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, August 26, 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:

Elcie J. Guillory, Vice President

David J. Darbone, Secretary/Treasurer

Thomas L. Lorenzi, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner

Michael G. Eason, Commissioner

Carl J. Krielow, Commissioner

M. Keith Prudhomme, 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

Channing Hayden, Director of Navigation

Nick Pestello, Director of Engineering, Maintenance and Development

Todd Henderson, Director of Operations

Dan Loughney, Director of Marketing and Trade Development

Regan Brown, Assistant Director of Navigation

Michelle Bolen, Executive Administrative Assistant

Mr. Guillory called the meeting to order at 5:00 P.M. and gave the invocation. Mr. Dixon led the Board and audience in the Pledge of Allegiance.

Mr. Guillory introduced Mr. Keith Prudhomme to the audience as the Port’s new Commissioner. Mr. Guillory stated he looked forward to working with Mr. Prudhomme and Mr. Prudhomme replied that he did as well.

Mr. Guillory read the public comment policy section on the agenda. No one asked to speak.

Mr. Krielow asked for a point of order. He said the Board has a vacancy in the office of the Presidency due to the new appointment and according to the By-Laws of the Port, at the first available meeting following the filling of that vacancy, they can conduct an election to fill the unexpired term. Having said that, he nominated David Darbone to fill that unexpired term of Presidency.

Mr. Eason stated he had a question for the General Counsel. He asked if there was more than one option on that. Mr. Dees replied that the By-Laws talk about if there is a vacancy in the office of the President, the Vice President serves in that capacity. Then there is the word “may” used in that the Board may elect to elect a new officer to fill that spot. There are two choices. You can continue having Mr. Guillory serve as President because that is his role under the By-Laws as Vice President to take over as President. Or, the Board can elect officers. But, there is no item on the agenda to do that, so he recommended that if they are going to elect officers, that the Board indicate that and put that on the agenda for next time.

Mr. Krielow replied that he disagrees totally. The By-Laws are clear. Robert’s Rules of Order clearly states that the By-Laws precede Robert’s Rules of Order on succession and the 5.04 of the By-Laws clearly state that the vacancy can be filled by a majority of the vote for the unexpired term at the first available meeting after such vacancy is filled. This is the first vacancy and he is proposing that they follow the By-Laws, which is the governing authority for this Board and by doing that his is making a nomination.

Mr. Dees replied that they are saying the same thing. It says the Board may. It also has provisions that says Mr. Guillory can act as the President until the Board chooses to do it.

Mr. Krielow stated he has called a point of order and he wants a ruling on filling the vacancy. He has made the nomination. Mr. Lorenzi seconded the motion so that it is on the table.

Mr. Krielow stated they have a motion and a second to Mr. Guillory. Mr. Guillory stated they have a motion and a second. A motion stating what?

Mr. Dees asked if this was to add it to the agenda or to take action. Mr. Guillory replied yes. Mr. Krielow stated they can fill the vacancy by majority of the vote. He has a motion to fill the vacancy.

Mr. Dees replied that there is no item on the agenda. Mr. Krielow stated it does not have to be on the agenda and it would not be put on the agenda because the Vice President as an acting Vice President would not put on the agenda to have an election to fill a vacancy that he presumably is going to succeed. He has called for a point of order. He has a motion and a second. Mr. Dees stated that Mr. Guillory prepared this agenda. Mr. Krielow said a majority of the vote could fill the vacancy. He would like to have a vote.

Mr. Lorenzi stated to Mr. Dees that if it seems that the By-Laws by the way they are stated indicate that it would actually supplement the agenda if it says it will be at first available meeting. Mr. Dees replied that is says it may. It says it may. The Public Open Meetings Law requires items to be posted on the agenda. This agenda was prepared and approved by Mr. Guillory. If they want to choose to do it, that is fine and is up to the Board. He is just saying it should be on the agenda and could be at the next regular meeting placed on the agenda. Mr. Krielow said he has it on the floor with a second at this meeting.

Mr. Dees said that all he is asking is are they adding it to the agenda or are they taking action?

Mr. Dudley stated they have to do that. You have to add it to the agenda. Mr. Eason agreed.

Mr. Guillory asked for a motion to add it to the agenda. The item is not on the agenda. He asked if Mr. Krielow’s motion was to add it to the agenda. Mr. Krielow replied that his motion is not to add it to the agenda. His motion is to fill the vacancy by the majority of the vote, which has a second. The By-Laws, the way they are written, supersede the need to add to the agenda because they do not have an acting President. They do not have an elected President. They had an acting Vice President that set the agenda.

Mr. Guillory stated that at this time, they can use a substitute motion to add it to the agenda. If they choose to make a substitute motion, they add it to the agenda. If the substitute motion fails, they go back to the original motion. If the substitute motion passes, the original motion is dead. Mr. Eason offered a motion to add it to the agenda. Mr. Dixon seconded the motion.

Mr. Krielow asked if the substitute motion passes, it kills his motion. Mr. Guillory said it will kill his original motion. That is in Roberts’ Rules of Order. Mr. Eason asked how many votes does it require. Five?

Mr. Guillory said if the substitute motion, and he liked that Mr. Dees clarified. He has been in this game nearly 31 years. If the substitute motion passes, the original motion is dead. If the substitute motion fails, they go back to the original motion. He asked if he was correct. Mr. Ringo and Mr. Dees stated he was.

Mr. Krielow asked how many it took to add it to the agenda. Mr. Dees replied that it is a unanimous vote to add to the agenda. That is what the Opens Meeting Law requires.

Mr. Guillory said that speaking on the substitute motion, when he came here eight years ago, there were operating officers and if the chair was vacant then the next officer moved in. The reason why that was done was to take politics out of the Board. The ones that have been here quite a few years, know what happened in the past. There was a reason to do it that way. He was in the legislature when they spent a half a day in trying to get it right. If they want to go back and elect and put politics in it, he will have nothing to do with it. He was being honest with them because he is not going back to what it was before.

Mr. Krielow said they were not either. He said they are following the By-Laws of their organization.

Mr. Guillory rapped the gavel and called on Mr. Krielow and said that this was done for a reason. When it was done years ago, they know what happened. Now, they quit doing it in order to take politics out of it and take the clique out of it. Mr. Krielow said this was By-Laws.

Mr. Guillory stated you do not have to follow that. As long as you have a motion on the floor, that the Board operate and business like, that is all you need. You do not have to follow that. That is only a guide.

Mr. Guillory called for a motion to put this on the agenda. Mr. Dixon stated they have a motion and a second. Mr. Guillory called for those in favor. Mr. Guillory called for a roll call.

The Board voted as follows:

Mr. Krielow No

Mr. Dixon Yes

Mr. Darbone No

Mr. Guillory Yes

Mr. Lorenzi No

Mr. Eason No Mr. Eason asked if this was to add it to the agenda.

Mr. Prudhomme

Mr. Krielow stated they were going to go back to his original motion if it is not added according to Mr. Guillory’s (inaudible)

Mr. Eason asked if his original motion was to limit. Is that correct? Mr. Guillory said yes.

Mr. Guillory asked for a vote. Mr. Prudhomme still needed to vote. He voted no. The motion failed by a vote of five to two. Mr. Krielow stated that the substitute motion fails.

Mr. Krielow stated that they now go back to the original motion. Mr. Guillory asked him what was his original motion. Mr. Krielow stated his original motion was to nominate Mr. David Darbone to fill the vacancy of Presidency for the unexpired term of the portion of the term that is remaining. Mr. Guillory said the motion failed by a lack of second. Mr. Krielow replied that it does not need a second. Mr. Lorenzi stated that he seconded the motion and it carried unanimously. Motion. Mr. Krielow said that yes, Mr. Lorenzi seconded the motion. Mr. Guillory asked for all in favor. Mr. Eason asked if they were going to discuss it. Mr. Guillory replied that they would.

Mr. Guillory said it was open for discussion.

Mr. Eason said he had a question for staff. He knows they have had vacancies in the past in as many years back as they can go. Historically, how has it been handled? He knows it has been a rotation for every officer through the years and Mr. Guillory was up for Vice President and now he would rotate up. Has that been the history of when a vacancy occurs? Mr. Dees replied that yes generally. He does not ever recall where the Board President there was a vacancy for. But, there would be other offices that would rotate out and generally the other officers would just handle things. Mr. Eason said that if memory serves him correct, when Dr. Burckel left the Board, he was an officer and they rotated up. Is that correct? Mr. Dees replied that was correct.

Mr. Krielow said as he recall Mr. Guillory has served… Mr. Guillory asked that the Chair be recognized and then he will recognize him to speak. He called Mr. Krielow’s name. Mr. Krielow answered, “Yes sir” and Mr. Guillory said he has the say. Mr. Krielow stated he understands the succession and how things have been done. During the course of the succession, during the term, you have three members here that have served as President. Mr. Eason, Mr. Dixon and Mr. Elcie have all served as President during their appointment. You have four new members who have not had the opportunity to serve as President. Even though he understands that maybe that is the unwritten rule of succession, until a year ago, there was an unwritten rule that the President did not vote unless there was a tie. Mr. Eason chose to do away with that long standing rule. So, absent what has been done in the past, he thinks they are on the course to the future and he is trying to follow what is in the By-Laws, which is their governing authority. He would like to move that they move forward and vote on his motion.

Mr. Eason recognized the Chair, Mr. Guillory. Mr. Guillory recognized him. Mr. Eason stated that he has been on this Board for six years and when he became President, he waited for the proper rotation and it was five years later before he became the President. Mr. Guillory stated that when he came here he did the same thing. He waited until his turn came in order to succeed the incoming office or held the office and that has been eight years ago. He did not challenge anything. In the eight years that he has been here, I thinks they have done a great job. The staff has done a great job. The Port has done a great job. He does not know why they want to elect and officer today and they are going backwards from where they were before. Mr. Krielow

Stated they are not going backwards. Mr. Guillory said to let him finish. Because he was in the legislature, not when this was done, when they made a lot of changes in this Port. You go back and have people serve time. What is so wrong with it now that it has gone on since the change was made that you want to go back and build a clique of election with the Commissioners? He came in on the same rule that it is now that he follows succession and it went well. Mr. Krielow asked if he was President. Mr. Guillory said that he was not going back to where Mr. Krielow wants to go. He would rather walk out of here now. And he will. Mr. Krielow asked him if he was President in 2013. Mr. Guillory said he was President following the succession of the office.

Mr. Krielow stated he was President in his first term. Mr. Guillory said no. Mr. Krielow said in Mr. Guillory’s first four years. Mr. Guillory said he was not President in the first year. Mr. Krielow replied that Mr. Guillory was not in his first year, his first four years. Mr. Guillory said he was not here the first four years he was not the President. They had people ahead of him who was President. Mr. Krielow said that he did get there. Opportunity to sign President. Mr. Guillory said that he did get to be President and at the end of this year David would be President. Mr. Krielow said he understands. His time will come up. What is so wrong with what they are doing now? Mr. Krielow addressed Mr. Guillory and said he understands the way he is talking about where this Port came from, where it had been and where it is going. But, if staff would had been doing their job, they would have notified every Board member of what their options are under the By-Laws. Instead, they chose to sit silently by and cause the discussion they are having right now. They should have been advised by both of the legal counsels as to what their options were when that vacancy became available.

Mr. Dees asked to speak. Mr. Guillory said he could. Mr. Dees stated to Mr. Krielow that he did discuss this with Mr. Guillory, who is in charge of handling the agenda as acting President. Now, if he is supposed to talk to each of you about that, he is sorry. That is his fault. Mr. Krielow replied that Mr. Dees should have. Mr. Krielow stated that Mr. Dees should have advised each Board member what their options were. Mr. Dees stated he will do that in the future. Mr. Krielow said that in the meantime, he has a motion and a second on the table and he would like to call a question. Mr. Guillory called the question. He asked for those all in favor. Those voting for were:

Mr. Krielow

Mr. Darbone

Mr. Lorenzi

Mr. Guillory asked how many ayes did they have. Mr. Guillory said the motion failed. Mr. Krielow called for a voice vote. Mr. Guillory called for a voice vote.

The voice vote started and Mr. Guillory asked to hold up. He said they had voted on this and asked Mr. Dees if Mr. Krielow can call for a voice call. Mr. Dees replied that they already voted without a voice call. Mr. Guillory said they already voted and cannot go back and do that again. It is dead. Mr. Krielow said the vote was… Mr. Guillory said the motion is cleared.

Mr. Krielow called a question. Mr. Guillory stated he cannot call a question. Mr. Dees said a question was called and a vote… Mr. Guillory said the question was called and a motion. Mr. Krielow said he can call for a second vote whenever it is a voice vote and it is inconclusive as to what. Mr. Guillory rapped the gavel and said to Mr. Krielow that as Chairman, he overrules him.

The question was called on the motion. They voted on the motion. The motion is dead. You cannot call a question if a motion is dead. Mr. Krielow said the motion is not dead if he wants to have a revote, a recount. Mr. Guillory said you would have to get a 2/3 vote. Mr. Guillory said he did not come here yesterday. Mr. Krielow said no and… Mr. Guillory said they will cease discussion unless he wants to call a 2/3 vote and let us move forward. If not, next item on the agenda.

Mr. Krielow said they had four votes. Mr. Guillory said they had two votes. Mr. Krielow said they did not. Mr. Guillory said they had three. Mr. Krielow asked if the Board Secretary counted Mr. Prudhomme. She replied that she did not hear him say anything. Mr. Prudhomme said he voted in favor. Mr. Krielow said he voted in favor. She again repeated that she did not hear his vote. Mr. Krielow asked how many votes there were now. She replied that there were four. Mr. Krielow said four. They have a majority and the majority rules.

Mr. Guillory said as he has said before, he is not going to have any part of this. He is gone. If they are going to go backwards with this, then go backwards with this. Mr. Krielow said he was sorry Mr. Guillory feels that way. Mr. Lorenzi said it was not personal towards Mr. Guillory. Mr. Krielow said it was not personal.

Mr. Dixon stated to Mr. Guillory that he needed to rethink this. The motion was made and they cannot do anything about it. Mr. Lorenzi personally requested that Mr. Guillory stay. Mr. Dixon said Mr. Guillory was still Vice President. Mr. Guillory said what good does it do to be Vice President with the system (inaudible.) Mr. Lorenzi replied, “Yes sir.” Mr. Dixon said Mr. Guillory was too good a man to just leave. Mr. Guillory said he cannot put when they have a system that operate with every member except he will not do that. He cannot in good faith sit here and work with these people. Mr. Dixon said the Board needs him and his thoughts and actions. He believes in him. Mr. Guillory stated he never thought that Mr. Darbone and Mr. Krielow would ruin that. He spoke to Mr. Darbone and said he did not believe that in him. Mr. Guillory said Mr. Darbone played that game when he was with Sen. Mount. Mr. Darbone said it was not personal. Mr. Guillory said it was. Mr. Lorenzi said it was not. Mr. Guillory it was because Mr. Darbone would not be doing what he is doing. Mr. Dixon said they are through arguing on this. They have taken a vote on this and everything is going to be like it is. There is nothing they can do about it. Mr. Darbone is going to be the President, but Mr. Guillory needs to come too.

Mr. Ringo expressed to the Board that they are still in session. This needs to be done on the record. Mr. Guillory sat down.

Mr. Darbone took over as President at 5:22 p.m.

Mr. Ringo stated that he believes the By-Laws cannot supersede the Open Meetings Law in any vote, and this has nothing to who should be President or not, but, any vote should have been an item on the agenda so that the public could have notice. But, if they are electing officers, they need to now replace the Secretary/Treasurer position so that they can have their signature on the Resolutions. Since Mr. Darbone has now moved to President there needs to be someone as purview of the Board that moves into the Secretary position. But again, he wants to say the reason you have agendas is so the public can be put on notice for any vote. The By-Laws do state that the Board may, at the next available meeting, elect officers. That does not supersede the Open Meetings Law, which requires a posted agenda. Mr. Ringo stated he has said his peace, but so that they can move forward, they need to have a Secretary as well.

Mr. Eason asked Mr. Ringo, if in his opinion, the Board has violated the Open Meetings Law. Mr. Krielow said under Robert’s Rules of Order, when the President is replaced the succession takes over after that, so they have a vacancy in the Assistant Secretary/Treasurer would that be correct? No, that is right. He is Secretary/Treasurer.

Mr. Ringo said the vacancy is in the Secretary/Treasurer position. Mr. Krielow asked if Mr. Lorenzi would move up to that from the Assistant and we would have a vacancy in the Assistant Secretary/Treasurer. Mr. Ringo replied that he thought from what he just saw that they did away with the unwritten rule that any succession exists. Mr. Krielow said he was reading in Robert’s Rules and they had a succession when the Presidency was filled like this, but that is fine. They can fill each office this way. Mr. Ringo said that is the purview of the Board. You elect officers. Mr. Krielow said ok. He said he nominates Mr. Lorenzi to serve as Secretary/Treasurer. Mr. Darbone said they have a nomination for Mr. Lorenzi as Secretary/Treasurer and asked for a vote. Mr. Lorenzi stated they need a second. Mr. Prudhomme seconded the motion. The voting was 5 votes for with 2 votes against. The motion passed.

Mr. Krielow asked if they now needed an Assistant Secretary/Treasurer since Mr. Lorenzi’s office is vacant. Mr. Ringo said that was correct. Mr. Krielow nominated Mr. Dixon to serve as Assistant Secretary/Treasurer. Mr. Darbone said they have a nomination for Mr. Dixon to serve as Assistant Secretary/Treasurer. Mr. Lorenzi seconded the motion and it carried unanimously.

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1. Approval of the July 22, 2019 Regular Meeting Minutes.

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Mr. Dixon offered a motion to approve the July 22, 2019 Regular Meeting Minutes. Mr. Lorenzi seconded the motion and it carried unanimously.

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2. Submission 2019 – 022 accepting the proposal from Mike Hooks, LLC for maintenance dredging at City Docks and BT-1.

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Mr. Rase stated is something they have to do on a periodic basis to make sure that the depth at the berth is sufficient for the ships that come in. This is the maintenance dredging permit that they are working under, which means that it basically is a permit that is issued by the CORPS. It is usually good for a period of 5 – 10 years depending on the different CORPS evaluations. What they are doing is going out and just keeping the docks at the depth that they need. They had sent out to several people who have participated in dredging in the past. Hooks was the only responsive bid to that solicitation. It was a little under from the budget. The Port had $3.5 million and they came in at $3.3 million. They would like to get approval to move forward with Mike Hooks.

Mr. Darbone asked for a motion to approve. Mr. Dixon offered a motion to adopt Resolution 2018 – 022 to accept the proposal from Mike Hooks, LLC for maintenance dredging at City Docks and BT-1. Mr. Lorenzi seconded the motion.

Mr. Krielow asked for discussion. He had a question. Mr. Krielow asked who to present the question to Mr. Rase or Mr. Pestello, since Mr. Pestello. Mr. Rase told him he could go either way.

Mr. Krielow stated he has some concerns and understands the issue with dredges, but this procedure was a RFP, a request for proposal, and was not a firm bid, public bid contract. He asked if that was correct. Mr. Pestello agreed. In January, Mr. Pestello did a public bid for dredging at City Docks where there were bidders that actually gave a firm bid based on a published solicitation. Mr. Pestello agreed. Mr. Krielow said in the RFP, and he tried to compare it to the documents, and thanked him for sending them to him. His concerns are several. First of all, in the RFP, they are not providing a performance and payment bond, where if it would have gone out under a public bid solicitation under Section 4.1 of the Public Bid Solicitation the Port requires contractors to furnish performance and payment bonds.

The second one is on builder’s risk insurance. It is excluded in this RFP. Mike Hooks Dredging excluded furnishing builder’s risk insurance. If Mr. Pestello would have done it under a public solicitation, it would have been required under 4.03 paragraph E of the insurance requirements. That is in all of the Port’s contracts.

The third concern he has is the $3,000/hour stand-by rate, which he knows is in some of the public bids for down time for maybe cleaning the cutterhead and suction pipe. But, in this solicitation, or request for proposal, the response came back that the $3,000/hour is a standby rate for cleaning the cutterhead, the suction pipe, the pump, the discharge, any downtime for repairs due to striking hard objects, vessel traffic, or problems in the disposal area. There is no quantification on the $3,000/hour. It could be, and he knows staff put in some contingencies in the budget, but there is no way to put your hands around this. It is kind of a loose item out there.

In a public bid, the contractor is pretty much responsible for everything except cleaning the cutter head and dredge time, which staff clock it by a tenth of an hour according to the bid specs.

Probably the next thing that was of real concern is that when you turn the page on the $3,000/ hour, it goes on to read, “If the dredge encounters objects that may cause damage, and if the dredge or cutterhead is significantly damage by striking an unidentified object, which could be a piece of cable or a piece of pipe laying out there, then the owner, which is the Port, is responsible for the replacement and appropriate repairs.” His question is, and you do not have that responsibility in a public bid solicitation. The contractor is responsible for his repairs and damage to his equipment. His question is who is going to determine what is significant damage and who is going to determine what are the appropriate repairs, because again, that is another open ended thing that as you know on these dredges, a cutterhead can cost a half a million dollars if they damage it. A pump could be a million and a half dollars. If they accept this RFP, they are accepting the terms of the way they presented it.

The other concern he has… He realizes Mr. Pestello sent it out to five additional dredgers, which there are some other dredging companies, but they only have the one response in the RFP. An RFP is a subjective analysis. Whereas a public bid is an objective analysis. They either meet the responsive requirements of the contract or they do not. If you get one bid on a public bid, at least all of these variables are covered and the Port is not open to those liabilities and you have a firm, fixed price that you have performance payment bonds, insurance and everything in place so you can go forward if you only had one bid under a public bid scenario and award it. He is very uncomfortable doing it in a RFP when they do not have a second RFP to use as a baseline or a subjective analysis of what the different companies are proposing. This is him. He is just pointing out his contractor had it and he knows that Mr. Pestello did what he felt was best, but it almost begs the question why did he do a RFP instead of a public bid when you just did a public bid for dredging a couple of months ago.

Mr. Pestello stated he would start with that. He said the reason they public bid the project back January was because that one was going to a new depth. It was not considered maintenance dredging. It was a new cut, virgin cut. They did it as a public bid that way they would document everything because it was new cut and does not fall under the Port’s maintenance permit.

This is maintenance dredging and it falls under within the Port’s maintenance permit. So, they are allowed to do proposals because it is a service.

Circling back to the first question, they did have in there a performance and payment bond. It is required in the solicitation. Mr. Krielow said they excluded it in their written proposal. It does not include builders risk or bonds. Mr. Pestello agreed. He said the builder’s risk. There is no builder’s risk insurance required because the Port is not building anything. There is no partial building that needs to be insured or construction materials that need to be insured. So, that would not need to be required.

The performance bonds, if they did exclude them, which Mr. Krielow is correct they did, the Port can still require that when they go to sign the contract.

Mr. Krielow asked if Mr. Pestello have builder’s risk insurance in the January public bid solicitation. Mr. Pestello said they had it required in there. Mr. Krielow asked why they required it in there and say now it is not required. Mr. Pestello said they had it in there because it was part of the standard template, but there was nothing to insure. Mr. Krielow said but, they had to carry it. Mr. Pestello said that yes, they had to carry it. But it was part of their insurance packet.

Mr. Pestello asked what the next question was regarding. The builder’s risk he addressed. He said he would like to clarify too that yes, they sent it out to six contractors total and that was based on previous contractors that have submitted before. They looked at all contractors that they could think of in the area as well as the Port’s history that have bid on the projects. The last public bid job they only had two responsive bidders and he sent it to both of them. Hooks was the only one who responded in this case. They held their actual unit rate that they bid at the last public bid project, so that is why they feel it is a good price. They used the same price from the last time they did a low bid - $12.00 per yard.

Mr. Krielow said he does not disagree with him that the price is probably fair for the small volumes they are dealing with. His concern is this language in here that now which we would not have if he had had it in a public bid. They as a Port are now liable for paying dredge cutterhead, assemblies that are significantly damaged and the owner is responsible for replacing the parts or the appropriate repairs. Again, to him, that is just too loose because who is going to determine what significate damage is? Who is going to determine what gets repaired? Who is going to determine if they hit an object that was in the dredge area or did they bump something else? That part of it is loosey-goosey.

Mr. Pestello replied that just some typical dredge projects, dredge maintenance projects. Those are all, just because the language is not there, there is still that validation where any downtime they have to document the pictures, index them to the reason that caused the downtime. All those are reviewed before final payment. To give an example, on the previous project that had a virgin cut, where they had numerous things that had never been dredged before, hidden trees and such, they only had 32 hours of downtime. This one he is assuming 50 hours just because they are going all around City Docks, which he has included in this as part of the contingency. But, they will still have to validate and prove…Mr. Krielow asked who was going to do the hazard survey. Mr. Pestello replied that Mike Hooks is responsible for the survey. Mr. Krielow said if they find something, the Port has to pay additional money to remove it because they have excluded removing any hard objects out of the disposal area. Mr. Pestello said that was correct because it is an unknown. It would be no different that if you were doing a construction job on a building and you start digging in the ground and find an unknown object. Mr. Krielow said he appreciates where he is coming from. He is just more comfortable in these situations when you only have one respondent that it be a public bid respondent where all of these things are addressed clearly to avoid any potential litigation, because that is where is going to start. They think it is substantial and you think it is not. There you go. He apologized for taking so long.

Mr. Darbone stated they have a motion and a second for approval. Mr. Lorenzi and Mr. Krielow voted against the motion. The motion passed.

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3. Submission 2019 – 023 accepting the lowest responsive bid of Trumble Construction, Inc. for Shed 7 Roof Improvements at City Docks.

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Mr. Rase stated this is Shed 7 project. They went out and asked for bids. They had several companies bid, 6 or 7. Trumble ended up being the low bidder. Seeing that they had all of the needed materials in their bid, it is the low bid and are recommending they go forward with that company for the shed repairs.

Mr. Lorenzi offered a motion to adopt Resolution 2019 – 023 accepting the lowest responsive bid of Trumble Construction, Inc. for Shed 7 Roof Improvements at City Docks. Mr. Prudhomme seconded the motion.

Mr. Krielow asked on the proposal, it is for three trestles, correct? Mr. Pestello stated that is on the next submission. Mr. Rase said this is for the Shed 7 roof. Mr. Krielow apologized.

Mr. Darbone asked if there was any discussion. Mr. Lorenzi asked if this company has done any work for the Port previously. Mr. Rase replied not that he was aware of. They did check them out as best as they could. They did supply all of the information. Mr. Lorenzi said his question is the fact that all of the estimates were on average substantially less than the engineer’s estimate and is that of any concern.

Mr. Pestello stated that it was a concern. They asked the engineer to check with various contractors, including the low bidder and it appears he was consulting with roofing contractors that were on the higher end and his estimate was much greater than expected. But, he contact the low bidder and verified that their bond company is legitimate. Staff is confident they can handle the job. Mr. Lorenzi asked if they were comfortable with this. Mr. Pestello said he was.

Mr. Darbone stated there was a motion and a second and asked for a vote. The motion passed unanimously.

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4. Submission 2019 – 024 authorizing the District to enter into a professional services agreement with Huval & Associates, Inc. and to add a project and amend the 2019 Capital project and budget.

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Mr. Rase stated this item is on the Industrial Lead that reaches from behind Chennault and goes down to dead end around Alcoa. In that track, which is about 12 miles long, there is four trestles that are there. They had Huval who is a person that is an engineer and takes a look at rail work specifically. It is one of their primary things that they inspect. Staff had them go out and take a look at all of the trestles. They came back with information that said the Port needs to do some repairs to those trestles. One trestle is in worse shape than several of the other ones, but they need to have the track in use, so they want to move forward and get all of the trestles repaired. That is why they are going for the budget amendment.

Mr. Dixon offered a motion to adopt Resolution 2019 – 023 to authorize the District to enter into a professional services agreement with Huval & Associates, Inc. and to add a project and amend the 2019 Capital project and budget. Mr. Krielow seconded the motion.

Mr. Krielow asked Mr. Pestello about the exhibits he has with their proposal, and if he is correct, this is for three trestles, they quoted each phase of work on an hourly rate at their published hourly rate like the Port is hiring them by the hour. Is that correct? Mr. Pestello said yes, but actually he is not sure that is their published hourly rate or if that is their internal rate they use for budgeting. The reason he says that is because there is an estimate fee at the bottom of each page that has a 3.0, that is their multiplier for their overhead. Mr. Krielow said that was his question. Is the Port hiring them by the hour or under a contract for services and they multiply their estimate times three to come up with a rate and then you have of course the three trestles. Mr. Pestello replied that was correct. They are hiring as a lump sum service to do the project. Mr. Krielow asked if that was for all three. Mr. Pestello said that was correct. The $112,000 is for all three. Mr. Krielow said the $135,000 design in the budget is to cover all three. Mr. Pestello agreed and he had the same question with that 3.0

The motion carried unanimously.

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5. July 2019 Financials Briefing Note

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

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6. 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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7. 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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8. 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.

Mr. Henderson said they may have an additional barite ship in September.

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9. 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.

Mr. Loughney stated they have the second load of windmill blades unloading today. They have also gone live with the new Port website.

Mr. Krielow complemented staff on the LegisGator room. Working with the O’Carroll group to get the displays and exhibits were excellently done. He asked if it would be possible. They had some excellent pictures like of BT-1 and City Docks showing all of the sheds and docks. Why could not they put those in the boardroom all of the Port’s properties on the walls so that when they are having discussion and Mr. Rase is talking about Shed 7 at City docks, someone can look up there and point and have a visual reference of what they are talking about. He does not know about the other Board members, but he is lost a lot of the time as to where the location of these things are that they are being asked to approve or discuss. He asked Mr. Rase if that was something they could do. Mr. Rase replied that they could probably get something on the TVs that would show the facilities and work it from there instead of having pictures. Mr. Krielow said it was just a thought because there were some good pictures and it looks like they would fit in these areas on the walls where as a Board they could look at them.

Mr. Loughney said they have an archive video. They can put on a show and work with the IT guys and build a facility file that can be controlled from the computers here.

Mr. Eason stated he received a compliment from one of the Port’s larger tenants through the years, Francis Drilling Fluid, and he was speaking with the former chairman, Mike Francis. When he found out he was on the Port Board, he had glowing comments to make about the entire management team and his experience at the Port. Mr. Eason want to make sure Mr. Rase and staff know that he was one of the Port’s larger tenants in previous years and his experience was phenomenally good. He passed that on to Mr. Eason. Staff thanked him. Mr. Rase said Mr. Francis has been a big part of the Port. Their footprint has dwindled considerably since the sand is now natural sand instead of the material they were bringing in from overseas.

Mr. Rase said the by the next Board meeting, he has talked to all of the Board members about this PPP that they are trying to put together – Public, Private Partnership between industry, the Port and the State. They now have the ability to say that they think they have that. It has to do with the DMMP, which is the governing document for the dredging of the channel and what needs to be done out there. The Governor signed off that they would participate, industry has done the same and the Port is already in the pot. All are putting up $3 million per year. That will get the channel up to $9 million when it is complete. He hopes to bring that CEA to the next Board meeting.

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10. 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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11. Monthly Staff report from the State Port Lobbyist.

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The State Port Lobbyist’s Monthly Staff Report was rendered to the Board and is on file in the Executive Offices.

Mr. Darbone stated that he knows that John Leblanc was the President and he actually had placed members of the Commission on different Committees and he knows that December is coming quickly. He would like to form a Special Executive Director Search Committee that would be made up of all of the Commissioners and chaired by Mr. Krielow so that they can start a search for a new Port Director. Mr. Eason asked if they had been given any official notification. Mr. Lorenzi said he did not think Mr. Rase has done anything. Mr. Eason said he does not know of Mr. Rase doing anything. Mr. Darbone thought he did. Mr. Eason asked Mr. Rase if he has made any notification. Mr. Rase replied that he has not. His only notification was that his contract is up on December 31, 2019.

Mr. Krielow stated that was there not a special meeting arranged to… Mr. Eason said not to his knowledge. Mr. Krielow said that he has a notice that they had a special meeting called that was cancelled. Mr. Eason said it was an Admin Committee meeting as he remembers. Mr. Krielow said that no, it was a special meeting. It was a Committee meeting. He pulled out previous notices. Mr. Eason asked Mr. Rase if he has given any official notification. Mr. Rase said that he has not given any notification, but there was a meeting schedule for the Monday. He does not remember exactly what it said on it. Mr. Krielow said it said Executive Session for the discussion of Executive Director Position and any appropriate action. Mr. Eason said that is because his contract is coming up at the end of the year. Mr. Krielow said it was for August 5, 2019 and it got cancelled August 2, 2019 by a cancellation notice. Mr. Eason said he was chair of the committee and his contract was up at the end of the year so that is what the meeting was called about. Mr. Krielow agreed and said they still need to address his contract is up at the end of the year. Mr. Eason said that is was not about an Executive Search. Mr. Krielow said they need to discuss their options.

Mr. Darbone said if that was not the case, then they would table the item at this point. Mr. Krielow said he thinks they need to have a discussion because his contract is up at the end of the year. Mr. Lorenzi suggested they discuss this in Executive Session. Mr. Eason said that goes in Executive Session. Mr. Krielow agreed.

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

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Mr. Darbone asked for a motion to enter into Executive Session. Mr. Dixon offered a motion to enter into Executive Session. Mr. Krielow seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:58 p.m. to discuss the matters below.

* 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

The Board entered into Regular Session at 6:45 p.m.

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

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There being no further business to come before the Board, Mr. Darbone asked for a motion to adjourn. Mr. Lorenzi offered a motion to adjourn and Mr. Krielow seconded the motion and it carried unanimously. The meeting adjourned at 6:46 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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ELCIE J. GUILLORY, Vice President

ATTEST:

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DAVID J. DARBONE, Secretary/ Treasurer