Louisiana, Lake Charles Division.
* LCHTD vs IFG Port Holding, LLC – Case: 2:16-cv-00785 U S District Court, Western District of Louisiana, Lake Charles Division

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17. Other Matters which may properly come before the Board.

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There being no further business to come before the Board, Mr. Eason asked for a motion to adjourn. Mr. LeBlanc offered a motion to adjourn and Mr. Darbone seconded the motion and it carried unanimously. The meeting adjourned at 5:20 p.m.

All discussions held on the above items were recorded using the FTR Gold program, and saved on the District’s main file server in the District’s office.

Please note that when the votes are shown as unanimous, it is the policy of the Board that the President does not vote except in the event of a tie vote by the rest of the Board and/or unless otherwise indicated.

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MICHAEL G. EASON, President

ATTEST:

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ELCIE J. GUILLORY, Secretary/ Treasurer