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 24, 2020 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:

Carl J. Krielow, President

Thomas L. Lorenzi, Vice President

M. Keith Prudhomme, Secretary/Treasurer

Judy A. McCleary, Assistant Secretary/Treasurer

David J. Darbone, Commissioner

Dudley R. Dixon, Commissioner (By Conference Phone Call)

Michael G. Eason, 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

Todd Henderson, Director of Operations

Nick Pestello, Director of Engineering and Maintenance

Therrance Chretien, Director of Cargo and Trade Development

Michelle Bolen, Executive Administrative Assistant

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

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

Mr. Krielow recognized Mr. Braylon Harris to address the Board.

Mr. Harris thanked the Board for allowing him to come to introduce himself to the Port of Lake Charles. He is currently running for District 3, U.S. Congress. He lives at 1465 Manchester Road. It is just a few blocks away from some property the Port owns on Hwy 397.

He is grateful to have the opportunity to greet everyone and let everyone know he is running and intends to win. He is looking forward to a great opportunity in that.

Mr. Harris is from DeQuincy, LA. He went to Xavier University studying Business Administration with a concentration in management. Katrina decided he did not need to finish there, so he came back to Lake Charles, where Rita blew him out again, but he did finish at McNeese with a Business Administration Management degree.

He had a great opportunity while he was there to get a license in real estate and has done some work in hotel management through his college career.

After college, he went to work for McNeese as an administrator in recruiting all over the state. He did that for about seven years and then moved to a federally granted program called “Upward Bound.” It is a program at McNeese, which is designed to give students with low socio-economic conditions to have a smoother path into their higher education. He did that for three years. He was able to secure about $1.5 – 1.8 million grant for McNeese to ensure that program continued on sound ground.

He was then recruited to the District Attorney’s office where he now runs the Impact Agency of a Positive Change initiative. This is a mentoring program that not only serves Lake Charles but also towns outside of Lake Charles such as Westlake, Sulphur, DeQuincy, Moss Bluff, etc. They make sure young men and women understand the pathways to success that are available, not only through higher education at a four-year university, but through community colleges and the like.

As he did those things, mentoring and recruiting students to McNeese and encouraging and inspiring them to go out to be the change that they wanted to see in the world, he started looking out the window and realized that the world was not as great of a place as he thinks it deserves for these young people to go into. He wants to be a part of the change. It is always said, “Be the change that you want to see in the world.” When he sees the tone, tenor and tactics going on in the world, he thinks we can give a better example to the oncoming generation in how we debate and deliberate. Also, how to handle ourselves in decorum and decency.

That is one of the reasons he wants to go to Washington. That is the seat where we display how we disagree. The way we disagree is very important to our children’s learning. We can do it in a better way and in a way that moves our country forward and faster.

There are four points of priorities or platform as the People’s Parties. They are pretty simple for Southwest Louisiana because it is ranked by the things we are at the top of the bad lists and bottom of the good ones. Education is at the top. Healthcare is there. Justice is there as well. Economics is there also. That is the place that they want to see innovation and infrastructure rise to the top. Those are the things they think are very essential for Southwest Louisiana. He believes they have all of the pieces but they are just not in the proper condition. They want to make sure they can raise that standard and fully utilize all of the pieces that they have available – waterways, highways, airways and railways. Those are the things he would like to advocate when he goes to Washington to make sure, not only that they are listening and learning, but also that they have the ability to envision as well as enact.

He knows there are many opportunities, not only along the ship channel, but even the auxiliary properties that the Port owns, particularly those near his home on Hwy 397. He would love to see those places develop with grants and subsidies through the various agencies such as the maritime agencies that are available to ensure that there are properly used auxiliary facilities that can incite growth within our area. Not only distribution centers but manufacturers as well. Things that they can see develop, grow and make this community stronger and better and see both commercial and residential interact in a positive way for the community.

This is not just the Port of Lake Charles. It is the port of possibilities. He thinks people need someone in Washington that envision and enact those things and support and articulate their visions and ideas and values as one of the largest ports and one of the fastest growing ports in the United States.

He hopes he can earn their support as well as represent the Port well in Washington.

He thanked the Board for allowing him to address the Board and public.

Mr. Krielow thanked him.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

1. Approval of the July 27, 2020 Regular Meeting Minutes.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Eason offered a motion to approve the July 27, 2020 Regular Meeting Minutes. Mr. Darbone seconded the motion and it carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

2. Submission 2020 – 025 approving and levying for the tax year 2020 an adjusted ad valorem millage rate.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Self stated staff is requesting approval of the Board to assess or adopt a millage rate of 2.48 mills. Assessing a millage rate of 2.48 will essentially assess the taxpayers the same amount in tax dollars that they paid in 2019. It is a reduction from the 2.53 assessed, but because there was a reevaluation year in 2020, it actually is a reduction in the millage rate for the taxpayers in the District. It is a reduction in the tax millage rate.

Ms. McCleary offered a motion to adopt Resolution 2020 – 025 to approve and levy for the tax year 2020 an adjusted ad valorem millage rate of 2.48 mills. Mr. Lorenzi seconded the motion.

Mr. Eason asked what would be the savings for the taxpayers in the area by rolling back. Mr. Self replied that it is a reduction in the millage rate, but because the property values increased, it will be a level. It is not going to be an increase. If they kept it at 2.48, it would be a $300,000 reduction to the taxpayers.

The motion passed unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

3. Submission 2020 – 026 setting forth the adjusted millage rate and the forward millage rate not exceeding the maximum authorization.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Self stated that this was totally up to the Board. To be able to assess any tax revenue at all, the first one had to be passed. It is now up to the Board to decide whether or not they want to increase from 2.48 mills to 2.53 mills. Doing so will increase the amount taxpayers will have to pay by about $300,000.

Mr. Prudhomme offered a motion to table this agenda item. Mr. Darbone seconded the motion.

Mr. Ringo suggested the Board remove the submission from the agenda for purposes of finality, if the Board so chooses. He recommends they remove it from the agenda.

Mr. Prudhomme offered a motion to remove Submission 2020 – 026 from the agenda. Mr. Darbone seconded the motion and it carried unanimously.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

4. July 2020 Financials Briefing Note

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

The July 2020 Briefing Note was rendered to the Board and is on file in the Executive Offices.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

5. Monthly Staff report from Director of Administration and Finance Monthly Report.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

The Director stated they are working with Tyler Technologies to install their Tyler Output Processor. It will allow the Port to send paycheck stubs directly through the accounting system via email rather than handing out hard copies. In the future, it will also allow them to send invoices and other information electronically from their accounting system.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

6. Monthly Staff report from Director of Navigation.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

The Director stated he wanted to focus on the Hurricane Laura. He presented a slide show showing the predictions. He spoke about the average error in projecting landfall, which is about 70 – 100 miles off. Also, the average error in wind speed is 15 – 20 miles per hour. This is all in a 2 – 3 day period projection before landfall.

He showed the inundation map of the area for potential inundation for your area.

Mr. Krielow asked that when a storm comes, before the channel can open, the CORP has to do a survey for any obstacles or debris. How long does they survey take? Mr. Hayden replied that it depends on the weather. He has a meeting with the Coast Guard at noon each day. It is a function of the weather, what has happened, and what people see, especially the pilots. If the wind is blowing and the CORPS cannot get its survey boat in, the channel could be closed for 2 – 3 days.

Mr. Eason asked how many ships were seeking Safe Harbor. Mr. Henderson replied that they had about 30 vessels.

Mr. Channing stated that the Port offers Safe Harbor when the Coast Guard sets Port conditions to Whiskey. The Port allows vessels to come in and dock at the Port’s facilities at no charge. It stays until the channel is open. They then have 24 hours to vacate the berth.

Mr. Self asked Mr. Hayden to talk about the pilots. Mr. Hayden stated ceased operations on the inbound about 9:00 a.m. this morning. Regarding the outbound, they are trying to wrap up by about 6:00 p.m. this afternoon. They have a couple of large vessels in port, so the pilots will take them out to the sea buoy, which is 30 miles out. They need to get out 30 miles and get back before the weather gets too bad.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

7. Monthly Staff report from Director of Operations.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - -

The channel closed this morning for inbound traffic at 9:00 a.m. and they are trying to get everyone out by 6:00 p.m. today. They expect to close the channel. They have three ships that will be delayed due to the storm. They have a tower ship due to arrive on the weekend and may be affected as well.

They are scheduled to start receiving rice next week for the USDA invitation. He is not sure they will be able to start receiving.

They have about 30 ships and boats tied up at City Docks and BT-1. The Cameron Ferry is on its way here. Once word got out to all of the tugs and barges, the Port’s phones have been going off. It is better for them to be tied up here than to a tree in the channel. They are trying to accommodate everyone they can.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

8. Monthly Staff report from Director of Cargo and Trade Development.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -- - - - - - -

Last Monday they received and unloaded the first wind tower ship ever at the Port. There were 33 units, which is equivalent to about 11 towers.

They will also bid on a USDA contract this week, which is about 5,000 tons with 80% of it being rice. The Port should have a shot at getting this cargo.

They are working with Port Rail trying to get a customer who wants to transload ethanol from rail cars to trucks. They are trying to find a location outside of City Docks where they can operate for six months to a year.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Pestello stated the maintenance department has been very busy prepping all of the facilities for the hurricane.

Berth 9 construction is moving along well. The contractor had two barges with cranes on site. They have to go secure their facilities as well.

Berth 6 construction is complete. They are waiting on some final pay items, so they can send it off to the insurance adjusters. He met with the adjusters and the marine surveyor for the tug company. Everything looks good.

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

10. 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.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

Mr. Krielow asked if they needed to enter into Executive Session. Mr. Ringo stated they did need to meet.

Mr. Lorenzi offered a motion to enter into Executive Session. Mr. Prudhomme seconded the motion and it carried unanimously. The Board entered into Executive Session at 5:22 p.m.

.

* 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 and appropriate action regarding the Real Estate Option Agreement with Lake Charles Methanol, LLC.

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

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

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

The Board returned from Executive Session at 6:00 p.m.

There being no further business to come before the Board, Mr. Krielow asked for a motion to adjourn. Mr. Eason offered a motion to adjourn. Mr. Darbone seconded the motion and it carried unanimously. The meeting adjourned at 6:00 p.m.

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CARL J. KRIELOW, President

ATTEST:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

M. KEITH PRUDHOMME, Secretary/ Treasurer