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 26, 2021 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

Michael G. Eason, Commissioner

Absent:

Dudley R. Dixon, Commissioner

Also Present:

 Richert Self, Executive Director

Jon Ringo, General Counsel

Cameron Landry, Director of Administration and Finance

 Nick Pestello, Director of Engineering and Maintenance

 Therrance Chretien, Director of Cargo and Trade Development

 Todd Henderson, Director of Operations

 Channing Hayden, Director of Navigation

 Michelle Bolen, Executive Administrative Assistant

Mr. Krielow called the meeting to order at 5:01 P.M. and gave the invocation. Mr. Lorenzi 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.

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

1. Approval of the March 22, 2021 Regular Meeting Minutes.

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

Mr. Lorenzi offered a motion to approve the March 22, 2021 Regular Meeting Minutes. Mr. Prudhomme seconded the motion and it carried unanimously.

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

2. Submission 2021 – 014 directing the Executive Director to negotiate and execute any and all documents deemed necessary to acquire title to approximately 69 acres of land located on Elliott Road, Lake Charles, Louisiana and to amend the capital budget to provide for such expenditures from Port funds.

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

Mr. Self said the Morin family owned 69 acres south of town connected with some acres the Port owns. Acquiring those 69 acres would complete a 300-acre track for that site. Staff is requesting Board approval to enter into negotiations to acquire the site. The family has reached out several times and are very interested in selling. The descendants do not live in Lake Charles anymore. Their father passed away a few years ago and was the owner of the site.

Mr. Lorenzi stated that the heirs have reached out several times in the past. Is there anything that has changed as to why staff wants to pursue this now if it was not pursued in the past? Mr. Self replied that there has been a lot of interest in the industrial Canal recently. They are in the process of unwinding some of the leases. If they are going to continue to operate as a port, they will need more sites for future development.

Mr. Eason said that the last living heir in the area has died in the last 12 months, so he does not know if that was the impetus for disposing of things because all of the children live out of state now.

Mr. Ringo stated that part of the delay is because the hurricanes happened while the discussions were beginning and put everything on hold. Although they have reached out several times, this has not been going on for many years. This is fairly recent. Mr. Self said that this started when he became Executive Director in June 2020.

Mr. Darbone offered a motion to adopt Submission 2021 – 014 to directing the Executive Director to negotiate and execute any and all documents deemed necessary to acquire title to approximately 69 acres of land located on Elliott Road, Lake Charles, Louisiana and to amend the capital budget to provide for such expenditures from Port funds. Mr. Eason seconded the motion and it carried unanimously.

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

3. Submission 2021 – 015 authorizing Richert L. Self, Executive Director, to enter into an agreement with Magnolia LNG to allow for monthly payments of rent.

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

Mr. Self said that with Resolution 2020 – 012, the Board authorized him to allow Magnolia LNG to pay monthly rather than pay annually last year. They have come back to staff and asked to be able to pay monthly. The Board authorized him to do that. This is a ratification of that action; which staff took between the last Board meeting and this Board meeting. Staff is requesting the ratification of that action.

Mr. Krielow stated that he wanted to be sure, on the record, that the guarantees for the payments have been worked out since they are flipping from an annual payment to a monthly payment. Mr. Ringo replied that they have. The agreements have been signed by both parties and is a done deal.

Ms. McCleary offered a motion to adopt Submission 2021 – 015 to authorize Richert L. Self, Executive Director, to enter into an agreement with Magnolia LNG to allow for monthly payments of rent. Mr. Lorenzi seconded the motion and it carried unanimously.

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

4. Submission 2021 – 016 authorizing the responses to the Louisiana Compliance Questionnaire.

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

Mr. Self stated that as part of the annual audit, the Louisiana legislative auditor has a form that is sent out to all public entities. There are questions that staff goes through and answers as Port staff. The Board, as a policy making Board, are not involved in the day-to-day operations. There are questions in the form such as if the Port complied with the Open Meetings Law or with the Bid Law. If there were any known occurrences of noncompliance, it is requested that staff would notify the Board and respond that yes, there is an issue of noncompliance. Staff is not aware of any and has completed the form as such and submitted to the Board for approval.

Mr. Eason offered a motion to adopt Submission 2021 – 016 to authorize the responses to the Louisiana compliance questionnaire. Darbone seconded the motion.

Mr. Prudhomme offered a substitute motion regarding Submission 2021 – 016. In section 1 of the Resolution reads, “All of the foregoing introductory provisions are hereby made a part of this Resolution and the Board of Commissioners of the Lake Charles Harbor and terminal District does hereby authorize the responses to the Louisiana Compliance Questionnaire set forth in “Exhibit A.” He proposed that the language in section 1 of the Resolution be amended to read that the district does hereby authorize staff’s responses to the Louisiana Compliance Questionnaire set forth in exhibit A.

Ms. McCleary asked if it is required that the Board… She wanted to make sure they submit an amended Resolution as Mr. Prudhomme suggests. Mr. Self said that amended resolution proposed by Mr. Prudhomme is totally fine within the scope of what is required from the Louisiana Compliance Questionnaire.

Mr. Lorenzi seconded the substitute motion and it carried unanimously.

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

 5. 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.

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

 6. Forecast I Financials Briefing Note.

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

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

After the presentation, Mr. Krielow asked if construction bids were coming in lower than expected. Staff reported some had come in lower.

Ms. McCleary asked regarding the balance sheet the first item unrestricted cash and investments increased $12.9 million. She understands the 2021 property insurance premium, but regarding those hurricane recovery related expenses, will the Port be reimbursed at some point? Mr. Landry replied that yes they would be at a 75/25% with FEMA. Ms. McCleary asked if that was not a 90%/10%. Mr. Landry replied that it is. They currently have it recorded at 75%/25% as a conservative option. Ms. McCleary asked that of the 12.9 million, $1.4 million of the $12 million are those that are going to be reimbursed? Mr. Landry replied that is not all that will be recorded. It is offset by other things as well. It is not necessarily just $1.4 million, it is closer to $7 million in the 75% 25% receivable.

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

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

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

Mr. Landry said they met last week with their insurance adjuster who notified staff that all of the documents have been submitted to the underwriters to receive the second portion of the port’s insurance claim for Hurricane Laura. They have also provided them information for Hurricane Delta and Ice Storm Uri to make sure that has been submitted and to make sure they are maximizing what the Port can get from them and FEMA.

Staff was made aware that some FEMA money related to Hurricane Ike was never paid to the Port from GOSEP. Staff submitted all the documents to GOSEP with the help of one of their representatives. It is in the final stage of being submitted and hope to receive roughly $220,000 from hurricane Ike in 2008.

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

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

 8. Monthly Staff report from Director of Navigation.

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

Mr. Hayden showed three slides to the Board. He stated in his latest reports he has been discussing range lights that were lost during the hurricanes. He showed the range lights that had been damaged. The first slide showed range lights D, which is the southernmost light and E, which is the northern most range light. Range lights aid navigation. They come in pairs. There is a lower one and a higher one behind the lower one. When you line those two up, the pilot knows they are on course.

The second slide showed the D range. It is leaning and is missing the day board.

The third slide shows the E range, which is completely on the ground.

The US Coast Guard is responsible for repairing the lights. Staff has been talking to them and Congressman Higgins to see about getting them repaired. The Coast Guard is working on it. They are talking about putting sector lights in. Sector lights are a single light rather than the two. They are set up so that when you are on course heading straight for that light, it gives you a specific color. If you are 25° off course, then you will see another color. If you are 50° off course, will see another color. The pilots are okay with the sector light for the E range. That is the most northern range. They do not think they work as well for a longer distance. The D range covers a longer distance. They are still trying to come to terms with that and how they will be repaired to provide the navigation aids the pilots need.

Mr. Krielow asked if the port was responsible for the range lights. Mr. Hayden replied that the Port was not responsible but as the nonfederal sponsor for the channel, the Port is giving the rest of the industry the support it needs because everyone’s ships use those lights. Mr. Krielow asked what the ships are doing now with the towers down. Mr. Hayden said that the pilots have laptops that they bring onboard the vessels. The laptops have the channel superimposed on them. They have a number of AIS transponders that they can read. They can see where they are in the channel. At night, the comfort of actual physical aids to navigation gives the pilots a better feel for where they are in the channel.

Mr. Lorenzi asked what the timeframe for when a decision will be made. Mr. Hayden replied that the first comment that came from the Coast Guard was two years. He told them that was too long. Their problem is getting back in the marsh with equipment to reconstruct the towers. That is why they are trying to go with the sector lights, which can be placed on the existing front ranges. That is the best estimate he can give right now.

Ms. McCleary asked when the Begging for Bucks virtual meetings will be taking place. Mr. Hayden replied that they are finished with all of the meetings in DC except for OMB. OMB is distracted right now because the President’s full budget is late. OMB is not taking any meetings right now. They have met with the Appropriations Committee, staff and members of the Port’s congressional delegation. They met with Congressman Garrett Graves. They have a request in for a meeting with New Orleans district of the Corps to make their presentation. They will then go to the Division. In the meantime, they anticipate that something will come in and the Picard Group is following this in Washington DC. They will meet with OMB.

Ms. McCleary asked what they are asking for this time. Mr. Hayden replied that they are asking for $36 million in FY 22 and $50 million in FY 23. They will also ask for $9 million in construction in FY 22 and $19 million in construction in FY 23. Ms. McCleary asked if they seemed to be receptive. Mr. Hayden replied that they did not. OMB especially would not like this. The top Corps of Engineers took a major hit from the President’s budget, which is not unusual. Presidents seem to do that because they know that Congress is going to add money some kind of way. There are discussions in Washington about whether they are going to go back to earmarks. They will either use earmarks or what they have had in the recent past which was the discretionary funding to the Corps.

Mr. Lorenzi asked if this affects the timing of ship traffic. Mr. Hayden replied that it can but it has not done so yet. Mr. Lorenzi asked if this imposed an increased liability risk for them from the Port’s standpoint. Mr. Ringo stated it did not. He stated that the Port is just advocating on behalf of the industry. Mr. Hayden said the Port has no legal responsibility to rebuild. Mr. Lorenzi asked if they were sure about that. Mr. Ringo and Mr. Hayden replied they were completely sure. The Port does not have a financial obligation either. Under the DMMP, the Port has a 25% cost share. They do not have that with the Coast Guard

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

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

 9. Monthly Staff report from Director of Operations.

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

Mr. Henderson said they are currently working a barite ship and a rutile ship at BT-1. This past month, they have loaded a bagged rice ship at City Docks. It was a sideload ship.

They had a project cargo ship and two lumber ships. Earlier in the month they unloaded a rutile and a barite ship and loaded a coke ship.

They hope to receive a large lumber shipment in the near future of 29,000 m³ and two USDA bagged ships.

At BT-1, they have three birth apps for pet coke ships. That will be about 80,000 tons. They will also have a calcine ship.

Mr. Krielow asked if they loaded or unloaded the two lumber ships. Mr. Henderson replied that they unloaded two ships.

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

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

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

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

Mr. Chretien said this week they would be bidding on a USDA contract for 10,000 tons with 5,400 of it being rice to centralized and west Africa. The last three times that a contract was similar to this, the Port was successful in getting the cargo.

There are two USDA vessels scheduled in the next couple of weeks. If they show up on time they can unload the cargo. They are looking at the mills for another private sale for about 10,000 tons by the end of May.

Locally, they met with an aggregate company along with Port Rail. They are looking at doing a transload operation bringing in unit trains to load to truck. They showed them industrial Park East and they seemed very interested.

They put a half-page ad in the American press that came out yesterday.

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

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

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

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

Mr. Pestello said they are working on hurricane repairs. They recently completed another four of the repair projects and have another nine that are ongoing.

They are still actively bidding other hurricane related projects and expect to bring a few to the Board in May for award. Hopefully, it will include the two new shiploaders. They just received bids for a pet coke ship loader and are getting the review going.

Regarding other larger hurricane projects, they are moving forward on the design phase.

On the non-hurricane related projects, the Sallier Rail Relocation project right-away plans were approved by DOTD. They will begin the property acquisition soon.

Overall, this team is working to keep all projects and repairs moving forward, including working with the insurance and Mr. Landry to stay on top of these natural disasters and coordinating with the strategic plan, and FEMA compliance. They are also beginning to work on a Port Priority application for a project at City Docks. They are also looking at the various grant opportunities that have been coming up lately.

Mr. Krielow asked regarding the 16 or so ongoing construction projects, has Mr. Pestello experienced any kind of issues or material changes that would substantially change the dollar. Mr. Pestello replied that they have not and have had change orders on just about every one for some of the reasons Mr. Krielow listed. Some the materials were not available for some projects. They had some quantity changes. For the most part the change orders have been manageable. There have been some such as Dongsong over at Industrial Park East that had some repairs that were not initially identified because once you open it up start finding more damage that was not apparent to begin with.

Mr. Krielow asked if everything seemed to stay within the 10% contingency. Mr. Pestello stated he believed they would. Some of the projects have a 20% contingency.

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

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

 12. 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.

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

 13. Monthly Staff report from the Federal Port Lobbyist.

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

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

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

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

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

There were no other matters to be discussed.

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

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

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

Mr. Krielow asked for a motion to enter into Executive Session. 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 5:34 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
* Discussion and appropriate action regarding the Real Estate Option Agreement with Lake Charles Methanol, LLC.

The Board returned from Executive Session at 6:03 p.m.

There being no further business to come before the Board, Mr. Krielow asked for a motion to adjourn. Mr. Lorenzi offered a motion to adjourn. Mr. Darbone seconded the motion and it carried unanimously. The meeting adjourned at 6:04 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 KRIELOW, President

ATTEST:

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

M. KEITH PRUDHOMME, Secretary/ Treasurer