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 23, 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:

David J. Darbone, President

Carl J. Krielow, Vice President

Thomas L. Lorenzi, Secretary/Treasurer

M. Keith Prudhomme, Assistant Secretary/Treasurer

Dudley R. Dixon, Commissioner

Michael G. Eason, 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

 Michelle Bolen, Executive Administrative Assistant

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

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

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1. Approval of the August 26, 2019 Regular Meeting Minutes and the September 17, 2019 Special Meeting Minutes.

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Mr. Dixon offered a motion to approve the August 26, 2019 Regular Meeting Minutes and the September 17, 2019 Special Meeting Minutes. Mr. Eason seconded the motion and it carried unanimously.

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2. Submission 2019 – 026 authorizing the Lake Charles Harbor and Terminal District to enter into an agreement with the State of Louisiana, Department of Transportation and Development under the Louisiana Port Construction and Development Priority Program for assistance in the implementation of a port improvement project; providing for the necessary documentation of the need for the port improvement; and providing for other matters in connection therewith.

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Mr. Rase stated this a Port Priority Project that they have had on the books for a little bit of time now that the Board has already approved for the project. It is has been to the State and the State has approved it, but the fact is, the State does not have the money to move the project forward at this time. What the Port is doing is going to the State and following their lead to make sure that they will allow the Port to go forward with the project and when they receive sufficient funding, they will fund their portion, which is about 90% of the project.

Mr. Krielow offered a motion to adopt Resolution 2019 – 026 to authorize the Lake Charles Harbor and Terminal District to enter into an agreement with the State of Louisiana, Department of Transportation and Development under the Louisiana Port Construction and Development Priority Program for assistance in the implementation of a port improvement project; providing for the necessary documentation of the need for the port improvement; and providing for other matters in connection therewith. Mr. Lorenzi seconded the motion and it carried unanimously.

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3. Submission 2019 – 027 authorizing an addendum to the Real Estate Lease Option Agreement with Lake Charles Methanol, LLC.

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Mr. Rase stated this is an ongoing project that the Port is trying establish next to the BT-1 site. It will produce methanol to the conversion of petroleum coke into a very, taking a fossil fuel and converting it into very clean energy and having the methanol go out. It also has CO2 sequestering as part of its construction design. That is another good part of the project. It makes it not have any emissions, so to speak. They have finally gotten some legs under the financing. They hope to get the project closed in the short term – four months or so. They are asking for a six months extension. In that extension, all of the lease payments and moving forward with the project will be incorporated into that. Again, it has been an ongoing project and they are asking for an extension for that project.

Mr. Eason offered a motion to adopt Resolution 2019 – 027 to authorize an addendum to Real Estate Lease Option Agreement with Lake Charles Methanol, LLC.

Mr. Eason stated this project has been going on somewhere in the neighborhood of ten years, even before he got on the Board. Staff has maintained the diligence. They kept their eye on the ball. They are getting really close to scoring that touchdown finally, by the conversations they had last week. He commended staff for doing an outstanding job on a project that will be about a $4 million project and 250 permanent jobs at the Port of Lake Charles, when it is all over.

Mr. Lorenzi stated he wished there had been a presentation made to the Board meeting in public like there was to the Board members in briefings. It is important to note that there has been a tremendous about of restructuring of this program over the past year. What they have been presented with is the proposal is they expect to close in January. The Secretary of the Department of Natural Resources made a presentation showing the support from the State. There was a presentation made by Morgan Stanley that indicated that they are in the process of putting the paperwork together. At this point, the I’s are being dotted and the T’s are being crossed. What they are being presented with at this time is a substantial improvement and modification of what has been done in the past. He commends the Lake Charles Methanol group and certainly staff as well. It seems like there has been a ground swell over the past several months to bring this to fruition.

Mr. Rase stated that confidentiality becomes a bit of an issue. That may be one reason they have restructured significantly in order to make the project fundable by the equity firms that take a look at these mega projects. He thinks they are on their way. He cannot promise that it will get done in January, because these things have yet to be completed. With this extension, they can move forward. He thinks they will end up with a project that not only helps the community, but help the Port along the way too. It is a very good project. He thanked Mr. Lorenzi for his words because he is sure they would like to say more, but they need to make sure they get their business taken care of first.

Mr. Prudhomme seconded the motion and it carried unanimously.

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 4. August 2019 Financials Briefing Note

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

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 5. 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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 6. 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.

Mr. Hayden stated the letter of no objection for Commonwealth LNG’s proposed facility has been sent.

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 7. 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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 8. Monthly Staff report from Director of Marketing and Trade Development.

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The Director stated they have been informed that another blade ship would be coming in on Sept. 25 or 29.

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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9. 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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 10. 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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 11. 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. Krielow offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:15 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
* Discussion of Executive Director position.

The Board entered into Regular Session at 6:06 p.m.

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12. 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. Dixon seconded the motion and it carried unanimously. The meeting adjourned at 6:07 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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 DAVID J. DARBONE, President

ATTEST:

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THOMAS L. LORENZI, Secretary/ Treasurer