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, September 26, 2022 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:

Thomas L. Lorenzi, President

M. Keith Prudhomme, Vice President

Judy A. McCleary, Secretary/Treasurer

Kevin D. Guidry, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Dudley R. Dixon, Commissioner

Carl J. Krielow, Commissioner

Absent:

 None

Also Present:

 Richert Self, Executive Director

Jon Ringo, General Counsel

 Cameron Landry, Director of Administration and Finance

 Channing Hayden, Director of Navigation

 Nick Pestello, Director of Engineering and Maintenance

 Michelle Bolen, Executive Administrative Assistant

Mr. Lorenzi called the meeting to order at 5:01 P.M. Mr. Dixon gave the invocation. Mr. Darbone led the Board and audience in the Pledge of Allegiance.

Mr. Lorenzi made a statement reminding the public of the Port’s procedure for the public to address an agenda item to the Board.

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1. Approval of the August 22, 2022 Regular Meeting Minutes.

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Ms. McCleary offered a motion to approve the August 22, 2022 Regular Meeting Minutes. Mr. Prudhomme seconded the motion and it carried unanimously.

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2. Submission 2022 – 046 accepting the lowest responsive bid of Tennant Specs for spare parts for the Penn Crusher at BT-1 for a total of $122,712.46.

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Mr. Self stated staff requests the Board of Commissioners to accept the lowest responsive bid of Tenant Specs for the pin crusher spare parts at BT-1. In August, Mr. Pestello put the crusher's spare parts out for bid. Staff received one bid. The crusher helps maintain the consistent size of the material that is loading onto the conveying system at BT-1.

The lead time on these spare parts is 41 weeks, so staff wanted to go ahead and get it bid. They received one bid in the amount of $122,712.46

Mr. Darbone offered a motion to accept the lowest responsive bid of Tennant Specs for spare parts for the Penn Crusher at BT-1 for a total of $122,712.46. Mr. Dixon seconded the motion.

Mr. Dixon asked how many of these do they need to have. They need spares correct? Mr. Self said they do. In fact, the very next submission is another order. It is not spare parts, but it is spare belting that they keep in inventory in the event that there is a breakdown. They are loading 24/7 when there is a vessel at the dock. They do not want to keep their customers waiting.

In the next submission, the belting and this submission are spare parts. They want to get those replaced quickly. Obviously, with a 41-week lead time, they cannot wait that long. They need to have these in stock and ready to roll whenever there is a breakdown. Mr. Dixon asked how many would this give them. Mr. Pestello replied that just to clarify, it is not a spare crusher. It is the spare parts to rebuild the crusher. They are keeping enough parts to be able to rebuild. It is basically a spare with all the vulnerable pieces that in the past have had to be replaced. It is not a full crusher. It is not a spare one. That would be much more expensive. This is just the pieces to rebuild it.

Mr. Lorenzi asked if it has always been a 41-week lead time. Mr. Pestello stated it has not. Normally, it is much faster than that for pieces that are components like this. This may be the repercussions of the global shipping crisis.

Mr. Dixon asked if it is going to be enough. Mr. Pestello replied that it is. It is not broken now, so this is just for if it breaks down, they repair it.

The motion carried unanimously.

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3. Submission 2022 – 047 accepting the lowest responsive bid of All-Serve Industrial, LLC in the amount of $666,970 for new conveyor belting.

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Mr. Self stated staff requests the Board of Commissioners to accept the lowest responsive bid of All-Serve Industrial LLC in the amount of $666,970 for new conveyor belting. Mr. Pestello put the bid out in August. Staff received two bids. All-Serve Industrial LLC was the low bid on two of the belt sizes. Motion Industry was the low bid on one size, but their lead time was much longer than All-Serve.

Staff is requesting approval to get all three belt sizes from All-Serve. It is an integral part of what they are doing at BT-1. Conveyor belting rips, which happens time to time, because of the nature of what they are loading, they need to have that in inventory and ready to be placed on the conveyor to replace the ripped belt..

 Mr. Dixon offered a motion to adopt Resolution 2022 – 047 to accept the lowest responsive bid

of All-Serve Industrial, LLC in the amount of $666,970 for new conveyor belting. Mr. Krielow seconded the motion and it carried unanimously.

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4. Submission 2022 – 048 authorizing the execution of a Proof of Loss relating to additional expenses as a result of Hurricane Delta.

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Mr. Self stated approval of the Board is needed to authorize Executive Director to execute a Proof of Loss in the amount of $351,068 for additional expenses as a result of Hurricane Delta. In a recent conversation between Mr. Landry and Crawford Adjusters regarding emergency protective measures and cleanup, it was determined that the Port be able to file a claim for any amount of $351,000 minus the Port’s $75 000 deductible. The net for the Port will be $276,000.

Mr. Krielow offered a motion to adopt Submission 2022 – 048 to authorize the execution of a Proof of Loss relating to additional expenses as a result of Hurricane Delta. Ms. McCleary seconded the motion and it carried unanimously.

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 5. Cameron LNG Update Briefing Note.

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Mr. Self stated he has asked Nelson Robles with Cameron LNG to provide an update.

Mr. Robles said Cameron LNG has been in business since 2005. They invested around $12 billion in the Cameron LNG regasification project and liquefaction project. As it relates today, they have moved approximately 457 LNG tankers in the waterways and exported 31 million metric tons of LNG from Lake Charles, Louisiana to the Asian markets and the European markets. They are doing very well.

The state of the world as they know it today is quite challenging. They are doing what they can.

They are a 12-million-ton facility and are reaching those goals with 99.3% efficiency rate at the terminal. It is good so far. A little background of the Expansion Project, Cameron LG presently has three liquefaction trains. Each is capable of producing 4.5 million tons of liquefied natural gas a year. The expansion project for train four, which would be the new project. That train itself is right at 6.75 million metric tons of gas a year. They are presently in the feed the front engineering design. They have two companies that have entered in the heads of agreement for the development of the phase two of the expansion project. They are Bechtel Energy and JGC Americas and Zachary Industrial

At the conclusion of this process, they will pick an EPC contractor, an engineering procurement contractor, to actually construct the fourth train at Cameron LNG. It fully leverages existing common facilities. No additional tanks or berths are required. It sits entirely within the footprint of the property at Cameron LNG. It has electric drive motors so it is greener. What they envision is a is a smooth process to get to where they need to get to the construction day.

Right now they in the feed process. The next hurdle will be picking the contractor then moving into what is FID, which is the final investment decision. They hope to reach that in the fall of next year.

With the project with train four, right now Cameron LNG is moving around right around 186 ships a year. With the expansion project of train four, they will move over 290 ships a year in this court. It is going to be quite busy for mile marker 18 down south. There are a lot of proposed projects where just one of them were existing, so it is always a challenge. He is sure they will work through it. Any questions on the expansion project?

Moving on to the this is initial green project from Cameron LNG. It is the Hackberry Carbon Sequestration Project. Everybody is talking about carbon sequestration and Cameron LNG actually owns about 8,000 Acres where they are probably going locate these wells in Black Lake. They are they are permitted and ready to go. Cameron LNG is just going through some feed processes in this project as well. This will come to fruition hopefully in 2025 or 2026. They will be capturing the feed gas or the CO2 from train four and associated equipment and processing to make Cameron a much greener facility than what it is right now.

 He asked for questions. Ms. McCleary asked if that capturing on Pot property or a property that the Cameron owns. Mr. Robles replied it was both. One unique fact about Cameron LNG is that the footprint of Cameron LNG falls between both Cameron and Calcasieu parishes. Right above where train three ends is the parish line. There is critical infrastructure on both Calcasieu Parish and critical infrastructure on Cameron Parish. Ms. McCleary asked where the carbon capture process. Mr. Robles stated the carbon capture is going to be in Black Lake. That will be Cameron Parish. Ms. McCleary asked if that will just be from train four. No carbon capture on trains 1 – 3. Mr. Robles stated that was correct.

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 6. August 2022 Financials Briefing Note.

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The August 2022 Financials Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 7. FEMA/GOHSEP Financials Briefing Note.

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Mr. Landry stated Mr. Glenn Lafond with CSRS is here to give an update and if anyone has any questions for him

Mr. Lafond stated that to date, the total amount of damage due to Hurricane Laura is just under $130 million. This is a conservative number. They always try to maximize the amount of insurance proceeds to get to repair the Port’s buildings or replace the ones that they are going after.

The insurance amount that the Port received from its insurance carrier was $46 million. To date they have obligated gross amount at the CRC was $51 million and have subtracted almost $33 million from that figure leaving a CRC net with the Port’s 90% share and federally obligated is $19,000,102. So far GOHSEP has paid $5, 388,000 and that is due to the amount that the Port has expended up to this point. There is still a lot of money waiting there as soon as the need arises that you pay for things like the loaders and things like that.

On a positive note, he checked a week ago and the Port has the most amount obligated for permanent work. That is Category C through G. Most of that are buildings and that is the gross amount before the insurance deductions and things. They are doing really well and staff continues to go to battle for the Port and increase the Port’s benefits as much as possible.

Ms. McCleary asked how much money is sitting at GOHSEP. Mr. LaFond replied that the Port received 5,388,000. The total amount that is there is $19 million so subtract that. It is probably $14 million. Mr. Self asked if it is correct that some of that $14 million will not be reimbursed until it is expended by the port. Mr. LaFond replied that is true. That is what he was explaining. For example, the two loaders is probably the big share of that. Ms. McCleary asked if there was any ballpark Park figure. The Port has not spent the money on but what is literally the Port’s money. Mr. LaFond said that is all the Port’s money. Ms. McCleary asked of the $19 million the Port has to expend… Mr. Self stated the Port has not expended the full $19 million. Mr. LaFond said that there is a reimbursement process. The money gets obligated for FEMA, it gets paid to GOHSEP and then when the Port expends the money they submit reimbursement requests to the state. The state then will transfer that money after they go through their approval process. That is the $5 million that so far has been received. Mr. Landry said he could get that number send it to Ms. McCleary tomorrow. He can get the number that has been spent versus what has not been spent for what is sitting at GOHSEP. Ms. McCleary stated that in the last month the Port has received a 115,000. Mr. Landry stated that was correct.

The FEMA/GOHSEP Briefing Note was rendered to the Board and is on file in the Executive Offices.

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 8. Monthly Staff report from Director of Administration and Finance.

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Mr. Landry added that continuing on with the GOHSEP/FEMA information, tomorrow afternoon staff has a meeting with members of FEMA and GOHSEP to discuss kind of the status of some of the Port’s projects and some of the issues the Port has had with receiving money. These guys will be here with staff to help them through that with them and hopefully staff will get some good news.

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

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 9. Monthly Staff report from Director of Navigation.

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Mr. Hayden staff finished up the “Begging for Bucks” tour in Washington about a week and a half ago. They made their second visit up there. No one came back with a check, but they never do. Staff goes up there and makes their presentations. They will continue to work through the federal government's funding process for FY 23, which begins on October 1st. They will not have a budget. That will confuse things, but they will be able to work through it.

The second item is staff received some really good news today. The CORP put out their contracts for dredging miles 5 to 17, which is basically St John Island just short of and then up to just short of the Sempra facility. The bids came in extremely good. The CORP has a process when bids come in so low they go back to the contractor and ask if they really meant to do this or was it a mistake in your calculations. The lowest bidder is a well-known and well-respected dredging company, so he expects that they did not make any mistakes. They could have, but if this holds there will be a surplus in the New Orleans District from FY22, which ends at the end of this month. That surplus, depending on how the CORPS decides to handle it, may be allowed to roll over into next year and make up for some of the deficit they do not have in the federal budget right now. This is an ongoing process, but there is good news and dredging came in far below estimates.

The two beneficiary use projects they are going to do with the material that is dredging is far below the estimates. Mr. Krielow asked if Mr. Hayden had an idea about how many dollars might roll forward potentially. Mr. Hayden replied that it could be as much as $16 million. Mr. Prudhomme stated that in Mr. Hayden’s experience, if they do not use it, do they lose. Mr. Hayden replied that they could. The CORPS does a lot of reprogramming, but it is at the end of the year. It will be difficult for them to give the funds, today is the 26th, so they have four more days. Another District cannot spend this money. It is going to at least remain in the New Orleans District until the end of the fiscal year and then the CORPS will see what they want to do during the process of the FY23 budget.

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

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 10. 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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 11. Monthly Staff report from Director of Cargo and Trade Development.

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The Director of Cargo and Trade Development’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 Engineering, Maintenance, and Development.

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I wanted to give you an update on shed 16 and 17 roof replacement project. It was a $6 million project for Hurricane repairs to the two 100,000 square foot warehouses that are currently leased by Southern Ionics. The project was awarded to CSM and he is happy to report that the project was completed on time and in budget. They only had a few minor change orders that stayed well within the contingency. He thanked the contractor CSM, the engineer of record, Hoh Brothers and also River West for helping this project be so successful. This was also a project that CSR has fought for to get those full roof placements so the Port will be more resilient in the future for future hurricanes.

The Director of Engineering, Maintenance, and Development’s 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 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.

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 14. Monthly Staff report from the Federal Port Lobbyist.

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

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

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Mr. Krielow said staff is heading into the last quarter of the year and typically you're going to be starting to work on the budget and I'd like to ask the staff if they could endeavor to get it to the Board well ahead of time in the same format and detail that we've requested in previous years so we can do comparisons would like to at least have it a month before we have to act on it instead of the last-minute.

There were no other matters to be discussed.

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

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Mr. Lorenzi asked for a motion to enter into Executive Session. Mr. Krielow offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously.

The Board entered in to Executive Session at 5:31 p.m.

* Stacey A. Ryan, et al, vs no. 2014-004268 Calcasieu Parish Police Jury, LCHTD, et al-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.
* LCHTD vs Reynolds Metals Company – Case 2:17-cv-01114 US District Court, Western District of Louisiana, Lake Charles Division.
* Executive Director and General Counsel Employment Contracts.
* LCHTD vs Harbor Docking and Towing No. 2022 – 0995-F, 14th JDC, State of LA.

The Board returned from Executive Session at 5:45 p.m. No action was taken in Executive Session.

There being no further business to come before the Board, Mr. Lorenzi asked for a motion to adjourn. Mr. Dixon offered a motion to adjourn.. Mr. Krielow seconded the motion and it carried unanimously. The meeting adjourned at 5:45 p.m.

All discussions held on the above items were recorded using the FTR Gold recording program.

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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 THOMAS L. LORENZI, President

ATTEST:

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KEVIN D. GUIDRY, Assistant Secretary/ Treasurer