

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, April 23, 2018 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:

- Dudley R. Dixon, President
- Michael G. Eason, Vice President
- John LeBlanc, Secretary/Treasurer
- David J. Darbone, Commissioner
- Elcie J. Guillory, Assistant Secretary/Treasurer
- Thomas L. Lorenzi, Commissioner
- Carl J. Krielow, Commissioner

Absent:

None

Also Present:

- Bill Rase, Executive Director
- Richert Self, Deputy Executive Director/Director of Administration and Finance
- Michael Dees, General Counsel
- Jon Ringo, Assistant General Counsel
- Donald Brinkman, Director of Security/Engineering, Maintenance and Development
- Channing Hayden, Director of Navigation
- Todd Henderson, Director of Operations
- Dan Loughney, Director of Marketing and Trade Development
- Michelle Bolen, Executive Administrative Assistant

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

Mr. Dixon asked if there was any public comment regarding any items on the agenda. He stated no one wished to address the Board.

- 
1. Approval of the March 26, 2018 Regular Meeting Minutes.
- 

Mr. Eason offered a motion to approve the March 26, 2018 Regular Meeting Minutes. Mr. Krielow seconded the motion and it carried unanimously.

- 
2. Submission 2018 – 006 authorizing the District to enter into a Professional Services Agreement with Moffatt & Nichol for the design of Berth 9 Rehabilitation at City Docks.
- 

Mr. Rase stated several years ago, maybe in 2016, they went out and had an underwater inspection of all of their docks – City Docks, BT-1, and BT-4. They found that Number 9 was in bad shape. It is the bulkhead that is underneath the dock that is failing. They tried to get bids on the design package to go out for the construction bid. The design package is about \$800,000 with a \$100,000 contingency to make the total amount to be \$900,000. If they get started at the end of the year, they may use some of the remaining \$2.1 million that is left over. Basically, it is about \$8.0 million for the total project. The whole project will be budgeted for 2019.

Mr. Dixon asked for a motion. Mr. Darbone offered a motion to adopt Resolution 2018 – 006 to authorize the District to enter into a Professional Services Agreement with Moffatt & Nichol for the design of Berth 9 Rehabilitation at City Docks. Mr. LeBlanc seconded the motion.

Mr. Krielow asked, for informational purposes, he noticed that Mr. Rase had said the company had done an evaluation of all the docks at City Docks. Are there any other docks that showed a need for repair or is this just the most important one and there will be some others coming behind it? Mr. Rase stated there are some deficiencies in several of the other docks. This seems to be the one that stands out to them as being the most critical in need of repair. Mr. Krielow asked how many feet were failing. What is the nature? Is it a failure or rusted out? Mr. Brinkman said it is not necessarily a failure, the tie-back system is failing in one or two locations but not the whole entire length of the bulkhead. Mr. Krielow said it was letting it lean forward. Mr. Brinkman said it was but not a complete failure. Mr. Krielow asked how many feet was it like that. Mr. Brinkman stated he was not sure off hand but could get that information to him. Mr. Krielow said he was curious to get an understanding because the way it read he thought they had looked at some other docks and had some other problems coming up down the road. Mr. Brinkman said they have nothing that is on the critical stage, but they have some things that definitely should make a priority and address in the coming years. Mr. Krielow asked if there would be any dredging associated with this or just the bulkhead. Mr. Brinkman said he did not think there would be any dredging. Mr. Krielow asked if that was 32 or 34 feet at that berth. Mr. Brinkman stated that at Berth 9 – Mr. Rase said 35 feet. Mr. Krielow stated that it is primarily used when they have two bag ships in there. Mr. Rase said the primary use of Dock 9 is it attaches to 9A where the Spiralveyors are, so they try to put as much cargo as they can between those berths. They start in 9A and go to 9. It holds about 7 – 8,000 tons in 9 and 9A is a little bigger than that, but has all the equipment. It is around 11 – 12,000 tons.

Mr. Krielow asked that the actual money once they do the design and evaluation, is in the long-term capital projects. Mr. Rase agreed. Mr. Krielow said they would see that later on in the meeting. Mr. Self said it would be more so in 2019. Mr. Rase said they will see the \$2.0 million for this year.

Mr. Dixon stated a motion and second had been offered, and the Board needed to vote. The motion carried unanimously.

- 
3. Submission 2018 – 007 authorizing a settlement agreement with LDEQ and payment of agreed upon fines and fees.
- 

Mr. Rase stated back in July 2016, the Port was loading a calcine barge and as they began to top the barge off, the operator raised the spout too high. It was a very windy day. Calcine is a very dry product so it has a lot of dust issues with it. Some of that blew into the water. DEQ came out, took a look at it as well as looking at the Port's record keeping. There were two failures by the Port for some of the record keeping, even though it was just a timing issue – the Port sent them in two or three days later than the required time. Regarding the dust, they had already ordered a cascade chute that takes a long time – about a year and a half – to get a chute in. This was the newest technology available that would fit the system the Port has in place. Since the Port has received that chute and hired an outside consultant to monitor their records, they have not had any other violations. Mike Dees and staff went to Baton Rouge to meet with DEQ and agreed with all minor infractions and to the lesser penalty, which is \$6,200.00. They added another charge on top of that for their time, which brought it up to \$8,600.00 total for all the infractions together. DEQ needs a Board Resolution stating the Port will pay the penalty.

Mr. LeBlanc offered a motion to adopt Resolution 2018 – 007 to authorizing a settlement agreement with LDEQ and payment of agreed upon fines and fees. Mr. Guillory seconded the motion and it carried unanimously.

- 
4. Submission 2018 – 008 authorizing a Treated Water Discharge Pipeline Servitude Agreement with LACC, LLC.
- 

Mr. Rase stated in conjunction with Axiall/Lotte expansion, they need to have a treated waterline, by DEQ regulations, to reach the river. Several of the private landowners were involved early on. As they got toward the river, the BT-1 property, specifically the Phoenix property, became an issue for them. They needed to get an agreement to go underground across the Port's property. Port staff gave the standard fee of \$1,000.00 per rod. They are willing to pay the fee and staff is recommending the Resolution to complete the agreement.

Mr. Eason offered a motion to adopt Resolution 2018 – 008 to authorize a Treated Water Discharge Pipeline Servitude Agreement with LACC, LLC. Mr. Krielow seconded the motion and it carried unanimously.

- 
5. Submission 2018 – 009 authorizing an Amendment Number One to Addendum Number Four to Real Estate Lease Option Agreement with Lake Charles Methanol, LLC.
- 

Mr. Rase stated that because there is an agenda item on the agenda – 2018 – 009, which is going to be deferred to a future meeting, there needs to be a motion, second and approval to defer the Submission.

Mr. LeBlanc offered a motion to defer Resolution 2018 – 009 to authorize an Amendment Number One to Addendum Number Four to Real Estate Lease Option Agreement with Lake Charles Methanol, LLC until the July 2018 meeting. Mr. Guillory seconded the motion and it carried unanimously.

- 
6. Administration, Personnel and Audit Committee Meeting
- 

Mr. Eason stated the Committee met on April 18, 2018 to discuss the Forecast I.

Mr. Self presented the Forecast I to the Committee and the Board at the Regular meeting.

- 
7. Business, Intergovernmental and Environmental Committee Meeting
- 

Mr. Darbone stated the Committee met on April 19, 2018 to gather data from each stevedore. They will then process all of the data and will meet again with regards to the timeline for competitiveness with stevedores.

- 
8. Executive Director Quarterly Expenses Briefing Note
- 

The Executive Director Quarterly Expenses Briefing Note was rendered to the Board and is on file in the Executive Offices.

- 
9. Federal Channel Funding Briefing Note
- 

The Federal Channel Funding Briefing Note was rendered to the Board and is on file in the Executive Offices.

- 
10. Improvements of Management Controls for Employee Work Hours, Attendance and Overtime Briefing Note
- 

The Improvements of Management Controls for Employee Work Hours, Attendance and Overtime Briefing Note was rendered to the Board and is on file in the Executive Offices.

- 
11. Forecast I Briefing Note
- 

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

- 
12. Monthly Staff report from Deputy Executive Director Monthly Report.
- 

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

- 
13. Monthly Staff report from Director of Navigation.
- 

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

- 
14. Monthly Staff report from Director of Operations.
- 

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

- 
15. Monthly Staff report from Director of Marketing and Trade Development.
- 

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

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

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.

- 
17. Monthly Staff report from the State Port Lobbyist.
- 

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

- 
18. Executive Session
- 

Mr. Dixon asked for a motion and second to enter into Executive Session. Mr. Krielow offered a motion to enter into Executive Session. Mr. Eason seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:26 p.m.

- Suit against the Port of Lake Charles – Suit No. 2013-001091-14<sup>th</sup> JDC, State of LA.
- Suit against the Port of Lake Charles – Suit No. 2014-004268-14<sup>th</sup> 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 returned from Executive Session and entered into Regular Session at 5:53 p.m.

- 
19. Other Matters which may properly come before the Board.
- 

There being no further business to come before the Board, Mr. Dixon asked for a motion to adjourn. Mr. Eason offered a motion to adjourn. Mr. Lorenzi seconded the motion and it carried unanimously. The meeting adjourned at 5:54 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.

---

DUDLEY R. DIXON, President

ATTEST:

---

JOHN L. LEBLANC, Secretary/ Treasurer